

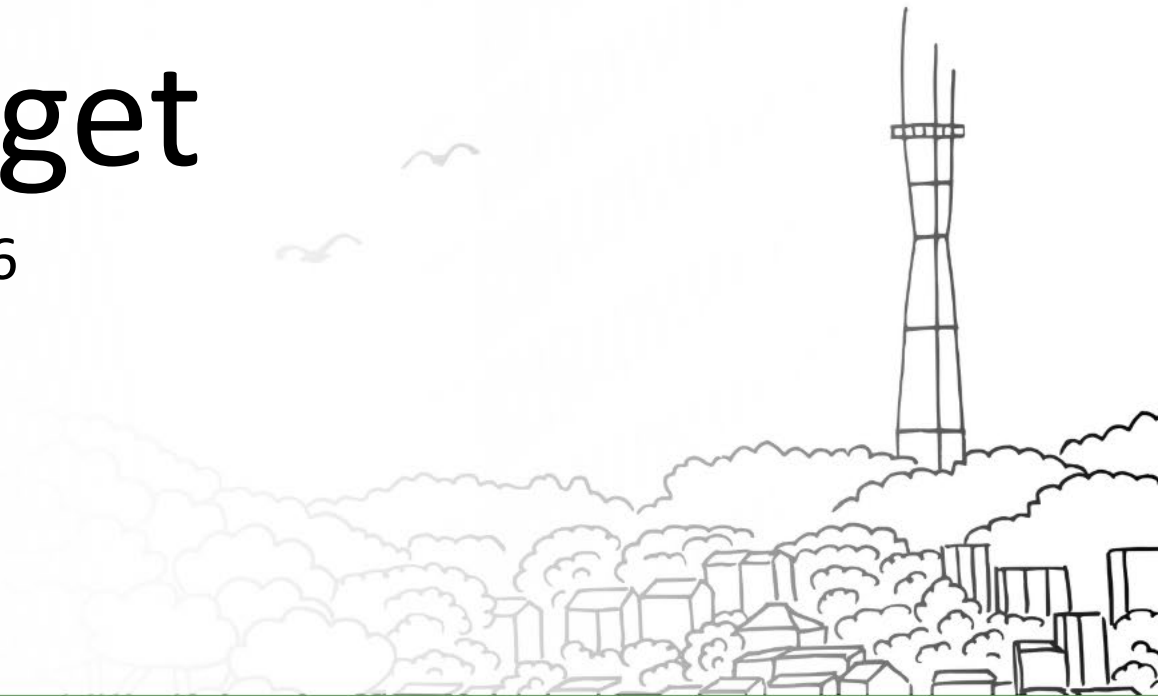


DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

FY 2026-28

HSH's Proposed Budget

Budget and Appropriations Hearing | April 29, 2026



Breaking the Cycle

Vision: Build a more integrated, responsive and proactive health and homelessness system of care that will help move people quickly from the streets into effective care and sustained recovery or housing, at the highest flow rate for the lowest possible cost

**Reduce
System Inflow**

**Accelerate
Street to Care**

**Accelerate
Care to Exit**

Strengthen System and Finances

HSH Budget Proposal Highlights



Maintains investments for families and young adults, including implementation of multi-year expansion for family and youth scattered-site housing with Our City, Our Home Fund (OCOH).



Funds **Cost of Doing Business Increase** for CBOs at 1.4% and 3% level



Continues **California Advancing and Innovating Medi-Cal (CalAIM)** investment for housing navigation, tenancy stabilization services, and housing deposits. Adds revenue for new transitional rent program and medical respite program in partnership with DPH.



Sustains shelter capacity and supports **operational cost increases** through contract efficiencies and reductions.



Funds known costs increases for the support service component of the **Local Operating Subsidy Program (LOSP)**.

Overview: HSH's Proposed FY26-28 Budget

\$ in millions	FY25-26 Adopted	FY26-27 Dept Request	\$ Change from FY25-26	% Change from FY25-26	FY27-28 Dept Request	\$ Change from FY26-27	% Change from FY26-27
Total Budget	\$785.6	\$728.0	(\$57.6)	(7.3%)	\$709.6	(\$18.4)	(2.5%)
Revenue	\$508.6	\$460.1	(\$48.5)	(9.5%)	\$423.6	(\$36.5)	(7.9%)
General Fund	\$277.0	\$267.9	(\$9.1)	(3.3%)	\$286.0	\$18.1	6.8%
Total Budget with \$10m* Reduction	\$785.6	\$718.0	(\$67.6)	(8.6%)	\$699.6	(\$18.4)	(2.6%)

*As of February 13, 2026, the Mayor's Office reduced this GF target to \$4M

Proposed: FY26-28 HSH Budget

\$ in millions	FY25-26 Adopted	FY26-27 Dept Request	\$ Change from FY25-26	FY27-28 Dept Request	\$ Change from FY26-27
Grants	\$574.8	\$553.3	(\$21.5)	\$575.9	\$22.6
Programmatic Projects	\$109.8	\$56.2	(\$53.6)	\$9.8	(\$46.4)
Salaries and Benefits**	\$49.2	\$51.8	\$2.6	\$55.9	\$4.1
Professional Services	\$33.0*	\$47.3	\$14.3	\$48.7	\$1.4
Interdepartmental Services	\$18.6	\$19.2	\$0.6	\$19.2	0
Materials and Supplies	\$0.2	\$0.2	0	\$0.2	0
TOTAL	\$785.6	\$728.0	(\$57.6)	\$709.6	(\$18.4)



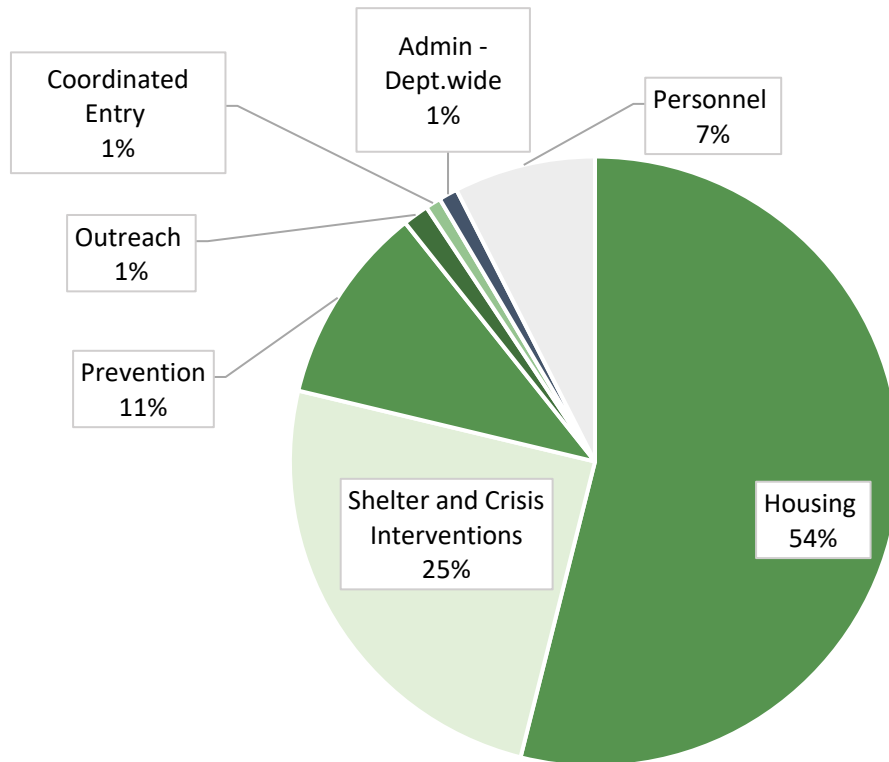
Proposed Budget as of 2/6/26 and not reflective of final balancing. Totals may not sum due to rounding.

* Included \$1 million in capital funds for shelter repairs

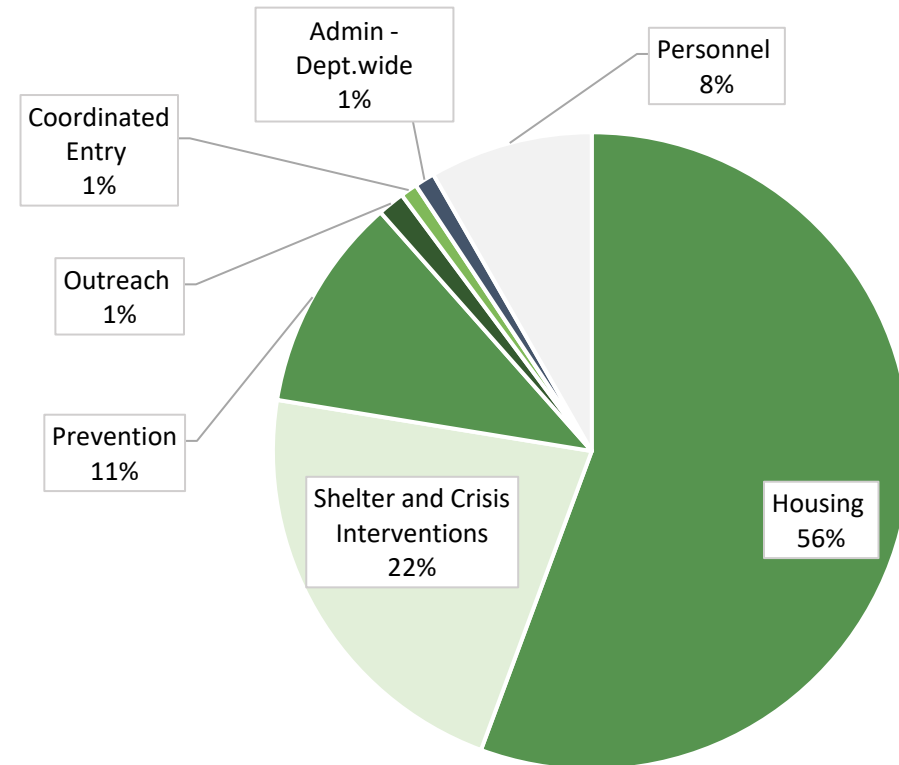
** Does not reflect staffing reductions or transitions as part of Mayor's Phase

Proposed: FY26-28 HSH Program Budget

FY26-27 Budget by Service Area



FY27-28 Budget by Service Area



Our City, Our Home Fund

- San Francisco voters created the **Our City, Our Home (OCOH) Fund** when they passed Proposition C in 2018
- Prop C imposes a business tax (Homelessness Gross Receipts tax), with revenues dedicated to increasing housing and services for people experiencing homelessness
- OCOH Oversight Committee monitors and provides guidance on administration of the Fund

Tax code allocates revenue to program areas:

- At least 50% towards **Permanent Housing**
 - 55% General Housing
 - 25% Family Housing
 - 20% Youth Housing
- At least 25% towards **Mental Health** services (allocated to DPH)
- No more than 15% towards **Homelessness Prevention**
- No more than 10% towards **Shelter and Hygiene**

HSH Proposed Our City, Our Home Budget

- **Maintains and sustains investments** in OCOH-funded programs to continue service levels.
 - Includes updating operating budgets at City-owned PSH sites to account for Homekey Grant spenddown and one-time rehab costs.
- **Revenue** came in **higher than budgeted** the last two fiscal years, meaning the City is facing a smaller structural deficit in the OCOH Fund than in prior years.
- The proposed FY26-27 Budget includes one-time funding for Mayor's Breaking the Cycle Initiative appropriated last budget cycle. Program funding ends in FY27-28.

FY26-28 Proposed OCOH Spending Plan

Dollar amounts in millions

		FY26-27	FY27-28
USES	General Housing	119.5	107.4
	TAY Housing	51.2	48.7
	Family Housing	68.2	62.6
	Homelessness Prevention	70.5	71.0
	Shelter & Hygiene	59.3	40.4
TOTAL USES		\$368.7	\$330.1
SOURCES	Gross Receipts Tax Revenue	275.5	287.5
	Other Revenue	93.2	42.6
TOTAL SOURCES		\$368.7	\$330.1
SOURCES - USES		-	-

FY26-28 Position Summary and Current Salary Savings

	FY26 Adopted Budget	FY27 Proposed Budget	<i>Change from FY26</i>	FY28 Proposed Budget	<i>Change from FY27</i>
Full-Time Equivalent (FTE) Positions	247.47	247.28	-0.19	247.30	0.02

- Proposed FY27 budget includes additional salary savings to balance technical position adjustments. Attrition set at 5.37 FTE
- Hiring freeze still in place across City; HSH projects \$2.1 million in salary savings for FY25-26 based on hiring freeze
- Position changes include adjustments to converting a public service aide to a receptionist position to meet Mayor's return to office requirement and cost-neutral changes in 3 job classifications for greater efficiency

Staffing

- In order to deliver a citywide balanced budget, the Mayor's Office directed all departments to **find reductions by reducing Full Time Equivalent (FTE)** positions citywide.
- In recognition of the need to preserve HSH capacity to support the Mayor's priorities around health and homelessness, only **8 general fund positions were accepted by MBO**. All 8 positions are currently vacant.
- As part of this process, **citywide hiring freeze** went into effect on March 27th.
- We anticipate continued conversations around staffing and reductions as part of Mayor's Phase and Board/BLA phase.

Approach to Shelter and Crisis Intervention Across HSH and DPH

HSH aims to improve, repurpose or wind-down sites as needed to ensure every bed is safe, effective, and connected to opportunities to exit homelessness.

*The goal is **not** to reduce shelter access.*

- **Expanding** specialized, higher-quality options, including:
 - Family shelter
 - Interim housing with stronger case management
 - Recovery- and treatment-oriented settings
- **Prioritizing** environments that help people stabilize and move forward
- **Evaluating** sites that are not delivering strong outcomes due to:
 - Low engagement in services
 - Safety concerns
 - Misalignment with client needs

Shelter and Crisis Intervention Capacity Across San Francisco

The City has added a net 221 treatment and residential care beds, including:

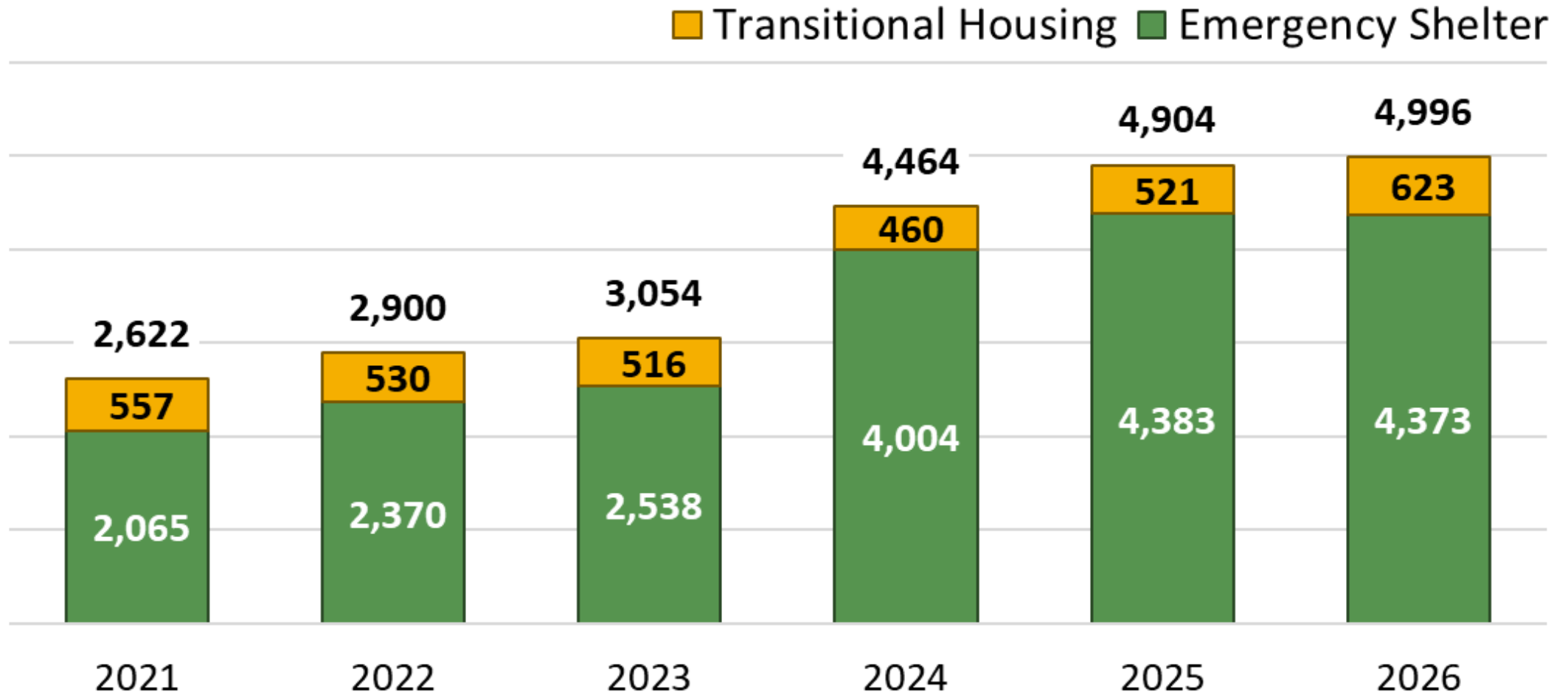
- Crisis/emergency/drop-in
- Shelter/stabilization/treatment initiation
- Treatment/recovery
- Step down/transitional

The City has added a net 187 shelter and transitional housing beds, including:

- Emergency shelter
- Transitional housing

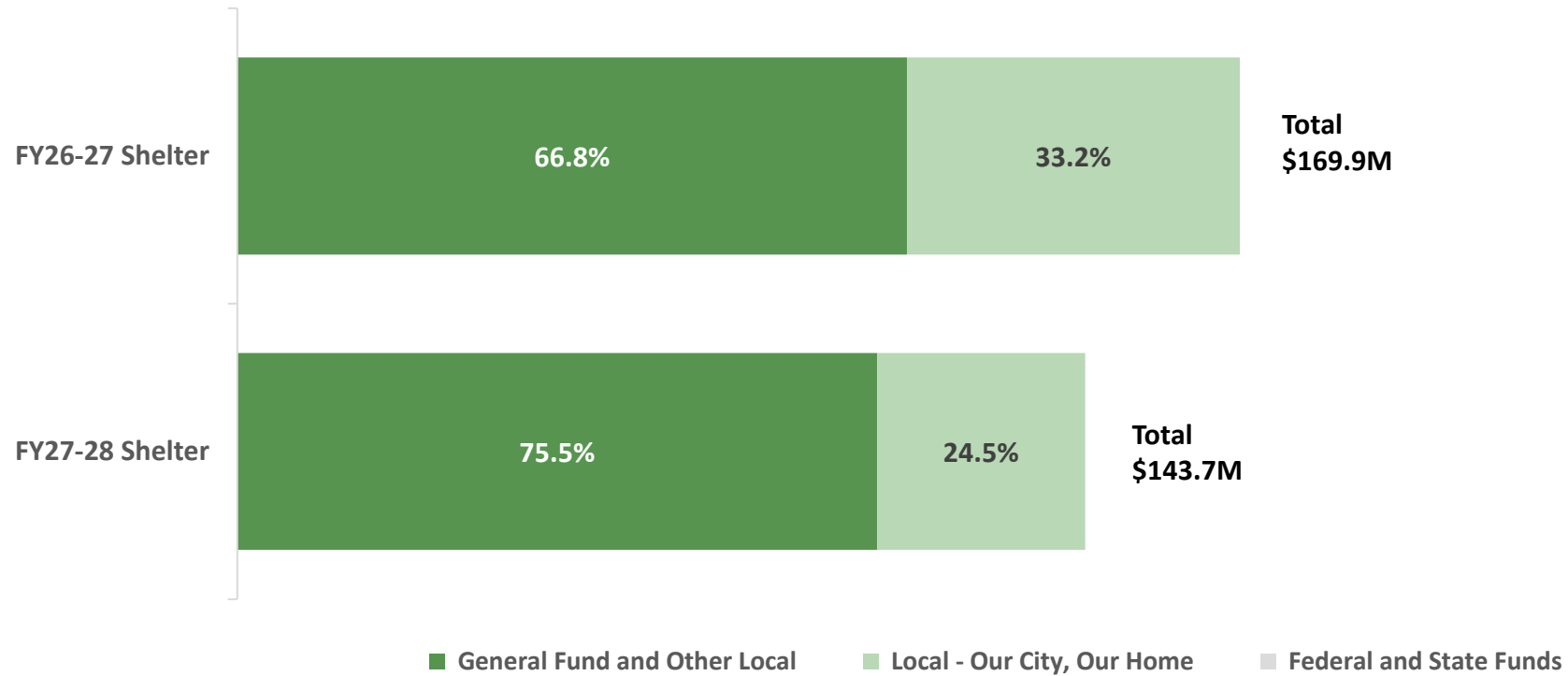
Data as of April 2026

Shelter Inventory Over Time



Proposed Shelter Budget

FY 2026-27 and FY 2027-28 Department Proposed Budget: Shelter

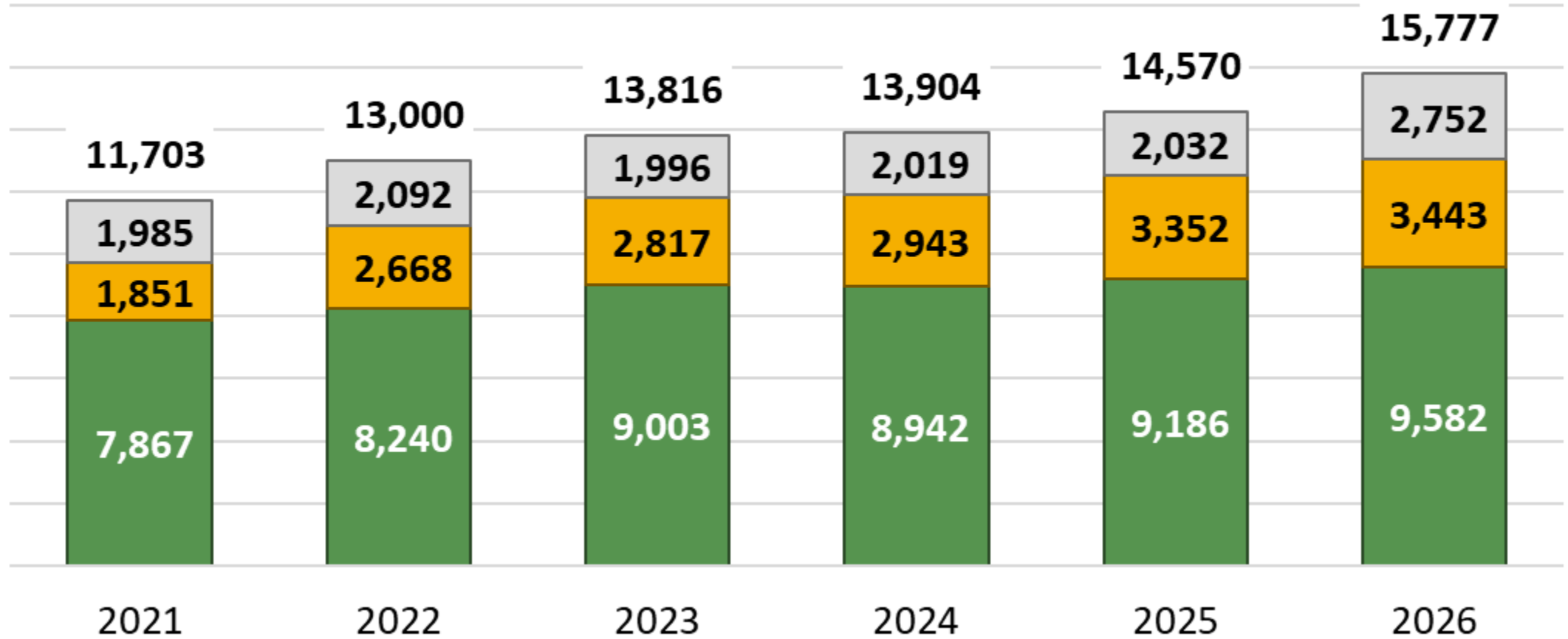


San Francisco's Homelessness Response Continuum

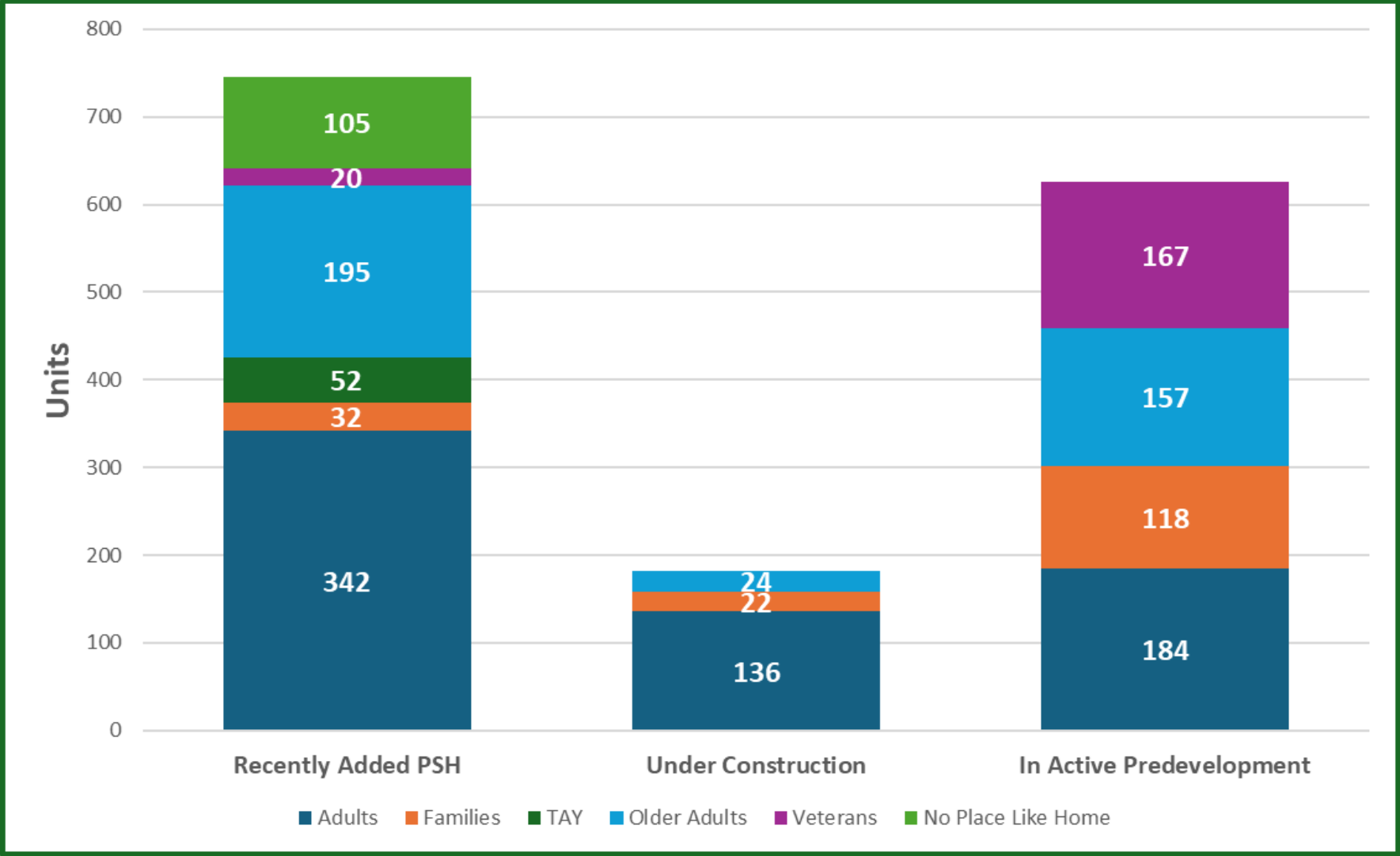
- **San Francisco operates a full continuum of housing and care.** This includes prevention, outreach, shelter, interim housing, PSH, and recovery- and treatment-oriented settings—each serving a distinct role.
- **Permanent supportive housing is a critical tool to stabilize people.** It provides long-term stability for those who cannot live independently and has helped many exit homelessness and stay housed.
- **Different people need different types of support.** Some require long-term housing, while others benefit from more clinically intensive beds than PSH or shorter-term stabilization.
- **Outcomes improve when people are matched to the right intervention.** Aligning services to individual needs leads to stronger housing stability and exits.
- **Transitional and treatment programs help people stabilize and move forward.** They are especially important for those earlier in homelessness or with unmet health needs.
- **Shelter and outreach are key entry points—not endpoints.** They provide safety and engagement, with the goal of connecting people to appropriate next steps.
- **Prevention is critical and must be strengthened.** Helping people stay housed delivers the strongest outcomes and reduces pressure on the system.

Housing Inventory Over Time

■ Site-based PSH ■ Scattered-site PSH ■ Other housing

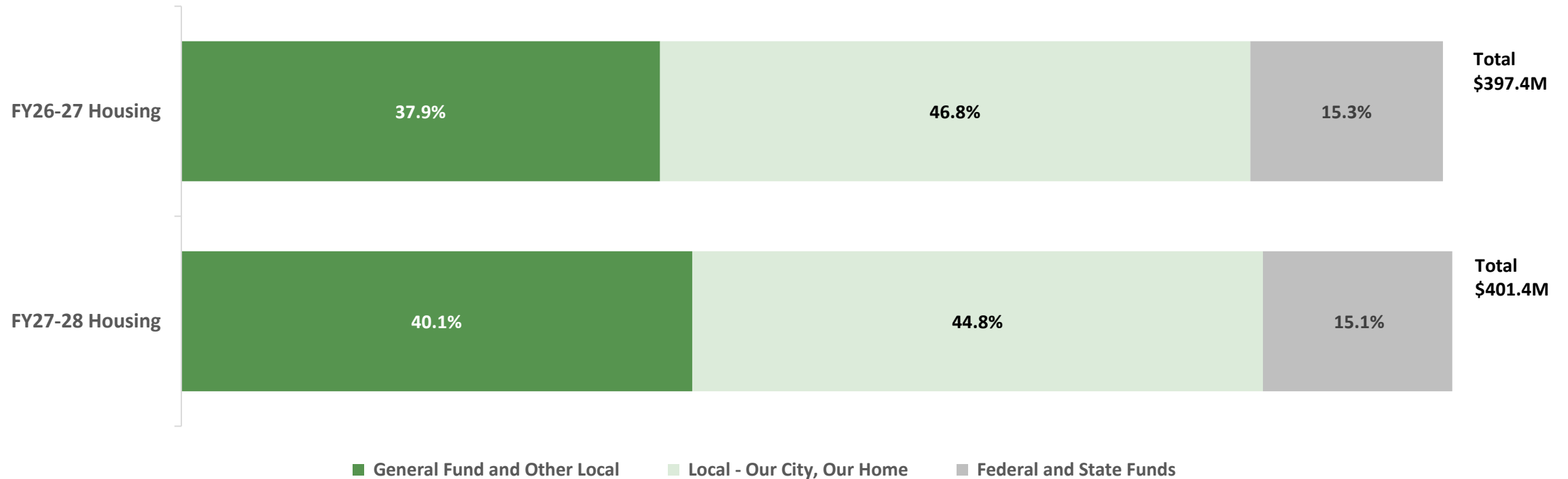


Site Based Permanent Supportive Housing Pipeline



Proposed Housing Budget

FY 2026-27 and FY 2027-28 Department Proposed Budget: Housing

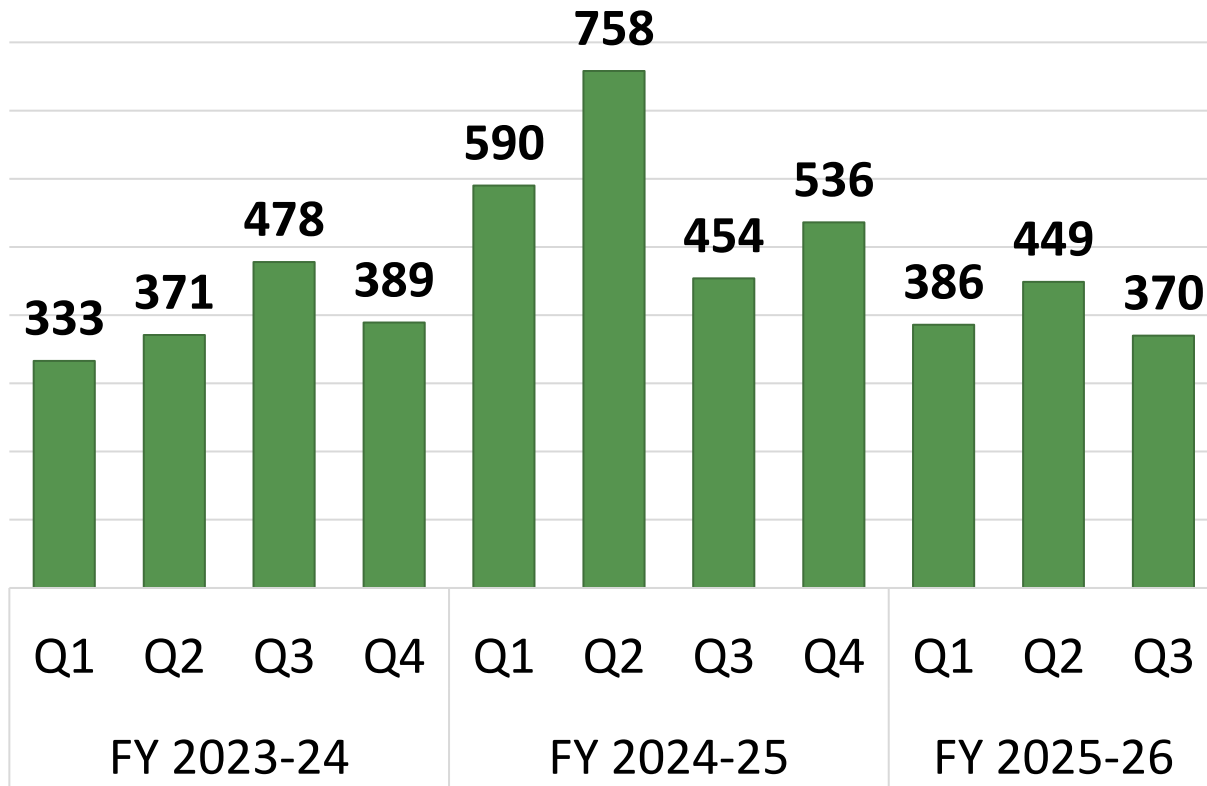


Strengthening and Rebalancing Permanent Supportive Housing

- The homelessness response system is robust, but cannot alone solve for affordable housing shortages and long-term behavioral health gaps.
- We are strengthening the full continuum of services by investing more intentionally across treatment, recovery, healthcare, shelter, interim housing, and PSH – to facilitate more successful exits from the homelessness response system.
- A rebalanced system with more flexibility, flow, and a broader range of interventions will bring sustainability and impact: targeting PSH to the populations it serves best while expanding other pathways forward.
- We are developing **Moving On 2.0** to create stronger voluntary exit pathways through subsidies that support movement to appropriate housing opportunities.
- Nonprofit providers will be essential partners in shaping, co-designing, and implementing these changes successfully

Prevention

Households receiving prevention financial assistance



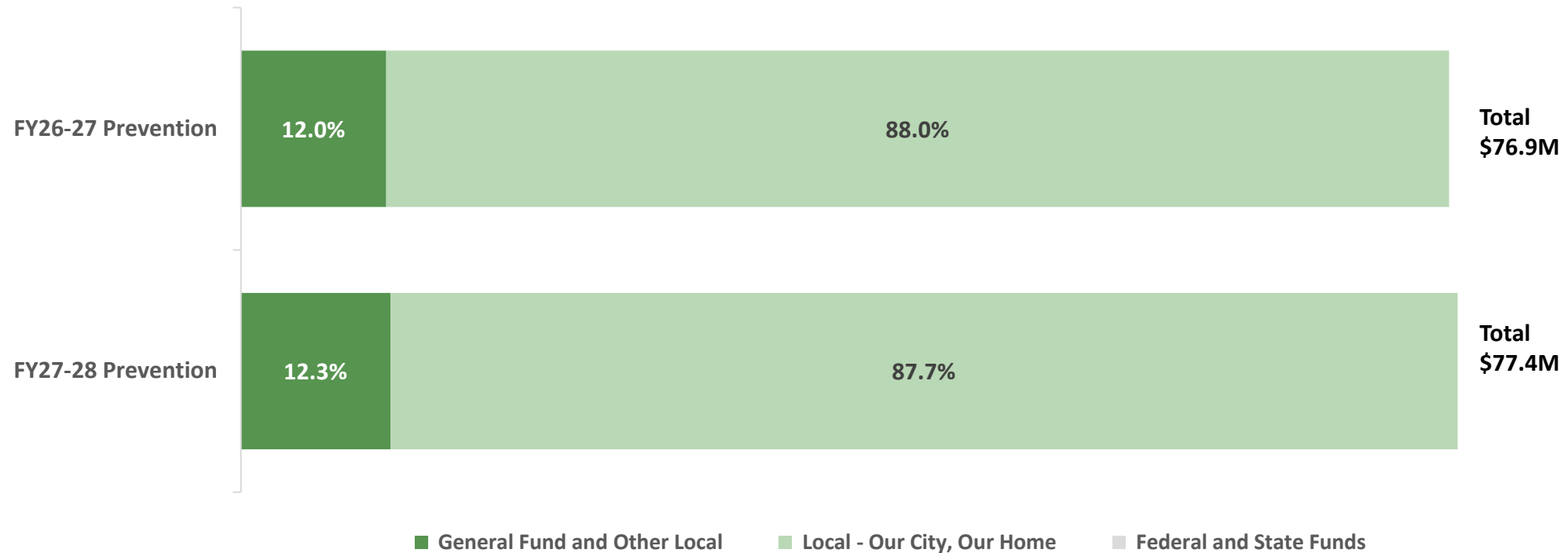
Almost 1,200 households received prevention assistance so far in FY2025-26



Over \$6 million awarded in flexible assistance for housing-related expenses

Proposed Prevention Budget

FY 2026-27 and FY 2027-28 Department Proposed Budget: Prevention



State and Federal Funding Update

Continuum of Care (CoC)

- San Francisco uses CoC funding primarily to support permanent supportive housing (PSH) and rapid re-housing (RRH).
- Congress now requires HUD's June release of 2026 CoC grant NOFO to allocate at least 60% of funds to PSH and RRH. This is a reduction the 90% allocated to existing housing slots.
- General instability in the program creates budget uncertainty.

Homeless Housing, Assistance and Prevention (HHAP)

- State funding that has supported 1,000 interim housing beds in San Francisco
- Typically, it is budgeted at \$1 billion annually
- The Governor's current proposed budget only includes \$500 million for HHAP

Street Teams Consolidated Under DPH

Why Now?

- The City used DEM to quickly stand up a more integrated street-team structure and improve coordination across departments.
- That model is now in steady state, making this the right time to place operations in a permanent home designed for long-term care.
- The transition is a sign of progress — not a response to failure.

Why DPH?

- Street crisis is often a health crisis involving behavioral health, substance use, and chronic medical needs.
- DPH is best positioned to connect outreach directly to treatment, stabilization, medication support, and ongoing care coordination.
- Bringing outreach under one department reduces fragmentation and clarifies accountability.

Intended Impact

- More flexible deployment of five street teams based on current need, historical hotspots, and emerging hotspots.
- More standardized workflows and stronger coordination across city and contracted teams.
- Better long-term outcomes by linking people more consistently to shelter, health care, and behavioral health services.

Impact of Street Teams Reforms on HSH

What is Changing?

- HSH outreach staff and contractors that support street-team functions would transfer into DPH's operational structure effective July 1.
- HSH staff positions and outreach contracts transitioning to DPH.
- Existing contracts are expected to remain in place, with amendments used to complete the departmental transfer.

What Is Staying the Same?

- HSH remains the lead department for shelter and housing.
- The goal is continuity for people being served, with stronger alignment between outreach and health care.

The transition streamlines oversight while preserving service continuity: outreach moves into a more health anchored department, and HSH continues to lead on shelter and housing connections.



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Thank you



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Appendix

OCOH Fund Revenue Forecast (April)

Fiscal Year	Budget	Dec. Update	Mar. Update	Difference (between Dec & Mar)
2025-26 (Current Year)	\$335.9M	\$366M	\$434M	+\$68M
2026-27 (Budget)	\$359.9M	\$372M	\$465M	+\$93M
2027-28 (Budget)		\$388M	\$445M	+\$57M
2028-29		\$411M	\$469M	+\$58M
2029-30		\$434M	\$493M	+\$59M

FY26-28 Proposed OCOH Spending Plan

Dollar amounts in millions

		Budget Cycle		Out Years	
		FY26-27	FY27-28	FY28-29	FY29-30
USES	General Housing	119.53	107.42	101.44	103.47
	TAY Housing	50.89	48.64	33.56	30.19
	Family Housing	66.91	62.57	43.93	42.16
	Homelessness Prevention	70.49	70.98	71.88	72.91
	Shelter & Hygiene	59.49	44.09	44.97	49.77
	TOTAL USES	367.31	333.70	295.78	298.50
SOURCES	Gross Receipts Tax Revenue	275.48	287.48	304.73	321.98
	Other One-Time Revenue (Interest, Fund Balance)	91.83	46.22	11.44	6.63
	TOTAL SOURCES	367.31	333.70	316.17	328.61
SOURCES - USES		-	-	20.39	30.12

Changes in HSH Sources

	Adopted Budget	Proposed Budget	Proposed Budget
Sources	FY25-26 \$ in millions	FY26-27 \$ in millions	FY27-28 \$ in millions
City General Fund	\$277.0	\$267.9	\$286.0
Our City, Our Home Fund (Gross Receipts Tax Revenue)	\$348.1	\$328.1	\$300.9
HSH Fund (Care Not Cash)	\$23.0	\$23.1	\$23.4
Federal Grants (Continuum of Care and PATH McKinney)	\$64.7	\$64.7	\$64.9
State Homeless Hsg, Assistance & Prevention (HHAP) Grants	\$39.9	-	-
Other Revenue (Opioid Settlement, Bridge Hsg, CalAIM, PATH, Global Payment Program, Work Order recoveries)	\$32.9	\$44.2	\$34.4
Total Sources	\$785.6	\$728.0	\$709.6

HSH General Fund Year-over-Year Changes

	Proposed Budget	Proposed Budget
HSH General Fund Changes	\$ change from FY25-26	\$ change from FY26-27
	\$ in millions	\$ in millions
Personnel Costs	\$1.0	\$2.5
Local Operating Subsidy Program and Master Lease Cost increases	\$1.4	\$1.2
Cost of Doing Business Increases for CBOs	\$3.0	\$7.1
Work Order Adjustments	\$1.0	-
Whole Person Care, PATH, CalAIM, GPP expenditure adjustment	\$2.8	(\$2.3)
One-time Funding and Capital Costs	(\$6.2)	-
Prior Year CBO Reduction (adopted in FY25-27 budget)	(\$2.5)	-
Whole Person Care, PATH, CalAIM, GPP revenue adjustments – one-time savings to General Fund	(\$9.6)	\$9.6
Total Increase/(Decrease) Compared to Prior Year Expenditures	(\$9.1)	\$18.1

Proposed Budget as of 2/6/26 and not reflective of final balancing, staff reductions or transition of outreach function to DPH.



General Housing

Dollar amounts in millions

		Budget Cycle		Out Years	
		FY26-27	FY27-28	FY28-29	FY29-30
USES	Spending Plan	119.53	107.42	101.44	103.47
TOTAL USES		119.53	107.42	101.44	103.47
SOURCES	Projected Gross Receipts Tax Revenue	101.01	105.41	111.74	118.06
	Other One-Time Revenue (Interest, Fund Balance)	18.52	2.01	-	-
TOTAL SOURCES		119.53	107.42	111.74	118.06
SOURCES - USES		-	-	10.30	14.59

- Continues strategic plan investments with adjustments for updated costs and pace of implementation
- Updates rehab budgets for city-owned PSH sites
- Adds 100 one-time adult rapid re-housing slots to help meet the goals of the Mayor's Large Vehicle Program
- HUD Emergency Housing Reserve of \$11.5M in FY26-27 appropriated in last budget cycle
- \$6.5M unallocated in FY27-28

General Housing

USES	FY26-27	FY27-28	FY28-29	FY29-30
PSH Operations	31.15	33.36	34.62	35.32
PSH Rehab	4.99	-	-	-
Medium Term Housing Subsidies	20.96	15.87	14.15	14.44
Bayview Flex Pool	1.16	1.20	1.22	1.25
Adult and Senior Flexible Hsg Pool	38.35	39.47	40.26	41.07
Women Housing Subsidies (Flex Pool)	2.29	2.36	2.41	2.46
PSH Rent Money Management (Rep Payee)	1.93	1.98	2.02	2.06
Shallow Subsidies	1.20	1.24	1.26	1.29
HSH Allocated Costs	4.98	5.38	5.48	5.59
Emergency Housing Voucher Services	1.04	-	-	-
Emergency Housing Voucher Reserve	11.48	-	-	-
Unallocated Funds	-	6.56	-	-
TOTAL USES	119.53	107.42	101.44	103.47

Dollar amounts in millions

Transitional Age Youth (Under 30) Housing

Dollar amounts in millions

		Budget Cycle		Out Years	
		FY26-27	FY27-28	FY28-29	FY29-30
USES	Spending Plan	50.89	48.64	33.56	30.19
TOTAL USES		50.89	48.64	33.56	30.19
SOURCES	Projected Gross Receipts Tax Revenue	36.73	38.33	40.63	42.93
	Other One-Time Revenue (Interest, Fund Balance)	14.16	10.31	3.24	0.79
TOTAL SOURCES		50.89	48.64	43.87	43.72
SOURCES - USES		-	-	10.31	13.53

- Continues strategic plan investments with adjustments for updated costs and pace of implementation
- Increases at Mission Inn for rehab and utilities
- HUD Emergency Housing Reserve of \$5.4M in FY26-27 appropriated in last budget cycle
- \$6.7M unallocated in FY27-28

Transitional Age Youth (Under 30) Housing

USES	FY26-27	FY27-28	FY28-29	FY29-30
TAY Flexible Housing Subsidy Pool	4.61	4.74	4.83	4.92
TAY PSH Operations	9.90	10.28	10.49	10.70
TAY PSH Rehab	0.50	-	-	-
TAY Rapid Rehousing Program	22.60	19.98	11.21	7.39
TAY Bridge Housing	3.10	3.19	3.25	3.32
TAY PSH Acquisition	0.81	0.81	0.82	0.84
HSH Allocated Costs	2.69	2.90	2.96	3.02
TAY Emergency Housing Vouchers	1.28	-	-	-
Emergency Housing Voucher Reserve	5.40	-	-	-
Unallocated Funds	-	6.74	-	-
TOTAL USES	50.89	48.64	33.56	30.19

Dollar amounts in millions

Family Housing

Dollar amounts in millions

		Budget Cycle		Out Years	
		FY26-27	FY27-28	FY28-29	FY29-30
USES	Spending Plan	66.91	62.57	43.93	42.16
TOTAL USES		66.91	62.57	43.93	42.16
SOURCES	Projected Gross Receipts Tax Revenue	45.91	47.91	50.79	53.66
	Other One-Time Revenue (Interest, Fund Balance)	21.00	14.65	4.53	2.09
TOTAL SOURCES		66.91	62.57	55.31	55.75
SOURCES - USES		-	-	11.38	13.59

- Continues strategic plan investments with adjustments for updated costs and pace of implementation
- City Gardens Services and Operations fully Prop C funded starting in FY26-27 after Homekey Operating Grant spend down
- HUD Emergency Housing Reserve of \$10.1M in FY26-27 appropriated in last budget cycle
- \$8.9M unallocated funding in FY27-28.

Family Housing

USES	FY26-27	FY27-28	FY28-29	FY29-30
Family Flexible Housing Subsidy Pool	11.40	11.73	11.98	12.22
Family PSH Operations	8.16	8.88	9.05	9.23
Family PSH Rehab	0.06	-	-	-
SRO/Doubled Up - Housing Subsidies	4.30	4.30	4.39	4.48
Family Housing Ladder	4.26	4.39	4.47	4.56
Family Rapid Rehousing	20.80	17.56	7.88	5.65
Shallow Subsidies	3.30	3.24	2.52	2.31
HSH Allocated Costs	3.31	3.57	3.64	3.71
Family Emergency Housing Vouchers	1.19	-	-	-
Emergency Housing Voucher Reserve	10.13	-	-	-
Unallocated Funds	-	8.90	-	-
TOTAL USES	66.91	62.57	43.93	42.16

Dollar amounts in millions

Homelessness Prevention

Dollar amounts in millions

		Budget Cycle		Out Years	
		FY26-27	FY27-28	FY28-29	FY29-30
USES	Spending Plan	70.49	70.98	71.88	72.91
TOTAL USES		70.49	70.98	71.88	72.91
SOURCES	Projected Gross Receipts Tax Revenue	55.10	57.50	60.95	64.40
	Other One-Time Revenue (Interest, Fund Balance)	15.39	13.48	-	-
TOTAL SOURCES		70.49	70.98	60.95	64.40
SOURCES - USES		-	-	(10.93)	(8.51)

- Continues strategic plan investments in Homelessness Prevention with adjustments for updated costs
- New funding for family and TAY prevention approved in the last budget continues in FY26-27 and FY27-28
- Large Vehicle Outreach, Case Management, and Problem Solving funds is currently budgeted to end in April 2027

Homelessness Prevention

USES	FY26-27	FY27-28	FY28-29	FY29-30
Homelessness Prevention & Fin Svcs	34.97	35.99	36.71	37.45
PSH Shallow Subsidies	6.75	6.96	7.09	7.23
Eviction Prevention	12.79	13.17	13.44	13.71
Problem Solving	9.61	9.89	10.09	10.29
Mental Health Svcs - DPH	1.40	0.90	0.40	-
Prev Asst for Latine Youth	0.98	1.01	1.03	1.05
HSH Allocated Costs	2.84	3.06	3.12	3.18
RV Intervention & Problem Solving	1.15	-	-	-
TOTAL USES	70.49	70.98	71.88	72.91

Dollar amounts in millions

Shelter and Hygiene

Dollar amounts in millions

		Budget Cycle		Out Years	
		FY26-27	FY27-28	FY28-29	FY29-30
USES	Spending Plan	59.49	44.09	44.97	49.77
TOTAL USES		59.49	44.09	44.97	49.77
SOURCES	Projected Gross Receipts Tax Revenue	36.73	38.33	40.63	42.93
	Other One-Time Revenue (Interest, Fund Balance)	22.76	5.76	3.68	3.75
TOTAL SOURCES		59.49	44.09	43.31	46.68
SOURCES - USES		-	-	(0.66)	(3.09)

- Continues strategic plan investments with adjustments for updated costs
- Includes one-time funding for Breaking the Cycle in FY26-27. One-time funding for urgent accommodation vouchers for families and households fleeing violence ends in FY27-28.
- One-time funding for urgent accommodation vouchers for adults ends after the current fiscal year
- Includes funding for Raphael House Family Shelter in FY26-27

Shelter & Hygiene

USES	FY26-27	FY27-28	FY28-29	FY29-30
Navigation Centers	12.35	12.70	12.96	17.12
Navigation Services for Justice-involved Adults	1.57	1.62	1.65	1.68
Domestic Violence Survivors - Hotel Vouchers	0.85	0.32	0.33	0.33
Families/Pregnant People - Hotel Vouchers	9.16	1.33	1.35	1.38
TAY - Hotel Vouchers	0.62	0.64	0.65	0.67
Family Shelter	7.29	7.42	7.57	7.72
Cabin Shelter Program	4.96	5.10	5.20	5.31
District 10 Shelter Program	2.66	7.16	7.30	7.45
Shelter Meals	1.04	1.08	1.10	1.12
HSH Allocated Costs	2.89	3.12	3.18	3.24
Interim Housing Expansion	16.10	3.60	3.68	3.75
TOTAL USES	59.49	44.09	44.97	49.77

Dollar amounts in millions