

File No. 250097

Committee Item No. 3

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date March 12, 2025

Board of Supervisors Meeting Date _____

Cmte Board

- Motion
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Completed by: Brent Jalipa Date March 6, 2025

Completed by: Brent Jalipa Date _____

1 [Appropriation - State and Federal Revenues - Human Services Agency - CalWORKs Housing
2 Support Program - \$4,956,133 - FY2024-2025]

3 **Ordinance appropriating \$4,956,133 of State and Federal Revenues to the Human**
4 **Services Agency for direct client assistance, rental subsidies, and services through the**
5 **CalWORKS Housing Support Program in Fiscal Year (FY) 2024-2025; this Ordinance**
6 **requires a two-thirds vote of all members of the Board of Supervisors pursuant to**
7 **Charter, Section 9.113(c).**

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Note: Additions are *single-underline italics Times New Roman*;
deletions are ~~*strikethrough italics Times New Roman*~~.
Board amendment additions are double underlined.
Board amendment deletions are ~~strikethrough normal~~.

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12 Be it ordained by the People of the City and County of San Francisco:

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14 Section 1. The sources of funding outlined below are herein appropriated to reflect the
15 funding available in Fiscal Year 2024-2025.

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1 **SOURCES Appropriation**

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Fund /	Project & Activity/	Account	Description	Amount
Department ID	Authority			
10000 - Operating /	10001700 - HS AD	445121	Welfare To Work	\$4,956,133
149657 - HSA AM	County Expense		(State-Admin)	
Central Management	Claim 0003 -			
	Agencywide			
	Revenues / 10000			
	– Operating			
Total Sources Appropriation				\$4,956,133

Section 2. The uses of funding outlined below are herein appropriated in the Human Services Agency to reflect the projected use of funding in FY2024-2025.

USES Appropriation

Fund / Department ID	Project & Activity/ Authority	Account	Description	Amount
10000 - Operating / 149667 - HSA BFS Calworks	10001705 - HS PA County Expense Claim 0008 - CW HSNG HSP / 10000 - Operating	536520	Rent Assist- Behalf Of Clients	\$1,228,250
10000 - Operating / 149667 - HSA BFS Calworks	10001705 - HS PA County Expense Claim 0008 - CW HSNG HSP / 10000 - Operating	538010	Community Based Org Srvcs	\$1,645,091
10000 - Operating / 149667 - HSA BFS Calworks	10001705 - HS PA County Expense Claim 0008 - CW HSNG HSP / 10000 - Operating	581625	Gf- Homelessness Services	\$2,082,792
Total Uses Appropriation				\$4,956,133

1 Section 3. The Controller is authorized to record transfers between funds and adjust the
2 accounting treatment of sources and uses appropriated in this ordinance as necessary to
3 conform with Generally Accepted Accounting Principles and other laws.

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5 Section 4. Two-Thirds Vote Required. In accordance with Charter Section 9.113(c),
6 passage of this ordinance by the Board of Supervisors requires an affirmative vote of two-
7 thirds of the Board of Supervisors to approve the Community Based Organization Services
8 appropriation of \$1,645,091.

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11 APPROVED AS TO FORM:
12 DAVID CHIU, City Attorney

FUNDS AVAILABLE:
GREG WAGNER, Controller

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By: /s/
BRADLEY RUSSI
Deputy City Attorney

By: /s/
GREG WAGNER
Controller

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Item 3 File 25-0097	Department: Human Services Agency
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EXECUTIVE SUMMARY

Legislative Objectives

- The proposed ordinance would appropriate \$4,956,133 of state and federal revenues to the HSA to support the CalWORKs Housing Support Program in FY 2024-25. Approval of the proposed appropriation of \$4,956,133 to the HSA requires a two-thirds vote of all members of the Board of Supervisors.

Key Points

- Administered by the Human Services Agency (HSA), CalWORKs Housing Support Program (HSP) is a state-funded program that aims to provide housing stability for homeless CalWORKs families. In June 2024, San Francisco’s allocation for the HSP increased by \$5,956,133 in one-time funds, which must be expended by June 30, 2025 deadline. HSA is requesting this supplemental appropriation to allocate \$4,956,133 of the available \$5,956,133 in FY 2024-25 (retroactive to July 1, 2024). The remaining \$1,000,000 will be used for HSA staffing costs currently funded by the General Fund.
- The proposed appropriation will fund the following services for CalWORKs clients in FY 2024-25: (1) \$1.2 million for rental assistance, (2) \$1.6 million for housing subsidies and case management services administered by Abode Services and Catholic Charities, and (3) \$2.1 million for shelter beds administered at Hamilton Families, Compass Family Shelter, and Salvation Army: Harbor House through a work order with the Department of Homelessness and Supportive Housing (HSH).
- The \$2.1 million for HSH is intended to offset costs currently funded by the General Fund, not to increase bed capacity. HSA’s plan was to increase capacity for rental assistance and housing subsidies, however HSA projects not spending all of the \$1.2 million for rental assistance and only \$0.8 million of the \$1.6 million allocated to housing subsidies, for a total of \$2.1 million in projected underspending from the proposed appropriation.

Fiscal Impact

- The proposed appropriation is funded by a combination of federal Temporary Assistance for Needy Families (TANF) funds (65 percent) and State General Fund (35 percent).

Recommendations

(1) Request HSA and HSH identify other uses for \$2,075,066 of the proposed appropriation, including offsetting General Fund costs for CalWORKs eligible families within HSH’s system of care whose shelter, prevention, and/or rapid rehousing costs are currently funded by the General Fund; (2) increase the work order to HSH by \$2,075,066 to further offset HSH’s General Fund costs for these clients in FY 2024-25; and (3) approve the proposed ordinance.

MANDATE STATEMENT

Charter Section 9.105 provides that amendments to the Annual Appropriation Ordinance be subject to Board of Supervisors approval by ordinance, after the Controller certifies the availability of funds.

Charter Section 9.113(c) states that in the event the Mayor or a member of the Board of Supervisors recommends a supplemental appropriation ordinance after the adoption of the budget and prior to the end to the budget year that contains any item rejected by the Mayor or the Board of Supervisors in the original budget appropriation, the supplemental appropriation can only be approved by a two-thirds vote of the Board of Supervisors.

BACKGROUND

CalWORKs Housing Support Program

Administered by the Human Services Agency (HSA), CalWORKs¹ Housing Support Program (HSP) is a state-funded program that aims to provide housing stability for homeless CalWORKs families by offering financial assistance, case management, housing navigation, rental assistance and assistance with various move-in and one-time housing costs.

State Budget Changes

As part of the State Budget Act of 2022, the Governor extended the expenditure deadline to June 30, 2025 for a \$190 million multi-year fund allocation for the HSP in FY 2021-22 and FY 2022-23, which the California Department of Social Services (CDSS) redistributed to counties statewide in 2024. As a result, in June 2024, San Francisco's allocation increased by \$5,956,133 in one-time HSP funds to be expended by the June 2025 deadline. According to HSA's October 2024 memo to the Mayor's Budget Office, these redistribution allocation amounts were not published by CDSS until June 2024, and therefore, the revenues were not included in the FY 2024-25 – FY 2025-26 annual appropriation ordinance. Consequently, HSA is requesting a supplemental appropriation to allocate \$4,956,133 of the available \$5,956,133 (83 percent) in FY 2024-25 (retroactive to July 1, 2024). According to HSA's October 2024 memo, the remaining one million will fund existing departmental staff costs related to the HSP program that otherwise would be funded by the General Fund.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would appropriate \$4,956,133 of state and federal revenues to the HSA to support the CalWORKs Housing Support Program in FY 2024-25.

¹ CalWORKs is a statewide welfare program that gives temporary cash aid and services to eligible California families in need.

Approval of the proposed appropriation of \$4,956,133 to the HSA requires a two-thirds vote of all members of the Board of Supervisors pursuant to Charter Section 9.113(c). One of the accounts that is being increased, the budget for grant spending, was reducing from \$8 million to \$7.4 million in the Mayor phase of the FY 2024-25 – FY 2025-26 budget, which triggers the two-thirds Board approval requirement.

Services

The proposed appropriation will fund the following services in FY 2024-25:

- **Rental assistance for CalWORKs clients.** Administered by HSA, the proposed ordinance provides \$1.2 million for rental assistance, sufficient for approximately 107 CalWORKs clients who are at risk of eviction. The funding provides up to four months of back rent payments, and would be an increase of 91 compared to 16 clients budgeted for FY 2023-24.
- **Housing subsidies and case management services administered by community-based organizations (CBOs).** The proposed ordinance provides \$1.6 million in additional funding for HSA's existing CalWORKs housing contracts with Abode Services and Catholic Charities to provide housing subsidies (e.g., 12-month rental subsidies, move-in costs, first and second months of rent) and case management services for up to 60 clients at each provider in FY 2024-25, for a combined total increase of 54 additional housing subsidies this year.
- **Shelter beds through a work order with the Department of Homelessness and Supportive Housing (HSH).** The proposed ordinance provides \$2.1 million to HSH via a work order to support a total of 54 CalWORKs families in family shelters² administered by the following existing HSH contractors: Hamilton Families, Compass Family Shelter, and Salvation Army: Harbor House. The appropriation will fund a portion of the pre-existing shelter beds at these three sites, expanding the number of slots funded by CalWORKs to offset local revenues for existing grants. HSH is not adding additional shelter bed capacity at these sites because the work order funding is one-time and time limited.

Exhibit 1 below summarizes the proposed uses with expanded capacity of the appropriation in FY 2024-25, detailing the services to be funded by contractor, as well as the clients served in FY 2023-24 in comparison to FY 2024-25.

² These shelter programs are a mix of congregate and non-congregate (individual room) shelters.

Exhibit 1: Proposed FY 2024-25 Uses of HSA Appropriation

Service	Contractor/Provider	Current Capacity	New Capacity with Appropriation	Difference
Rental Assistance	N/A. HSA provides direct assistance to CalWORKs clients	16 clients	107 clients	91
Housing Subsidies and Case Management	Abode Services	30 clients	60 clients	30
Housing Subsidies and Case Management	Catholic Charities	36 clients	60 clients	24
Housing Subsidies and Case Management	Hamilton Families ³	30 clients	30 clients	0
Subtotal, Housing Subsidies		96 clients	150 clients	54

Source: HSA

According to HSA, funding for Abode Services and Catholic Charities (housing subsidies and case management) was determined by assessing historical actuals and consulting with the contractors about their capacity to serve more clients before the end of FY 2024-25 without significant expansion of their operational budget. The proposed rental assistance was budgeted at approximately \$13,000 per family⁴ to serve a total of 107 clients in FY 2024-15.

Funding for the HSH work order (for family shelter, not shown in the table above) was based on identifying the number of CalWORKs families in HSH’s family shelter system and the current funding sources of those grants.

Grant Status

HSA states that the additional funds from the appropriation were added to the grants with the providers (Abode and Catholic Charities) through informal budget updates.⁵ However, HSA is projecting that roughly half of the proposed \$1.6 million in new funding will be spent by the providers by the June 30, 2025 spending deadline.

³ HSA’s Hamilton Family grant is not being amended but shown above in Exhibit 1 to provide an overview of HSA’s housing subsidy capacity for CalWORKs clients.

⁴ According to HSA, this amount represents \$4,000 in back rent owed plus four months of prospective rent at \$2,300 per month for a combined total of approximately \$13,000 (rounded down). The \$2,300 is based on the average monthly rent of HSP families, and the \$4,000 is a rough estimate (given the case-by-case nature of the amount of back rent owed by HSP families).

⁵ The budget for both contracts were modified in August 2024 and reflect the additional funds. HSA is planning to amend the client service objectives in these grants to reflect the new capacity from the appropriation.

The proposed appropriation will allow HSH to expand the number of shelter bed slots funded by CalWORKs but does not increase shelter bed capacity. If the proposed ordinance is approved, HSH will then retroactively bill HSA for the CalWORKs work order amount, reducing HSH’s use of General Fund revenues for its shelter grants. As of March 2025, approximately \$2.7 million has been spent by the three HSH providers (Hamilton Families, Compass Family Shelter, and Salvation Army: Harbor House) supported by the work order.

Performance Monitoring

We reviewed the most recent FY 2023-24 performance monitoring reports for HSA’s existing CalWORKs housing contracts with Abode Services and Catholic Charities; there were no major findings or recommendations as both contractors achieved most of their service and outcome objectives. We also reviewed the most recent FY 2023-24 performance monitoring reports for the following contractors receiving funds through HSA’s work order with HSH: Hamilton Families, Compass Family Shelter, and Salvation Army: Harbor House. The reports for all of the contractors showed that the programs met most of their contractual service levels in FY 2023-24. All contractors achieved most of their service and outcome objectives.

FISCAL IMPACT

Exhibit 2 below summarizes the proposed appropriation of \$4,956,133, as well as the current FY 2024-25 budget and new FY 2024-25 budget if the proposed ordinance is approved.

Exhibit 2: Proposed HSA Appropriation

Uses	FY 2024-25 Current Budget	Proposed Increase	FY 2024-25 New Budget
Aid Assistance (Rental Assistance)	\$164,619	\$1,228,250	\$1,392,869
CBO Services (Housing Subsidies and Case Management)	7,416,569	1,645,091	9,061,660
Interdepartmental Services (HSH Work Order – Shelter Beds)	1,017,208	2,082,792	3,100,000
Total Uses	8,598,396	\$4,956,133	13,554,529

Source: Proposed Ordinance and HSA budget

The proposed appropriation is funded by a combination of federal Temporary Assistance for Needy Families (TANF) funds (65 percent) and State General Fund (35 percent). As previously mentioned, these are one-time funds and must be spent by the end of the FY 2024-25 fiscal year.

Underspending

Almost half (\$2,075,066 or approximately 42 percent) of the proposed appropriation (\$4,956,133) is projected to be unspent. According to HSA, the department projects are not spending all of the \$1,228,250 allocated to rental assistance. Further, HSA projects not spending approximately 51 percent (\$846,816) of the \$1,645,091 allocated to CBO services (housing

subsidies and case management). HSA states that the projected underspending would occur with both providers (Abode and Catholic Charities) but specific amounts for each have not yet been determined. HSH plans to fully spend the \$2.1 million work order, as it will be used to abate General Fund spending.

With less than four months left until the June 2025 expenditure deadline, HSA states the following factors impacted the timing and delay of the proposed appropriation: (1) coordination between HSA and HSH on the data match to determine the number of CalWORKs families in HSH's system, (2) evaluation of how best to utilize the additional funding, and (3) time needed to draft the ordinance amidst other competing tasks.

Given that HSA is projecting \$2,075,066 in underspending from the proposed appropriation and financial condition of the General Fund, we recommend HSA and HSH work together to (1) identify additional CalWORKs eligible families within HSH's system of care whose shelter, prevention, and/or rapid rehousing costs are currently funded by the General Fund and (2) increase the work order to HSH by \$2,075,066 to further offset HSH's General Fund costs for these clients in FY 2024-25.

RECOMMENDATIONS

1. Request HSA and HSH identify other uses for \$2,075,066 of the proposed appropriation, including offsetting General Fund costs for CalWORKs eligible families within HSH's system of care whose shelter, prevention, and/or rapid rehousing costs are currently funded by the General Fund and (2) increase the work order to HSH by \$2,075,066 to further offset HSH's General Fund costs for these clients in FY 2024-25.
2. Approve the proposed ordinance.

OFFICE OF THE MAYOR
SAN FRANCISCO



DANIEL LURIE
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Adam Thongsavat, Liaison to the Board of Supervisors
RE: Appropriation – State and Federal Revenues – Human Services Agency – CalWORKs Housing Support Program – \$4,956,133 – FY2024-25
DATE: January 28, 2025

Ordinance appropriating \$4,956,133 of State and Federal Revenues to the Human Services Agency for direct client assistance, rental subsidies, and services through the CalWORKS Housing Support Program in Fiscal Year (FY) 2024-25; this Ordinance requires a two-thirds vote of all members of the Board of Supervisors pursuant to Charter Section 9.113(c).

Should you have any questions, please contact Adam Thongsavat at adam.thongsavat@sfgov.org