



Hitting the Performance Bullseye

Contracting for Better Outcomes
in Homelessness Services

The background features several sets of curved lines in shades of gray, some solid and some dashed, creating a sense of movement and depth. A prominent red speech bubble is positioned on the left side of the slide.

Department of Homelessness and Supportive Housing

Thanks to all the HSH professionals we interviewed. They were readily available, responsive to requests, experienced and committed to their work

- **Relatively New Organization with Significant Challenges**
 - Formed in 2016 combining homeless programs from four existing departments
 - Have dealt with increasing demand for services, funding challenges, the pandemic, staff turnover and open headcount
- **Significant Achievements**
 - 15,000 people sheltered and housed every night
 - Over 8,000 households exited homelessness from January 2019 to January 2022

The background features several sets of curved lines in light gray and white, some solid and some dashed, creating a sense of movement. A prominent red speech bubble is positioned on the left side, containing the title text.

The “Homeless”

From the ‘21-’22 Civil Grand Jury Report, *A Progress Report About the Department of Homelessness and Supportive Housing*

“Based on its most recent federally mandated Point in Time count (PIT), San Francisco estimates that there are 7,754 people sleeping on floors, in cars, tents, shelters, or in doorways on any given night. Yet what the public generally observes as “the homeless” is that part of the population on our streets that suffers from chronic unsheltered homelessness. **Depending on the data source, this subpopulation represents only about a third of the total homeless population. But in the public perception, this part often ends up representing the whole.**”

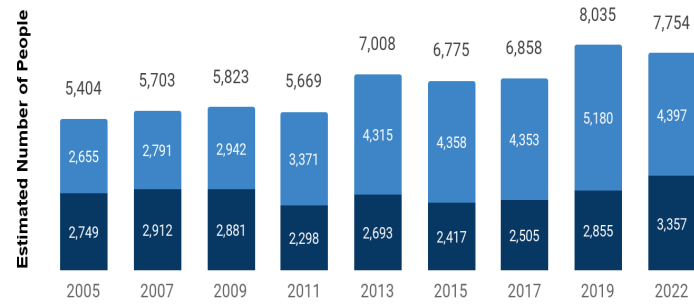
Home by the Bay 5 Year Strategic Plan



GOAL #1

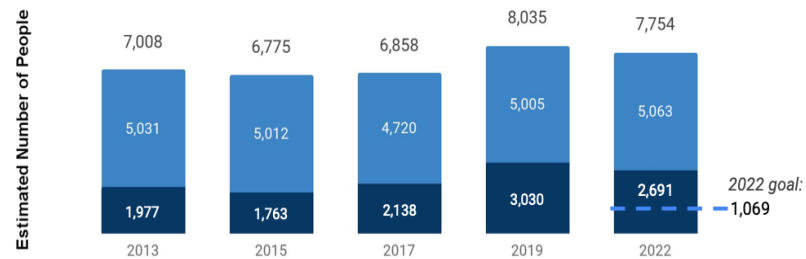
Decreasing Homelessness: Reduce the number of people who are *unsheltered* by 50% and reduce the *total* number of people experiencing homelessness by 15%.

■ Unsheltered ■ Sheltered



Year

■ Non-Chronic Homeless ■ Chronic Homeless



Year

Home by the Bay 5 Year Strategic Plan

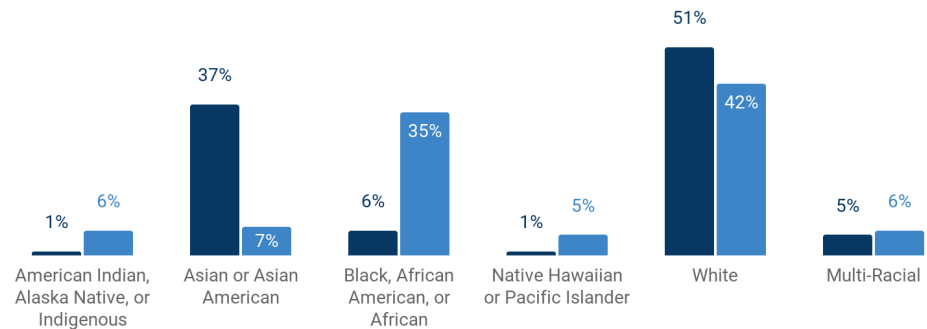


GOAL #2

Reducing Racial Inequities and Other Disparities: Demonstrate measurable reductions in racial inequities and other disparities in the experience of homelessness and the outcomes of City programs for preventing and ending homelessness.²

- Homeless crisis disproportionately impacts most marginalized residents
- Strategies to improve outcomes for all subpopulations of those experiencing homelessness, most notably the chronically homeless
- 11 identified subpopulations

■ 2021 San Francisco General Population Estimates ■ 2022 Homeless Survey Population



Home by the Bay Action Areas Identified

Strengthening Operations and Outcomes

The City will also implement a comprehensive array of activities to strengthen operations and outcomes across every element of the homelessness response system, leading with a focus on racial equity and housing justice, across five strategic Action Areas:

Action Area	Focus of Activities
Advancing Racial Equity and Housing Justice	<ul style="list-style-type: none">• Equity- and justice- focused data and analyses• Collaborative partnerships and decision-making• Internal and external equity-focused capacity-building and nonprofit sustainability activities• Empowering the leadership of impacted communities and people with lived expertise
Enhancing System Performance and Capacity	<ul style="list-style-type: none">• Building and supporting nonprofit provider capacity and sustainability• Enhancing performance management and accountability• Implementing a redesigned Coordinated Entry system• Strengthening the quality, diversity, and utilization of data• Improving alignment of citywide strategies and resources

The slide features a decorative background of curved lines in shades of gray, some solid and some dashed, sweeping across the top and sides. A prominent red speech bubble is positioned on the left side, containing the main title text.

Investigation Focused on HSH Contracting Practices

Why focus on contracting with CBOs?

- Critical to delivery of quality services to the homeless
- Significant budget expenditure
 - As of 5/4/23, > 300 active agreements, some extending until 2030, total original contract value of > \$2 billion

Objective

- Can improvements in contracting contribute to progress toward reducing/eliminating homelessness?
- Can improvements in contracting aid in efforts to help the chronically homeless?

A decorative background featuring several sets of curved lines in solid and dashed grey. A prominent red speech bubble is positioned on the left side, containing the text 'Why Make Contracting a Priority'.

Why Make Contracting a Priority

Results-Based Contracting

“Increasing the effectiveness of procurements is . . . an essential component of improving governments’ overall performance in creating public value.”

Active Contract Management

“Agencies should use procurement and contracting to establish the foundation for an ongoing collaboration with contracted service providers to strategically improve performance.”

- Harvard Performance Lab

The slide features a white background with decorative elements consisting of several sets of curved lines in the corners. On the left, there are multiple sets of concentric, slightly overlapping curved lines, some solid and some dashed, in a light gray color. On the right, there are fewer, more widely spaced curved lines, also in light gray. A prominent red speech bubble is positioned on the left side of the slide, containing the text 'Investigation Focus'.

Investigation Focus

- **Increase contracting practices effectiveness**
 - Establish and measure outcomes that deliver performance and value
 - Improve contract monitoring to increase collaboration with CBOs and strategically improve performance
 - Improve data quality and transparency on homelessness
- **Better measure and deliver services to where services are needed most**



Historic Contracting Efforts

2016 Civil Grand Jury Report ¹

- Organizations receiving City funding should require comprehensive outcome performance measures

2020 Budget and Legislative Analyst Report

- Executive Director (HSH) should ensure that all contracts include specific performance metrics and that those metrics are monitored at least annually through the program monitoring process

August 2022 City Auditor's Report²

- City departments needed to improve performance measurement and strengthen program monitoring practices.

¹ HSH a newly formed entity

² HSH not included in analysis, but CGJ found similar practices

The slide features a decorative background of curved lines in the top-left and bottom-right corners. A prominent red speech bubble is positioned on the left side, containing the main title. The text is white and centered within the bubble.

Performance Contracting/ Measuring Outcomes

- CGJ evaluated contracts noting that, in a number of cases, contract outcomes more closely aligned with activities than impacts
- Observations aligned with prior media reports and, more generally, with citywide observations 8/22 City Auditor's Report*

* HSH not included in this evaluation



HSH

- HSH acknowledges
 - Inconsistent data across providers
 - It has significantly improved the ONE System for data capture from providers
 - Next step to standardized metrics to better evaluate program success and performance
- HSH is developing more standardization in performance outcomes
 - FY'23-'24 Comprehensive Performance Measurement plan - outcomes to align with Home by the Bay Strategic Plan
 - Over the next few years – update contract service and outcome objectives for all agreements
 - FY'23-'24 Performance Measurement Plan – several measures calculable in next 1-2 year

The slide features a decorative background of curved lines in the top-left and bottom-right corners. A prominent red speech bubble is positioned on the left side, containing the title text.

Performance Monitoring

- CGJ determined that, while the structure for contract reporting has improved, CBOs require additional training to ensure quality data input
- Increased monitoring can potentially improve CBO performance



HSH

- HSH made significant progress to set monitoring expectations in '22-'23 and will implement in agreements and team manuals during FY'23-'24.
- Updated Programs Agreement Manual rollout 1Q FY'23
- When fully staffed, contracts team will extend monitoring to organizations not meeting the Controller's funding threshold
- While there are benefits to increased monitoring, HSH will also seek opportunities to minimize monitoring burden on CBOs

The slide features a decorative background of curved lines in shades of gray, some solid and some dashed, creating a sense of motion and depth. A prominent red speech bubble is positioned on the left side, containing the main title.

Improved Data Reporting/ Transparency

- CGJ determined City Performance Scorecard for Homelessness makes tracking the City's overall progress on Homelessness difficult
 - It does not provide information on all of the subpopulations of homeless individuals
 - It does not show changes in the chronically homeless and its subpopulations over time
- Scorecard should report progress for the chronically homeless and all subpopulations over time.

Current City Performance Scorecard

Homeless Response System → Homeless Population → Interactive Benchmarking Dashboards

HOMELESSNESS

The first two slides of the dashboard below use homelessness data and shelter rates from PIT Count Reports published by each of our peers. On the third slide, in order to look at homelessness over time, we used U.S. Housing and Urban Development (HUD) data on Continuums of Care (CoC). While these CoC boundaries do not always align exactly with city boundaries, we show the CoCs that contain selected peer cities.

This content isn't available.
[Learn more about Power BI.](#)

HOMELESS SUBGROUPS

In order to compare specific populations within the homeless population, we used the US Housing and Urban Development (HUD) data on Continuums of Care (CoC). While these CoC boundaries do not always align exactly with city boundaries, we show the CoCs that contain our peer cities. Please note this data differs from the [San Francisco Point-In-Time Count](#) because San Francisco has a broader definition of homelessness, which includes harder-to-reach populations, i.e. "individuals who were "doubled-up" in the homes of family or friends, staying in jails, hospitals, or rehabilitation facilities, and families living in Single Room Occupancy (SRO) units" (p.11, [San Francisco 2017 Homeless Count & Survey](#)).

This content isn't available.
[Learn more about Power BI.](#)



HSH

- City Performance Scorecard does not reflect all metrics important for the City, through HSH, to monitor
- Revisit in November '23 to better align with Home by the Bay's Performance Measurement Plan
- Scorecard may not be appropriate place for subpopulation data
 - 11 subpopulations
 - Work to be developed in formulating strategies

Conclusion

- HSH faces demanding financial, environmental and organizational challenges in achieving the goals of the Home by the Bay strategic plan
- Improved contracting practices will . . .
 - Improve contract and contractor performance against goals
 - Improve contractor selection
 - Improve HSH staff and CBO productivity
 - Maximize the effective use and value of taxpayer funds
- Improved contracting practices will allow HSH to better focus, assess and adjust its strategy to address the needs of the chronically homeless and its marginalized subpopulations
- Improved data reporting and transparency will allow the public to more readily understand plans and assess progress toward eliminating homelessness

Conclusion (cont'd)

- To align delivery services and cost efficiently achieve the goals of the Home by the Bay strategic plan, HSH must improve contracting practices
- HSH recognizes the need and has some plans in place, but success requires a significant commitment and time

Impactful Contract Outcomes → Meaningful Data → Quality Information → Good Strategy → Ability to Assess, Adjust and Deliver Successful Initiatives

- HSH should stick to the schedule outlined in its responses and regularly report to the BOS on its progress