

## **LEGISLATIVE DIGEST**

[Administrative Code - Extending Sunset Date of Contracting Waivers for Homeless Services]

**Ordinance amending the Administrative Code to extend by five years, from May 5, 2024, through May 5, 2029, the sunset date of the provisions authorizing the Department of Homelessness and Supportive Housing (“HSH”) to enter into and amend contracts without requiring competitive bidding for services relating to sites and programs for people experiencing homelessness (“Projects Addressing Homelessness”), and the Department of Public Works to enter into and amend contracts without adhering to the Environment Code or to provisions relating to competitive bidding, equal benefits, local business enterprise utilization, and other requirements, for construction work and services relating to Projects Addressing Homelessness; and affirming the Planning Department’s determination under the California Environmental Quality Act.**

### **Existing Law**

California law authorizes the Board of Supervisors to declare the existence of a shelter crisis based on a finding that a significant number of people in the City and County of San Francisco (the “City”) lack shelter, and that the situation has resulted in a threat to their health and safety. The law authorizes the City to suspend state or local laws setting housing, health, or safety standards for new homeless shelter facilities in response to the shelter crisis, to the extent that strict compliance would prevent, hinder, or delay the mitigation of the shelter crisis.

Local Law generally requires City departments to use a competitive bidding process and follow other contracting requirements for personal services, procurement, and construction contracts, subject to exceptions. In 2019, the Board of Supervisors enacted Ordinance No. 61-19, which waived competitive bidding requirements for contracts and leases relating to a number of identified Shelter Crisis Sites, as well as the City’s existing Navigation Centers and homeless shelters. The expedited contracting and leasing authority that was granted by Ordinance No. 61-19 will expire on May 5, 2024.

### **Amendments to Current Law**

The proposed ordinance would reaffirm the Board of Supervisors’ prior declarations of a shelter crisis and would extend the expedited contracting and leasing authority that was granted by Ordinance No. 61-19 until May 5, 2029, or until the effective date of an ordinance making the finding that according to the most recent Point in Time Homeless Count that there are not more than 2,199 people experiencing unsheltered homelessness which is a 50% reduction in the unsheltered homelessness from the 2022 Point in Time County, whichever

date is earlier. This authority would allow the Departments of Homelessness (“HSH”) and Supportive Housing and Public Works to enter into and amend contracts and grants for professional and other services or commodities relating to projects addressing homelessness without using a competitive bidding process. For purposes of this authority, “projects addressing homelessness” are projects designed to prevent homelessness through the provision of housing subsidies or other services, and projects designed to provide shelter, housing, food, and/or social services to people experiencing homelessness.

The proposed ordinance would also allow the Department of Public Works to enter into or amend contracts for public works and improvements without using a competitive bidding process, provided the contracts are for public works or improvements for the construction, repair, or improvement of one or more sites that will be used for the primary purpose of providing housing, shelter, or services to people experiencing homelessness. The authority to enter into and amend contracts without competitive bidding would expire on May 5, 2029, or until the effective date of an ordinance making the finding that according to the most recent Point in Time Homeless Count that there are not more than 2,199 people experiencing unsheltered homelessness which is a 50% reduction in the unsheltered homelessness from the 2022 Point in Time County, whichever date is earlier.

#### Background Information

In 2016, through the enactment of Ordinance No. 57-16, the Board of Supervisors declared the existence of a shelter crisis in San Francisco, based on findings that in January 2015, there were 6,686 individuals in San Francisco who were homeless.

In April 2019, the Board of Supervisors and Mayor London N. Breed enacted Ordinance No. 61-19 to streamline the contracting and siting of homeless shelters, and Ordinance No. 60-19 to expedite the permitting process for homeless shelters during a declared shelter crisis. The expedited contracting and leasing authority that was granted by Ordinance No. 61-19 will expire on May 5, 2024.

For all HSH-funded projects that involve new construction, a change in use, or a significant expansion of an existing use at a specific location, HSH complies with the requirements of Administrative Code Chapter 79 (Citizens’ Right-to-Know Act of 1998) and Chapter 79A by providing community notice that it is considering approval of such a project, and by establishing a process by which members of the public may obtain additional information about the project, and submit comments. Before opening a new facility, HSH staff collaborate with the member of the Board of Supervisors who represents the district in which the facility will be located, to conduct a thorough community outreach process that includes, at a minimum, written notice to neighbors located within 300 feet of the facility, information about how neighbors may provide input into the proposed programming at the facility, and the hosting of at least one public community meeting. After opening a facility, HSH works closely with the selected non-profit provider to be a good neighbor to the host community by following the contractually required Good Neighbor Policy.

According to the 2022 PIT Count, since 2019, San Francisco has had a 15% decrease in unsheltered homelessness and a 3.5% decrease in overall homelessness. The decreases reflected in the 2022 PIT Count were due to a number of initiatives and investments in services across the homelessness response system including: preventing homelessness for 5,500 at-risk households and placing approximately 2,300 formerly homeless households into permanent housing in Fiscal Year 2021-22, adding over 3,000 new units and subsidies of permanent supportive housing between 2020 and 2022, permanently housing nearly 1,800 guests from the COVID-19 emergency Shelter in Place Hotel Program and re-opening and expanding the shelter system to a greater capacity than before the COVID-19 pandemic. In April 2023, HSH released a five-year, citywide strategic plan, “Home by the Bay: An Equity-Driven Plan to Prevent and End Homelessness”, that calls for an expansion of prevention, shelter and housing to meet the strategic plan’s goals, including a 50% reduction of unsheltered homelessness from the 2022 PIT Count.

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