

File No. 240883

Committee Item No. 1

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: October 11, 2024

Board of Supervisors Meeting:

Date: _____

Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU - FY2022-2024 - Clean
- MOU - FY2022-2024 - Redline
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract / DRAFT Mills Act Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

OTHER

- HSH Behested Waiver Req. _____
- _____
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Prepared by: Monique Crayton

Date: October 4, 2024

Prepared by: _____

Date: _____

Prepared by: _____

Date: _____

1 [Temporary Shelter and Homeless Services - Behested Payment Waiver]

2

3 **Resolution authorizing the Office of the Mayor and the Department of Homelessness**
4 **and Supportive Housing to solicit donations from various private entities and**
5 **organizations to support the expansion of temporary shelter and other homeless**
6 **services to support people experiencing homelessness, notwithstanding the**
7 **Behested Payment Ordinance.**

8

9 WHEREAS, The Mission of the Department of Homelessness and Supportive
10 Housing (“HSH” or “Department”) is to prevent homelessness when possible and make
11 homelessness rare, brief and one-time in the City and County of San Francisco (“the City”)
12 through the provision of coordinated, compassionate and high-quality services; and

13 WHEREAS, With the enactment of Resolution No. 319-18 in October 2018, the
14 Board of Supervisors and Mayor London N. Breed declared a shelter crisis and affirmed
15 San Francisco’s commitment to a continuum of shelter and service options for people
16 experiencing homelessness; and

17 WHEREAS, As of the 2024 Point-in-Time Count, there were approximately 8,323
18 people experiencing homelessness in San Francisco on any given night, 52% of whom
19 were unsheltered; and

20 WHEREAS, In April 2023, the city released the five-year strategic plan “Home by the
21 Bay: An Equity-Driven Plan to Prevent and End Homelessness in San Francisco” which
22 calls for resources including 1,075 new shelter beds to meet the goals set out in the plan,
23 including the goal to reduce unsheltered homelessness by 50%; and

24 WHEREAS, As of July 18, 2024, HSH had 3,626 temporary shelter or crisis
25 interventions slots with a 93% occupancy rate; and

1 WHEREAS, While HSH continues to expand shelter, prevention, housing and other
2 resources, we know that more resources need to be made available to address the crisis
3 on our streets; and

4 WHEREAS, HSH and the Office of the Mayor have established successful and
5 innovative public-private partnerships to expand shelter and other services to meet the
6 critical needs of people experiencing unsheltered homelessness; and

7 WHEREAS, The Mayor’s Fund for the Homeless (Administrative Code, Section
8 10.100-106) was established as a category eight fund to receive all private donations,
9 grants, gifts and bequests of money, to assist people in need finding long-term housing and
10 overcome barriers to employment by supporting outreach services, shelters, navigation
11 centers, flexible housing assistance, housing and other resources; and

12 WHEREAS, HSH, as the designated administrator of the Mayor’s Fund for the
13 Homeless (Administrative Code, Section 10.100-106) is required to report regularly to the
14 Homeless Oversight Commission on deposits and expenditures from the fund, as well as
15 furnish an annual report to the Board of Supervisors showing such gifts received, the
16 nature or amount of said gifts, and the disposition thereof (Administrative Code, Section
17 10.100); and

18 WHEREAS, HSH works with philanthropic organizations, private companies and
19 community stakeholders including homeless service providers, often through grant
20 agreements; and

21 WHEREAS, On October 17, 2023, the Board of Supervisors unanimously approved
22 Resolution No. 483-23 authorizing a waiver of the City’s Behested Payment Ordinance
23 (Campaign and Governmental Conduct Code, Section 3.600 et seq.) for the Office of the
24 Mayor and HSH, to the extent that it restricts the Mayor, Executive Director of HSH and
25 officers and employees of the Office of the Mayor and HSH from soliciting financial support

1 or in-kind goods or services, from persons or entities that would be considered interested
2 parties, to support expansion of temporary shelter or other homeless services; and

3 WHEREAS, On March 26, 2024, the Board of Supervisors unanimously approved
4 Resolution No. 125-24 authorizing a 6-month waiver of the City's Behested Payments
5 Ordinance (Campaign and Governmental Conduct Code, Section 3.600 et seq.) for the
6 Office of the Mayor and HSH that is set to expire on October 18, 2024; and

7 WHEREAS, The Office of the Mayor and HSH seek a new waiver of the City's
8 Behested Payments Ordinance (Campaign and Governmental Conduct Code, Sections
9 3.600 et seq.) for a period of six months beginning on October 17, 2024; now, therefore, be
10 it

11 RESOLVED, That under Section 3.620(f) of the Campaign and Governmental
12 Conduct Code, the Board of Supervisors hereby waives application of the Behested
13 Payment Ordinance as to the Mayor, Executive Director of HSH and officers and
14 employees of the Office of the Mayor and HSH so that they may solicit donations from
15 private organizations and philanthropists to support the expansion of temporary shelter and
16 other homeless services to support people experiencing homelessness for a period of six
17 months, beginning on October 17, 2024; and, be it

18 FURTHER RESOLVED, That granting this waiver serves the public interest by
19 supporting the Office of the Mayor and HSH to explore innovative opportunities to expand
20 the availability of resources to support people experiencing homelessness, specifically
21 temporary shelter and other homeless services to support bringing more people inside and
22 off the streets; and, be it

23 FURTHER RESOLVED, That granting this waiver does not create an appearance of
24 impropriety.

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RECOMMENDED:

 /s/
Shireen McSpadden
Homelessness and Supportive Housing
Executive Director



Behested Payment Wavier Request: Update on Philanthropic Engagement

The San Francisco Department of Homelessness and Supportive Housing (HSH) has a long history of successful public-private partnerships that have brought together resources to implement programs that have housed hundreds of people, prevented homelessness, and changed the futures for countless people in our community. These partnerships have leveraged millions of dollars in private funds and public resources and together supported us to maximize impact in our community.

We can more efficiently and effectively achieve our shared goals of reducing homelessness when we work together across sectors to pilot new initiatives and scale evidence-based solutions. To that end, HSH is interested continuously in conversation with the philanthropic sector to build partnerships, develop critical initiatives, and support the needs of the nonprofit organizations operating the Homelessness Response System.

Many of the philanthropic organizations that HSH needs to be in regular conversation with are considered “interested parties” under San Francisco’s Behested Payment legislation because of their regular advocacy with the department.

Possible Public Private Partnerships

I. Ending Homelessness Through Economic Advancement

Drawing from our rapid rehousing implementation and leveraging best practices from diverse communities, we are eager to pilot a transformative time-limited housing program fostering economic mobility. This pilot includes a five-year monthly rental subsidy with key components designed to achieve economic and housing stability. Key service components include:

- Five-year deep rental subsidy
- Incentives to increase income and savings
- Childcare support (if needed)
- Case management focused on increasing income and housing stability
- Education and Workforce Development
- Legal assistance for undocumented households
- Money management and financial planning
- Workforce development

This innovative model will be tailored to families, young adults, and adults who may not require a permanent subsidy to overcome homelessness but would benefit from an extended support system to increase their income. The goal of this program is to move people in the program out of the homelessness response system within 5 years.

Given the innovative nature of this program, **HSH would like to embed an evaluation partner from the beginning who would study the impact of this model and help elevate recommendations for scale.**



This model has the opportunity to fundamentally change the way we address homelessness locally by customizing a service package within a time limited framework focuses on empowerment and economic independence.

Estimated cost:

- \$302,000 per family
- \$213,000 per young adult
- \$208,000 per adult

The estimated cost includes the rental subsidy for **five years**, housing search and placement assistance, landlord mediation, and case management. Additional childcare and workforce development resources would be leveraged through collaboration with other city agencies.

II. Expand Supportive Housing Opportunities for Adults, Families & Young Adults

a. Flexible Housing Subsidy Pool

Flexible Housing Subsidy Pool (FHSP) is a form of scattered site supportive housing where tenants use subsidies to live in units on the private rental market through partnerships with landlords and non-profit partners and receive ongoing landlord liaison support and case management. This approach to scattered site supportive housing has been implemented in several communities, including San Francisco, and has added critical housing capacity and leveraged the resources of the private rental market.

Currently, HSH and our partners successfully administer over 1,100 slots of scattered site permanent supportive housing (PSH) through the FHSP program for adults, families, and young adults. **HSH is seeking support to modestly expand this program to create additional permanent housing opportunities** for individuals experiencing homelessness.

HSH is proposing to expand the FHSP portfolio by:

Estimated cost of 5-year subsidy:

- Families: \$315,000
- Young Adults: \$226,000
- Adults: \$222,000

b. Housing Ladder Program

HSH is seeking to expand scattered site PSH through the Housing Ladder Program for adults, families, and young adults. The Housing Ladder program serves people in PSH who are ready to transition from supportive housing to more independent living arrangements. By doing so, we not only address the immediate housing needs of our community, but also empower individuals to progress towards self-sufficiency while making availability in site-based permanent housing for people moving off the streets or out of shelters who are in need of more intensive onsite services.



This proposal involves evidence-based approaches we envision expanding through a public-private partnership. **This collaboration would secure funding for the monthly rental subsidies and services for subsidy holders during the initial five years of the program.** Subsequently, HSH commits to assuming the ongoing subsidy and service costs.

HSH is proposing to expand the Housing Ladder Program for Adults by 100 vouchers.

Estimated cost of 5-year subsidy:

- Adults: \$190,000 per adult

III. Expanding Family Shelter

The HSH Family Shelter System has had challenges accommodating the influx of families seeking shelter on an emergency basis. There are currently over 290 families on the single room family shelter waitlist and the emergency placement programs are regularly at capacity. **One option for expanding family shelter is to master lease a hotel and convert it into a non-congregate family shelter.** HSH has conducted due diligence to identify four potential sites where a new family shelter could be established through a master lease:

- Days Inn on Grove at 465 Grove Street (38 rooms)
- Travelodge Central at 1707 Market Street (85 rooms)
- Civic Center Motor Inn at 364 9th Street (57 rooms)
- Motel 6 at 895 Geary (73 rooms)

The buildings identified above may be master leased for housing or shelter. Capacity ranges from 38-85, building dependent. If all four buildings were leased for shelter, capacity would be approximately 253 rooms. HSH estimates that we could serve 100-250 families annually through this shelter expansion depending on the size of building. Family length of stay is longer on average in regular family shelter programs.

Estimated costs:

- \$233 per room per night
- \$85,045 per room per year

Costs include: Rent to the owner (estimated as \$41 per room per day or \$1,250 per room per month), plus costs for property management and services provided through a CBO.

IV. TAY Drop-In Center

San Francisco currently operates a Transitional Age Youth (TAY) Navigation Center at a city-owned building on Post Street. The Navigation Center occupies the third floor of the building, and the first floor remains vacant. HSH has identified state funding to launch a 24/7 TAY drop-in center on the first floor but does not have sufficient capital resources to build out the drop-in center.



HSH is looking for a private partner to contribute up to \$2 million for the capital repairs needed to convert the unused space into a drop-in center with a focus on health, wellness and employment services for young people.

Estimated one-time cost:

- \$2 million

V. Hotel Vouchers to Address the Crisis on Our Streets

HSH is interested in piloting an emergency hotel voucher program for people living unsheltered. The pilot program, in partnership with the Night Navigators (nighttime street outreach team) and other street response teams, would equip these workers with hotel vouchers that can support overnight placements. With this resource, outreach teams can facilitate immediate placements of people living unsheltered into a safe and temporary place where they can get shelter, respite, and case management services.

Participants in this program would most likely be adults experiencing homelessness, although we do encounter families on the streets from time to time. This voucher would allow these households to quickly access a hotel room where they can stay for up to 5 days while the case manager works with the client to identify a longer-term option, including relocation, treatment, or shelter or transitional housing.

Estimated cost:

- \$1,000 per household per slot (5 days) or
- \$71,000 per slot annually

Philanthropic Partners

HSH leadership is in active conversations with the following philanthropies to either build connections, coordinate funding strategies, support local nonprofit organizations, and invest in the key initiatives to address homelessness in our community:

- Crankstart
- Tipping Point Community
- US Aging
- Keith Geeslin
- Schwab Foundation

While none of the partners above are contractors with the department, all have or may engage in advocacy around homelessness policy or programs and therefore could be considered to be an interested party under the Behested Payment legislation.

