

BOARD of SUPERVISORS



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MEMORANDUM

TO: Adam Thongsavat, Liaison to the Board of Supervisors, Office of the Mayor
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Shireen McSpadden, Executive Director, Department of Homelessness and Supportive Housing
Greg Wagner, Controller, Office of the Controller
Sailaja Kurella, Director, Office of Contract Administration

FROM: Monique Crayton, Assistant Clerk, Government Audit and Oversight Committee, Board of Supervisors

DATE: July 7, 2026

SUBJECT: Civil Grand Jury Report Received

The Board of Supervisors' Government Audit and Oversight Committee is in receipt of the San Francisco Civil Grand Jury (CGJ) report released June 23, 2026, entitled: "At Scale, At Risk - Upgrading Data and Oversight to Improve Homelessness Services."

Pursuant to California Penal Code Sections 933 and 933.05, the departments must:

Respond to the report within 60 days of receipt, or no later than August 21, 2026
For each finding the Department response shall:

- 1) agree with the finding; or
- 2) disagree with it, wholly or partially, and explain why.

As to each recommendation, the Department shall report that:

- 1) the recommendation has been implemented, with a summary explanation; or
- 2) the recommendation has not been implemented but will be within a set timeframe as provided; or
- 3) the recommendation requires further analysis. The officer or agency head must define what additional study is needed. The Grand Jury expects a progress report within six months; or

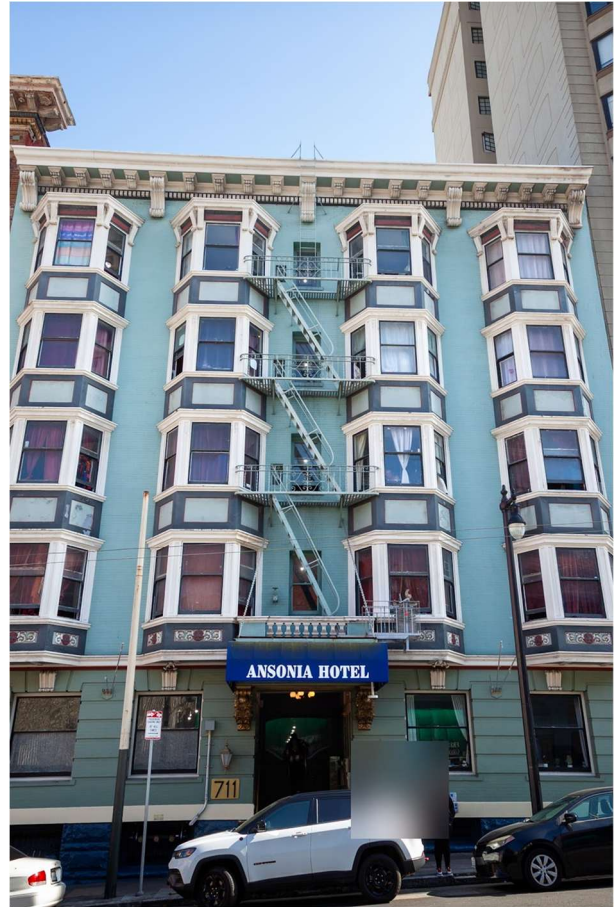
- 4) the recommendation will not be implemented because it is not warranted or reasonable, with an explanation.

The Civil Grand Jury Report identified the following City Departments to submit responses:

- Office of the Mayor
- Office of the City Attorney
- Homelessness Oversight Commission
- Department of Homelessness and Supportive Housing
- Office of the Controller
- Office of Contract Administration

When submitting responses to the Civil Grand Jury, please forward a copy to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or email at: monique.crayton@sfgov.org.

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At Scale, At Risk

Upgrading Data and Oversight to Improve
Homelessness Services

June 23, 2026



CITY AND COUNTY OF SAN FRANCISCO

2025–2026 CIVIL GRAND JURY

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About the San Francisco Civil Grand Jury

The San Francisco Civil Grand Jury (the “Jury”) is a government oversight panel of nineteen San Francisco citizens who volunteer for one year. Each Jury determines which local government entities within San Francisco it will investigate. The Jury cannot investigate disputes between private parties, criminal activity, or activities outside its jurisdiction, which is the government of the City and County of San Francisco (“City”) and any other local governments within San Francisco city limits.

The Jury publishes public reports with findings and recommendations based on its investigations.

Read more about the San Francisco Civil Grand Jury here: <https://www.sf.gov/departments--civil-grand-jury>

2025–2026 Civil Grand Jurors

Brian Adam

Allyson Eddy Bravmann

Rick Carell

Robert J. Chansler

Ed Cooper

Foreperson

Niket Desai

Stan Feinsod

Foreperson Pro Tempore

Joe Ferrero

Mira Foster

Maryann Hrichak

Gary Hsueh

Joanna Karlinsky

Margaret Keane

Julia Molla

Robert Page

Dustin Palmer

William L. Pierog

Barbara Savitz

Tracy Wymer

About the cover

The images on the left and right are sites funded by the Department of Homelessness and Supportive Housing that are case studies contained in this report. On the left is the Jazzie Collins Apartments, a 96-unit permanent supportive housing site. On the right is 711 Post Street, a 280-bed semi-congregate shelter which is planned for closure in March 2027.

Executive Summary

San Francisco spends roughly \$700 million annually on homelessness, and its Department of Homelessness and Supportive Housing (“HSH”) administers nearly \$500 million on nonprofit contracts to deliver services each year, yet this system has gaps that jeopardize safety, accountability, and results.

HSH was created in 2016 to bring unity and simplified accountability to the City’s homelessness programs, and it now serves roughly 27,000 people per year¹ with a nearly 100% outsourced model through a network of nonprofit service providers. In response to HSH’s growth and the escalating homeless crisis, voters approved Proposition C in 2022, creating the Homelessness Oversight Commission (“HOC”) to bring accountability to a system that was insufficiently transparent or accountable relative to its scale and budget.

This report finds that while HOC exists to bring independent governing oversight to HSH, its functional oversight is weak, its statutory authority is largely unutilized, and as a result, serious failures have escaped its detection and scrutiny. This finding aligns with the staff discussion of the Commission Streamlining Task Force (“CSTF”) on homelessness, which noted, “there have been several recent high-profile cases Citywide where a nonprofit either misused funds or mismanaged service delivery. In each case, City oversight mechanisms (such as regular contract and nonprofit monitoring and the Controller’s Office’s audits) caught and corrected these issues, not the departments’ commissions [i.e. HOC].”²

Oversight of HSH and its nonprofits exists but is not working as intended, or as needed for an entity that spends hundreds of millions annually to outsource its core services.

Historically, the City’s oversight mechanisms emphasized fiscal compliance and fell short on programmatic measures. In part, this was a function of how program outcomes were defined in contracts. Performance is often measured by simple counts measuring actions or functions, not real outcomes. For instance, this includes how many people participated in intake orientation, or what percent of the people who completed exit surveys viewed a program favorably. Contracts did not include program standards set for client safety, exit success criteria, or real performance outcomes.

¹ 2025 Homelessness Needs Assessment, Office of the Controller, City Performance, Dec 10, 2025, pg. 7.

² Final Report Supplemental Appendices, Commission Streamlining Task Force, Jan 28, 2026, pg. 371

These gaps have real consequences.

Permanent supportive housing (“PSH”) represents the largest share of HSH’s housing portfolio. Yet it operates with limited external oversight, inconsistent monitoring, and insufficient accountability mechanisms. Data shows troubling outcomes at PSH sites. Roughly a quarter (26%)³ of all accidental drug overdose deaths in San Francisco occurred at PSH sites in 2024, and based on press reports, we estimate roughly a third (32%)⁴ of accidental drug overdose deaths for those with fixed addresses in San Francisco occurred at PSH sites.⁵

San Francisco collects thousands of “critical incident reports” (“CIRs”) each year, filed by its nonprofit service providers to document service issues. The most serious codes concern deaths, overdoses, overdose reversals, violence, and emergencies requiring police, fire or ambulance response. But these CIRs are not systematically analyzed in aggregate to identify troubling patterns or trends, compare and manage providers, identify systemic risks, or prevent future harm.

The well-reported death of Eric McCain, whose body was allegedly undiscovered for 10-12 days⁶ in a PSH unit, the Jazzie Collins Apartments operated by HomeRise, raises concerns about client safety. Reported conditions at or around 711 Post Street, a large-scale shelter site operated by Urban Alchemy, also prompt concerns about issues not captured by the contractual metrics for performance and outcomes. HSH described Urban Alchemy’s 711 Post Street as a success based on its contractual service and outcome objectives. At the same time, community neighbors reported ongoing safety and quality of life issues were not considered or assessed by HSH.

The Jury has concluded that such issues and concerns are not limited to these incidents; they reflect a system that often lacks the tools, oversight, and accountability to provide adequate services to a population with high levels of disease and disability, including serious mental illness, chronic physical disease, infectious disease, substance use disorders, physical disability, and functional impairment.⁷

³ “Behavioral Health Services Director’s Update, Behavioral Health Commission,” Hillary Kunins, Sep 18, 2025, p. 6.

⁴ Estimated from the 875 overdose deaths from “Housing first, morgue second,” Susan Dyer Reynolds, The Voice of San Francisco, Aug 28, 2025, as numerator, and the total number of overdose deaths for those with fixed addresses (2,747) over the same period from the Office of the Chief Medical Examiner.

⁵ BOS Public Safety and Neighborhood Services Committee, April 23, 2026, p.3.

⁶ “At a ‘model’ S.F. complex for the formerly homeless, a man lay dead for days unnoticed,” Matthias Gafni, Matthew Mitchell, Susie Neilson, SF Chronicle, Mar 20, 2026.

⁷ UCSF Benioff Homelessness and Housing Initiative, Toward Thriving: Understanding Health & Homelessness, Nov 2025.

At the same time, the City's homelessness data systems remain scattered across departments; this fragmentation obscures a full view of client needs, and ultimately hinders successful client service outcomes. At the system level, it works against network optimization (ex. Mayor Lurie's "right beds" strategy which focuses on service-rich, mental health, and recovery-oriented beds rather than raw numbers) and limits the ability to use data to generate triggers that can alert HSH to respond to early warning signs. New investments in data infrastructure are underway, but they have not yet translated into meaningful improvements in decision-making or oversight.

This report identifies five areas that need addressing:

- CIRs provide vital insight into client safety, but HSH has not used this data effectively to identify patterns of concern or to improve safety at housing sites.
- HSH is lagging in presenting data that allows for benchmarking nonprofits by program or housing type, and in using data to trigger targeted program monitoring.
- HSH ceased the established practice of submitting certain contracts to HOC for review and consent, notifying HOC of all renewals and extensions as line items.
- HOC has yet to exercise the full extent of its statutory authority, and lacks the training and resources to meet the public's expectations as set by the 2022 Prop C initiative.
- The Shelter Monitoring Committee is set to terminate, and HSH is insufficiently resourced to absorb SMC's work, and oversee PSH sites effectively.

The current approach is not enough.

San Francisco has invested billions to address homelessness over the last decade, yet the crisis continues to deepen. The homeless count at the start of each year has grown at roughly a 30% compound annual rate since 2020, reaching an estimated 8,000 individuals at the start of 2025 (we estimate this based on HSH's inflow and outflow data, i.e. 5,488 homeless at start of 2024 plus 17,859 inflow for 2024 minus 15,292 outflow for 2024 = 8,055)⁸ – and those entering the system arrive with increasingly complex medical, behavioral health, and substance use needs. Meanwhile, successful exits from homelessness to stable housing, represent only 30–40% of total outflow⁹ – meaning the majority of people leaving HSH's system are not exiting homelessness on stable terms. The number of successful exits has declined 14.3% year-over-year (on a calendar basis, -9.3% on a fiscal basis) in HSH's most recent data. Homelessness is growing faster than it is being resolved.

⁸ Homelessness Trends Dashboard: Inflow and Outflow Analysis, HSH; 1,899 actual "Homeless at Start" for 2020 and an estimated 8,000 for 2025, which represents a CAGR of 33% over 5 years.

⁹ Exits from Homelessness, HSH; Successful exits to stable housing totaled 5,756 for 2024, and total outflow from HSH's Inflow and Outflow Analysis was 15,292 for 2024.

This is not a picture of success.

Growth in spending hasn't solved the problem and now HSH faces a plateauing budget. This report's recommendations call for restoring independent contract reviews, more robust exercise of chartered oversight authority, integrating safety metrics into contract management, and building data-driven intelligence into monitoring and auditing workflows. This report includes Findings and Recommendations; they identify timely steps needed to help HSH protect the vulnerable people it serves and deliver on its stated mission to "make homelessness in San Francisco rare, brief and one-time, through the provision of coordinated, compassionate and high-quality services."¹⁰

¹⁰ HSH's mission statement in the section "About Us," on its sf.gov website

Charter Reform

This report arrives at a moment of transition for oversight in San Francisco. On May 12, 2026, the Board of Supervisors (“BOS”) voted 6-4 to approve an Administrative Code ordinance on first reading (File No. 260217, the “Ordinance”), which adopts some of the CSTF’s recommendations. The Ordinance was finally passed by the BOS on May 19, 2026. The genesis of this vote is charter reform; as part of this initiative, CSTF evaluated the City’s network of boards, commissions, and advisory bodies — then numbering 152 — and drafted ordinances for the BOS and voters to streamline the bureaucratic sprawl (and spend).

CSTF’s recommendations were translated into two pieces of legislation: The Ordinance sponsored by Board President Rafael Mandelman, and a proposed charter amendment for voters on the November 2026 ballot. Board President Mandelman has indicated he intends to introduce a separate, more limited and less controversial charter amendment for the November ballot.¹¹

Because HOC is codified in the City Charter rather than the Administrative Code, changes to its governing authority require voter approval and fall outside the scope of the Ordinance. For the four advisory homelessness bodies in the Administrative Code, the Ordinance’s provisions for their future are summarized below.

Our City, Our Home Oversight Committee (“OCOH”)

OCOH was created pursuant to Proposition C (November 2018), which established the Homelessness Gross Receipts Tax and the Our City, Our Home Fund. The Ordinance retains OCOH, classified as an Advisory Body. Its core duties, monitoring and advising on expenditures from the Fund and conducting needs assessments, are preserved.

Local Homeless Coordinating Board (“LHCB”)

LHCB is retained as an Advisory Body, and its core function as the federally designated Continuum of Care planning body, is preserved.

Shelter Grievance Advisory Committee (“SGAC”) and Shelter Monitoring Committee (“SMC”)

SGAC is set to be **eliminated** by the ordinance, and SMC is set to be **eliminated** by the ordinance.¹²

¹¹ Leanne Maxwell, “SF Supervisors Vote to Cut 43 Inactive Commissions in Effort to Streamline City Hall,” SFist, May 13, 2026.

¹² Legislative digest for Ordinance File No. 260217, p. 3.

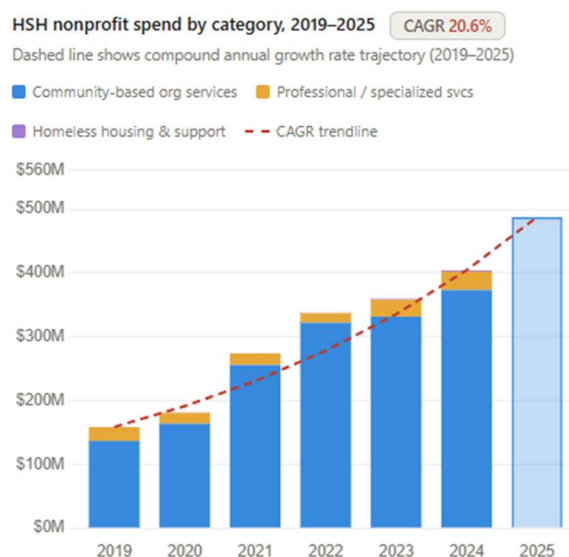
Background

Spending and Staffing

In June 2016, the BOS voted to consolidate homeless services provided through multiple departments to create a single unified and coordinated response to homelessness. This led to the formation of today's HSH.^{13, 14}

The City has long relied on service-minded organizations with direct community ties, community-based organizations ("CBOs"), to more effectively deliver homeless services across a diverse range of people and needs. Today, many of the CBOs have grown into large-scale nonprofits, often providing a broad spectrum of HSH programs and contracting with other City agencies, including the Department of Public Health ("DPH"), the Department of Public Works ("DPW"), and the Department of Children, Youth, and Families ("DCYF"). HSH's nonprofit spend of \$487 million accounted for roughly 30% of the City's total \$1.6 billion in nonprofit spending for FY2025.¹⁵

Over 2019-2024, San Francisco's commitment to this outsourcing model has grown at a 20.6% compounded annual growth rate ("CAGR") in terms of nonprofit spending. Over this time, HSH has leaned on a core group of nonprofits, some of which have taken cumulative completed payments from HSH in the range of \$50 million to \$200 million over the past 6 years.



Top vendors by completed payments
Cumulative completed payments, 2019–2024 (2025 not included)

SUPPLIER	TOTAL PAID (2019–2024)
1 Episcopal Community Svcs	\$247.4M
2 Tenderloin Housing Clinic	\$244.0M
3 Five Keys Schools & Pro.	\$144.3M
4 Larkin Street Youth Svcs	\$68.9M
5 Heluna Health	\$67.4M
6 St Vincent De Paul Society	\$66.5M
7 Tides Center	\$58.3M
8 Catholic Charities	\$54.4M
9 Community Housing Partners	\$48.4M

¹³ The new department merged contracts and programs from four agencies serving San Francisco's homeless population: Department of Public Health (DPH), the Human Services Agency (HSA), the Mayor's Office of Housing and Community Development ("MOHCD") and the Department of Children Youth and Families ("DCYF"). See San Francisco Board of Supervisors, Ordinance No. 116-16.

Figures 1 and 2. Source: HSH. Data via Controller’s Office / Supplier Payments portal. CAGR calculated from \$158.6M (2019) to \$487.3M (2025) over 6 years.

To visualize the scale of HSH’s outsourcing for service delivery, for FY2025 HSH spent \$487 million across 291 unique contracts to 73 distinct non-profit entities. To manage contract formation, fiscal processes, and program monitoring, currently HSH has 247.5 full-time equivalent (“FTE”) employees to administer and manage nearly \$500 million in annual nonprofit spending.

	FY19		FY25		CAGR (FY19–FY25)
FY Totals	# or \$	Per FTE	# or \$	Per FTE	for # or \$
Nonprofits	55	0.5	73	0.3	4.8%
Contracts	197	2.0	291	1.2	6.7%
Nonprofit Spend (\$M)	\$159	\$1.6	\$487	\$2.0	20.6%
Budget (\$M)	\$367.7	\$3.7	\$785.6	\$3.2	13.5%
FTE Count	100.4	n/a	247.5	n/a	16.2%

Table 1. Source: Staffing analysis from the Controller’s Office,¹⁷ Director’s Report to HOC, Jan 15, 2026 p. 26, and Citywide nonprofit spending, SF Open Book.

HSH staffing from 2019 to 2025 (Table 1) has mirrored the City’s investment to address homelessness; FTE headcount has grown at a compound annual growth rate of 16% compared to nonprofit spending by HSH which has grown by 21%. Over time, as the dollar value of an average contract has expanded, the ratio of # of contracts per FTE has decreased significantly, from 2.0 in 2019 to 1.2 in 2025. There are scaling benefits to HSH’s organization as it begins to consolidate spend among a chosen set of nonprofits. For a discussion of HSH’s organization, the Controller’s staffing analysis from May 2019 remains relevant.¹⁶

Pertinent to this report, HSH’s data and performance team has also expanded to meet its mission “to use data and best practices research to support the creation and ongoing implementation of high quality, responsive, and coordinated homeless services.”¹⁷ In 2019, this

¹⁴ SF Admin Code section 2A.410.

¹⁵ The Controller’s Office’s dashboard for San Francisco Nonprofit Contracts and Spending.

¹⁶ “Staffing Analysis and Benchmarking for the Department of Homelessness and Supportive Housing,” Office of the Controller (Peg Stevenson, Emily Lisker, Kyra Sikora, Glynis Startz), May 17, 2019.

¹⁷ Staffing Analysis and Benchmarking for the Department of Homelessness and Supportive Housing, Peg Stevenson, et al., Office of the Controller, May 17, 2019, p. 17.

team comprised 3 FTE's and as of 2025, it is a team of 7. Of HSH's total workforce of 247.5 FTEs, data and performance comprises 2.8%; this is roughly in-line with US tech startups, for which the median for data teams is 2.2%.¹⁸ The use of data to optimize delivery of homeless services and ensure client safety is a central crux of our recommendations, which HSH's data team appears adequately staffed to do. This is innovative work that can be catalyzed by HSH's implementation of its new Contract Lifecycle Management System in May 2026 and should be part of a continuous improvement approach to service delivery and client outcomes.

The Expanding Crisis

The investment in spend and staffing described above occurs against a backdrop of a homelessness crisis that has grown faster than the system's ability to resolve it. Between 2020 and 2025, the number of people entering the HSH system each year (the inflow) grew at a compounded annual rate of 13.2%. Over the same period, the starting count of people already in the system at the beginning of each year grew at a far more alarming rate of 33.5%.

¹⁸ "Data team as % of workforce: A deep dive into 100 tech scaleups," Mikkel Dengsøe, Jan 10, 2023.

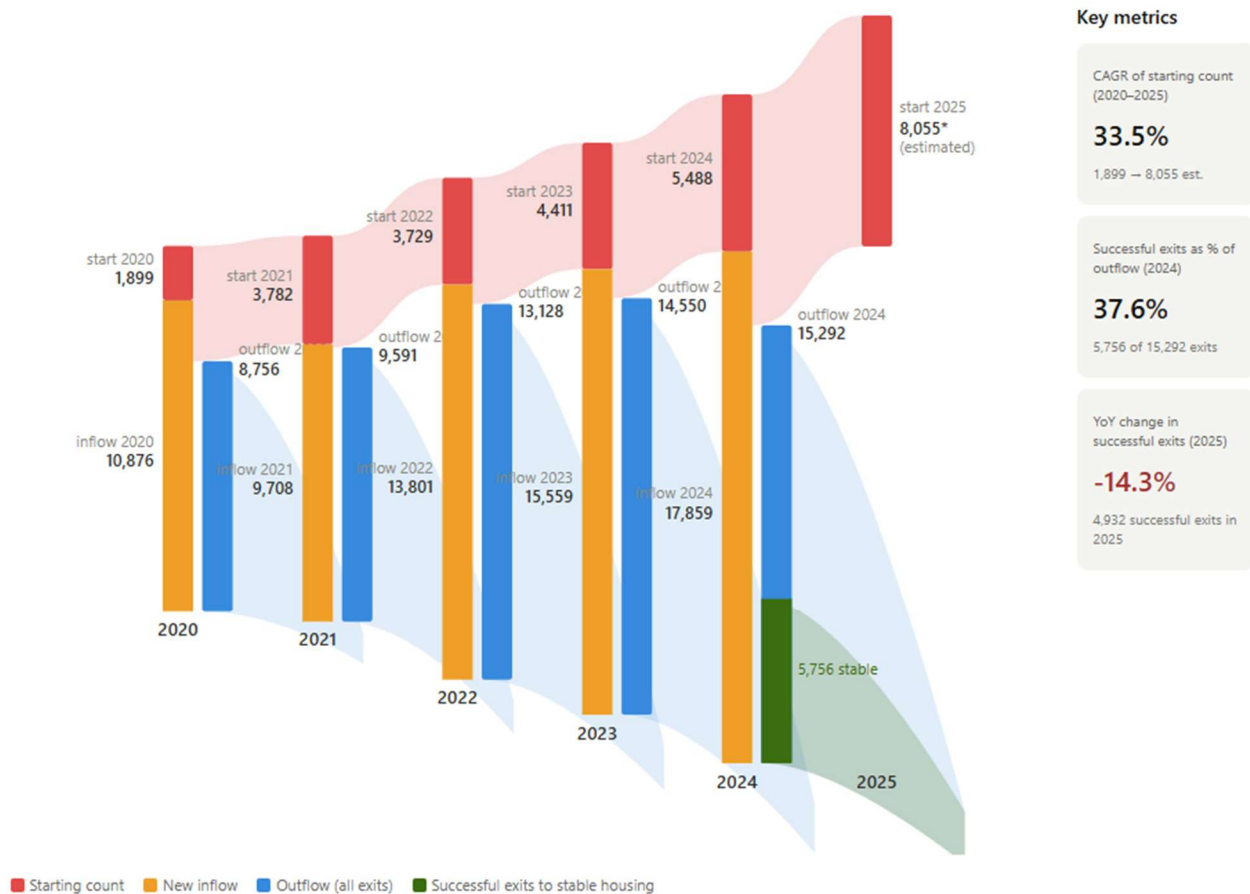


Figure 3. Band thickness proportional to number of people. *2025 starting count estimated · successful exits to stable housing available for 2024 only. Source: HSH inflow and outflow analysis, and HSH exits from homelessness.

This divergence is a central story of homelessness in San Francisco. Outflows — people exiting the system through housing placements, program completions, or other exits — have grown, but they have consistently failed to keep pace with growth of inflows plus the chronically homeless. The result is a widening carry-forward: the cohort of people who remain in the system at the end of each year and become the starting count for the next. That band, shown in red across the diagram, grows visibly wider with each passing year.

Where data is available, the picture is further complicated by the composition of those exits. Of the 15,292 people who exited the HSH system in 2024, only 5,756 — or 37.6% — did so into stable housing. The remaining exits represent more transient or unresolved outcomes. And between calendar 2024 and 2025, even that success metric moved in the wrong direction: successful exits to stable housing fell 14.3%, from 5,756 to 4,932.

Taken together, the data raise a pointed question for the sections that follow: if spending has

grown at 20.6% annually and HSH's team has more than doubled since 2019, why does the population in need at the start of each year compound at 33.5% per year? The answer lies not in commitment or effort — HSH and its nonprofit partners are working at unprecedented scale — but in whether the right accountability structures exist to ensure that scale translates into outcomes.

If spending has grown at 20.6% annually and HSH's team has more than doubled since 2019, why does the homeless count at the start of each year compound at 33.5% annually?

Layers of Oversight

HSH and its work are overseen by HOC, and advised by multiple entities, collectively providing independent checks and balances in the contract approval and monitoring processes. The Controller's Office has also met this challenge, primarily identifying fiscal noncompliance. The role of the Controller's Office in monitoring both fiscal and programmatic performance of non-profit contractors was strengthened by a BOS ordinance enacted in 2024.¹⁹

However, there are gaps in oversight, including for HSH's largest housing source — PSH. The root cause of these gaps can be found in how HSH does, or here doesn't, fully utilize CIRs and broader data practices to identify and address troubling patterns. The gaps also include a limited exercise of HOC's oversight authority that skews to a "check the boxes" approach versus real independent review.

The 2022 Prop C Initiative that created HOC focused on the need for assessment and effectiveness of HSH's delivery of services to homeless persons as did Ordinance 55-24's mandate to the Controller to establish performance metrics and monitoring tools with City entities that contract with nonprofits. Prop C also gave the Controller's City Services Auditor explicit authority to assess "services relating to homelessness."²⁰ HSH faces a down-sized budget after years of pandemic expansion, and the homelessness crisis shows no sign of abatement. Programmatic oversight requires strengthening if HOC is to realize its promise.

¹⁹ "Ordinance 055-24 amending the Administrative Code to clarify the Controller's audit and monitoring responsibilities with respect to nonprofit organizations contracting with the City; directing the Controller to establish measurable performance goals for contracts with nonprofit organizations; directing the Controller to periodically review and, as necessary, revise policies regarding contractors' compliance with City requirements; and requiring the Controller to perform an annual review of departments' compliance with policies for auditing and monitoring nonprofit organizations." May 22, 2024.

²⁰ San Francisco Charter, Appendix F: Authority and Duties of City Services Auditor, f1.101(a)(7) (amended by Proposition C, approved Nov 8, 2022).

Layer 1 - HSH Program Monitoring

HSH considers prior monitoring findings, performance to service and outcome objectives, reporting timeliness, and general compliance to decide on corrective action, desk audits, or site visits. The HSH Program team has three program directors: one each for supportive housing, coordinated entry, and shelter and outreach. Each of the three has a staff that monitors spend rate, critical incidents, operation and conducts annual program monitoring of contracts within their functional area. CIRs are not used as a contract metric. The Program Team is moving from simple numeric counts, such as number of people on-boarded, to developing more complex measures of outcome objectives.

Annual monitoring requirements permit desk reviews and waivers in certain cases, but on-site monitoring is often required by state and federal funding conditions. These visits are announced in advance. Even if a desk review is conducted or a waiver granted for good performance, the Contract Monitoring Policy requires department staff to visit each location where clients are served at least once a year. Staffing limitations typically prevent more frequent site visits or more frequent monitoring. As of February 2026, HSH's budget documents for FY2026-2028 reported 37 vacant positions out of 258 budgeted FTE (12.8% overall vacancy).²¹

The HSH Program team seeks to resolve programmatic issues proactively, at an early level, before they are elevated to the Controller's Citywide Monitoring program. This report will discuss incidents associated with two HSH providers, HomeRise and Urban Alchemy, who were designated at Tier 3 and Tier 2 status for corrective action, respectively, at different times. There is also an inherent conflict in expecting a project manager to be the daily contact for a site, providing support and mentoring, while also being a disciplinarian for potentially higher problems.

Layer 2 - Citywide Nonprofit Monitoring Program

The Controller's 2025 Nonprofit Contract Monitoring Standards and Guidelines Policy (the Standards and Guidelines Policy") and the Controller's 2024 Citywide Nonprofit Corrective Action Policy (the "Corrective Action Policy") are now the principal mechanisms for coordinating with City departments to exercise fiscal and programmatic compliance over contracts with nonprofit providers. The policies were developed following BOS legislation in 2024, when the Controller worked with City departments and nonprofits to revise its existing Monitoring Program and develop new policies to clarify procedures for identifying areas of concern or poor performance by nonprofit contractors related to both financial management and programmatic performance.

²¹ "Homelessness and Supportive Housing," FY26-27 and FY27-28 Department Budget Submissions.

The Standards and Guidelines Policy sets out what departments must do to oversee their nonprofit contracts, and the performance of programs. It requires them to: (1) include performance measures in contracts; (2) require contractor reporting at least annually; (3) conduct contract monitoring at least once a year, including a site visit; (4) meet and engage with contractors quarterly; and (5) maintain written policies describing their oversight practices.²² Collectively, these requirements mark a meaningful strengthening of programmatic monitoring, moving it toward the rigor and consistency the Controller's Office has long applied to fiscal monitoring of nonprofit contracts. This Policy applies to nonprofit contracts whose services are valued at \$200,000 per year or greater.

The Corrective Action policy established a three-tier corrective action policy (applicable to both fiscal and programmatic monitoring concerns):

- **Tier 1:** Lower-severity financial issues that may be indicators of future risk. Tier 1 eligibility criteria are meant to support new and emerging nonprofit contractors who may require more time and assistance to comply with City funding and contracting requirements. Tier 1 status is not publicly reported.
- **Tier 2:** Serious fiscal or programmatic concerns; triggers mandatory technical assistance and collaborative action planning. Typically applies to issues that have persisted over time despite department intervention.
- **Tier 3:** Pattern of severe fiscal or programmatic concerns; triggers mandatory technical assistance, public notification, and authorization for departments to use the designation as a factor in funding decisions.

The Controller's responsibilities include reviewing compliance with these measures, and administering and publicly reporting on the Citywide nonprofit corrective action policy; it has audit authority. The Controller's Corrective Action Policy identifies examples of fiscal and programmatic incidents that may trigger tier designations. Client Safety issues are identified as an example of serious programmatic issues that may warrant a Tier 2 (isolated safety incidents that were swiftly and satisfactorily corrected) or Tier 3 corrective action designation (widespread and/or ongoing critical safety incidents).²³

To the Jury's knowledge, HSH has never declined to renew or award a contract specifically because of a corrective action designation.

²² Citywide Nonprofit Monitoring and Capacity Building Program, Controller's Office, "How It Works.," website

²³ Office of the Controller, Citywide Nonprofit Corrective Action Policy, Appendix B, Programmatic Criteria for Designation, Dec 9, 2024.

In recent years, nonprofits with active HSH contracts accounted for 3 of the 6 that have made an appearance more than once over the period 2019-2025 (Bayview Hunters Point Foundation, HomeRise, and LYRIC) in the Controller’s Citywide Nonprofit Monitoring and Capacity Building Program Annual Report).²⁴

Most often cited, 2019–2025	# years on list	Most recent year	Level of Corrective Action
Bayview Hunters Point Foundation	4	2025	Tier 3
HomeRise	4	2025	Tier 2
Lavender Youth Recreation and Information Center (LYRIC)	2	2025	Tier 2
Samoan Community Development Center	2	2025	Tier 2
Livable City	2	2025	Tier 2
PRC and Baker Places	2	2023	Elevated Concern

Table 2. Source: Controller’s Office Citywide Nonprofit Monitoring and Capacity Building Program Annual Reports, 2019–2025.

To the Jury’s knowledge, HSH has never declined to renew or award a contract specifically because of a corrective action designation.

Layer 3 - Homelessness Oversight Commission

Authorized by San Francisco voters in 2022 and established in 2023 through the City Charter²⁵, HOC was created to oversee HSH as a governing body, and to ensure public transparency through the Sunshine Ordinance.²⁶ Under the City Charter, HOC has authority related to HSH’s budget, departmental oversight, departmental audits, and nomination of candidates for the Executive Director position.

Although the Charter does not explicitly require HOC’s review of, and comment on HSH contracts, HSH established an administrative practice in 2023 of presenting certain contracts to HOC for public review and comment. At the Commission’s inaugural meeting on May 4, 2023, HSH proposed draft rules for HOC’s review of, and comment on, nonprofit contracts. This includes thresholds requiring Commission review for agreements exceeding \$500,000 annually, and certain new programs and services exceeding \$100,000 annually.²⁷

²⁴ Office of the Controller, Citywide Nonprofit Monitoring and Capacity Building Annual Report, FY 2024-2025.

²⁵ Section 4.133 of the San Francisco Charter.

²⁶ The San Francisco Sunshine Ordinance of 1999.

²⁷ Agenda item 6E, Homelessness Oversight Commission, May 4, 2023

This second layer of contract review is “good governance,” particularly when HSH relies almost 100% on outsourced nonprofit providers to deliver services. It creates an additional layer of public transparency and oversight for homelessness-services contracting for contracts below the threshold requiring BOS approval, which in many cases is \$10 million in total value. HOC review also provides a public forum through which contracts, providers, service scopes, and amendments could be discussed in open session, consistent with San Francisco’s public transparency requirements. In certain instances, members of the BOS informally referenced prior HOC review as part of their own contract evaluation process.

Despite its oversight responsibilities, HOC operates with limited independent staffing and analytical capacity. The Commission receives support from shared administrative staff but does not have personnel with the capacity to independently perform contract, operational, or fiscal analyses comparable to those prepared for the BOS by the San Francisco Budget and Legislative Analyst (“BLA”). HOC is also substantially dependent on HSH for access to information regarding contracts, provider performance, and departmental operations.

In May 2025, HSH announced that contract renewals and extensions would no longer be presented to HOC for review and comment, on a temporary basis.

On May 1, 2025, then-HSH Executive Director Shireen McSpadden announced that, on a temporary basis through January 2026, contract renewals and extensions would not be presented to HOC for review and comment, citing the administrative burden associated with preparing materials for Commission review.²⁸ On August 7, 2025, she restated the change in policy and dropped any reference to “temporary” or an end

date.²⁹ As of HOC’s meeting on May 7, 2026, renewal and extension contracts have not returned to the Consent Agenda.

Since May 1, 2025, HOC has generally received only summary information regarding renewals and extensions such as program name, provider, contract term, not-to-exceed amount, projected clients served, and cost and staffing ratios.³⁰ New contracts continue to be presented to HOC through the Commission’s consent agenda process, although the majority of HSH contracting activity consists of renewals and extensions rather than entirely new contracts.

²⁸ HOC Meeting Minutes, May 1, 2025 meeting, p.8

²⁹ HOC Meeting Minutes, August 7 meeting, p.7.

³⁰ HSH Director’s Report, Homeless Oversight Commission, January 15, 2026, January Contract Amendments & Renewals, p.24-25.

Renewals and extensions meeting applicable thresholds continue to be reviewed by the BOS. However, because many HSH contract renewals fall below Board review thresholds, the reduction in HOC review has narrowed a previously existing layer of public oversight and transparency regarding homelessness-services contracting.

In addition, HOC has not exercised its Charter authority to conduct performance audits of HSH or its services since its inception in May 2023.³¹

HOC has not exercised its Charter authority to conduct performance audits of HSH or its services since its inception in May 2023

Separately, CSTF recommended converting HOC into an advisory body and consolidating other homelessness-related advisory committees beneath it as subcommittees.³² In its final report, the Task Force summarized its recommended changes to HOC as “remov[ing] department head hiring and firing authority” and “remov[ing] budget and contract approval authority.” As of May 2026, portions of the Task Force’s recommendations were finally passed by the BOS, and other portions appeared to continue advancing through the City’s legislative and policy-review process for voters on the ballot for November 2026.³³

At a time when San Francisco’s Homelessness Response System continues to face persistent operational, financial, behavioral health, and safety challenges, the potential reduction of independent oversight resources and public-review mechanisms raises broader questions regarding transparency, accountability, and the City’s long-term capacity to identify and respond to systemic risks within homelessness services.

Layer 4 - Board of Supervisors

The BOS retains formal authority over contracts and leases entered into by any entity of the City through budget appropriation and legislative action. This authority is seen in the requirement for BOS to approve contracts requiring anticipated City expenditures greater than \$10 million, or contracts with a term exceeding 10 years and modification or amendment with impact of more than \$500,000 to a contract already subject to BOS approval.³⁴

³¹ HOC’s statutory authority specifically highlights “conducting performance audits of [HSH] to assess the efficiency and effectiveness of [HSH’s] delivery of services.” Section 4.133, San Francisco Charter.

³² Commission Streamlining Task Force Final Report, January 28, 2026, p.56.

³³ “S.F. to cut down on commissions in bid to streamline City Hall,” Alyce McFadden, the SF Chronicle, May 13, 2026.

³⁴ San Francisco City Charter section 9.118.

Potentially, BOS authority over contracts will be affected by proposed Charter Reform legislation that could be on the ballot for November 2026. In solving for improved operational efficiency, and enhanced streamlining of the contract approval process, a reset of the threshold for contracts requiring BOS approval has been proposed, based on 2026 dollars, increasing it from \$10 million to \$25 million, with automatic adjustments for inflation.³⁵

In March of 2024, the BOS amended the Administrative Code to extend the sunset date of Chapter 21B³⁶—which allows for no-bid, streamlined contracting for projects addressing homelessness—from May 5, 2024, to May 5, 2029. No-bid, streamlined contracting allows HSH to bypass the months-long competitive solicitation process, and select nonprofit providers based on proven expertise or immediate capacity.

³⁵ Charter Reform Update for LBEAC (Local Business Enterprise Advisory Committee), Charter Reform Working Group, Feb 5, 2026.

³⁶ San Francisco Ordinance 038-24, Administrative Code - Extending Sunset Date of Contracting Waivers for Homeless Services, Mar 7, 2024

Discussion & Analysis

Areas of Concern

Historically, the City's oversight has been strongest for ensuring fiscal compliance. However, we argue the lack of fiscal controls can logically lead to programmatic problems like insufficient staffing to provide required services. Accordingly, we advocate for taking a "where there's smoke, there's fire approach" to deeper monitoring in the face of serious fiscal concerns.

PSH outcomes are concerning: drug overdose deaths

Since 2004, PSH has been the City's primary tool for homelessness intervention. PSH has site-based (units in a building dedicated to PSH that provides onsite services) and scattered site inventory (private-market units, with services provided by mobile teams). This report focuses on site-based PSH which includes numerous single room occupancy hotels ("SROs"), sometimes called residential hotels, previously run by the Human Services Agency and Department of Public Health. Site-based inventory was estimated at 9,376 beds as of March 2026.³⁷

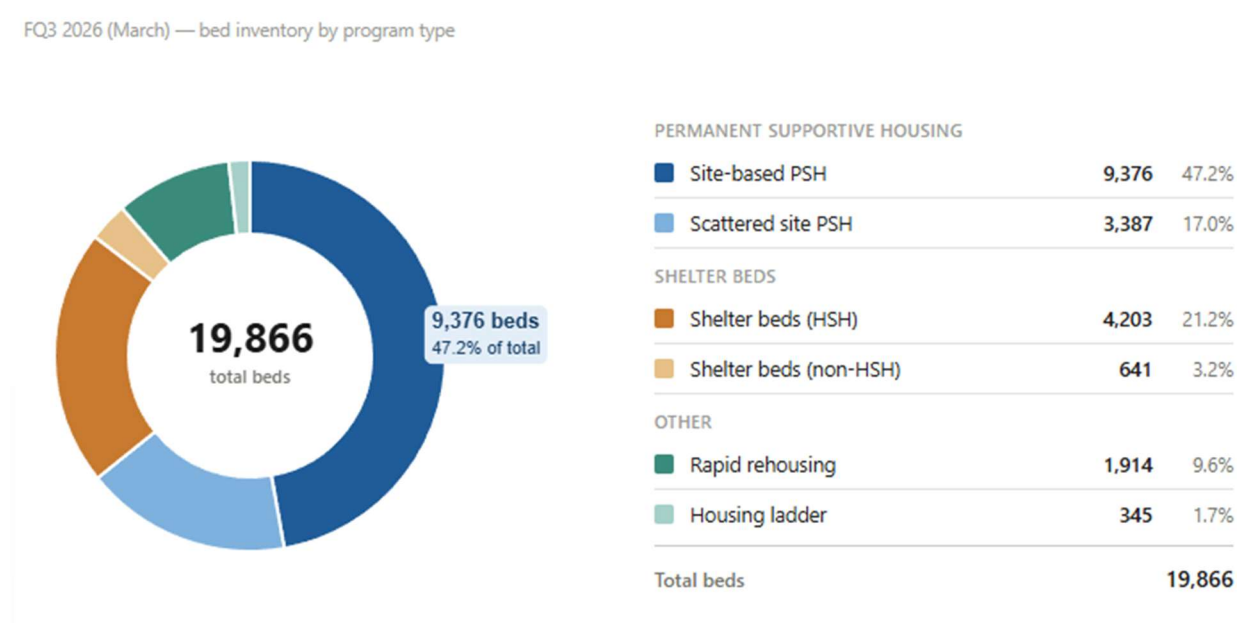


Figure 4. Source: City and County of San Francisco, Department of Homelessness and Supportive Housing. FQ3 2026 (Mar 2026).

³⁷ "Total Temporary Shelter Beds," and "Total Permanent Housing Units," HSH.

HSH inherited this portfolio in 2016, along with responsibility for funding, contracting and managing the system. For example, a 2016 Master Lease Agreement with Tenderloin Housing Clinic for 16 SRO sites serving 1544 clients was entered in 2014, transferred to HSH in 2016 and amended to increase its FY20-FY24 budget from \$89,400,506 to \$132,903,851 in 2022.³⁸ Onsite services covered under that contract include: case management, housing stability support, wellness and emergency safety checks, support groups and special events, tenant selection and building management. PSH single-site properties are heavily concentrated in the Tenderloin and West SoMa.³⁹ HSH describes PSH as “provid[ing] long-term affordable housing for people with complex social and health needs exiting homelessness” and services including “case management and housing stability support.”⁴⁰

Despite the importance and expense of the PSH program, it operates with limited external accountability, primarily in the form of tenant protections available to SRO residents regardless of whether a unit is part of HSH or rented on the free market.⁴¹ Oversight gaps are well documented. The 2020 Budget and Legislative Analyst audit found that nearly half of PSH contracts lacked complete monitoring materials, \$73 million in allocated funds went unspent, and vacancy rates exceeded targets. Similarly, the 2023 Civil Grand Jury reported that HSH completed on-site audits for only 17 of 49 nonprofits requiring review.

In this context, mortality outcomes within PSH warrant close scrutiny; specifically, death by accidental drug overdose. Overdoses have long been a problem in PSH. A study of drug overdose mortality among residents of SRO hotels in San Francisco from 2010-2017 analyzed 1,551 total overdose deaths and concluded a 19x higher mortality rate among SRO residents compared to non-SRO residents.⁴² While an imperfect comparison because not all SROs in San Francisco are part of the City’s PSH inventory, the study illustrates the overdose experience in this category of housing.

The Chief Medical Examiner’s data⁴³ shows that in San Francisco deaths from drug overdoses have ranged from 625 to 810 annually from 2020 to 2025. The Chief Medical Examiner provides monthly and annual reports on overdose deaths by zip code, but public reports do not

³⁸ THC: Master Lease Hotels, Grant Agreement First Amendment, HSH presentation to BOS Budget and Finance Committee, May 25, 2022.

³⁹ SF Chronicle, San Francisco’s deadly failure on the drug crisis is unfolding inside its own housing program, Dec 15, 2022.

⁴⁰ Permanent Supportive Housing Occupancy and Total Permanent Housing Units, HSH

⁴¹ Budget and Legislative Analyst Report, Performance Audit of the Department of Homelessness & Supportive Housing, Aug 6, 2020.

⁴² Rowe CL, Riley ED, Eagen K, Zevin B, Coffin PO. “Drug overdose mortality among residents of single room occupancy buildings in San Francisco, California, 2010–2017.” *Drug and Alcohol Dependence*. 2019; 204:107571.

⁴³ Accidental Overdose Reports, OCME.

code deaths to street addresses, and neither HSH or DPH report on overdoses by provider or housing type. This leaves a gap that requires indexing death location records by PSH site addresses. It is further complicated because PSH tenants who die at hospitals or elsewhere may not be counted as PSH location deaths. This leaves a gap that requires indexing death location records by PSH site addresses and other data, such as obituaries.⁴⁴ Various entities have undertaken this task at different times between 2020 and 2025.

Perhaps the most referenced data point on this comes from the DPH’s Behavioral Health Services, which recently estimated that roughly a quarter of all of San Francisco’s accidental drug overdose deaths occurred in PSH sites.

PSH: A >15x Multiplier for Drug Overdose Deaths

According to Behavioral Health Services of DPH, roughly 25% of drug overdose deaths occur in PSH; PSH houses only 1.5% of San Francisco’s population (based on 12,763 PSH beds at 100% occupancy, and total population of 826,079)

Time period	% citywide OD deaths in PSH	Source
Jan 2019 – Dec 2022	16%	"Deadly crisis in city housing program," Trisha Thadani and Joaquin Palomino, San Francisco Chronicle, Dec 18, 2022
Jan 2024 – Dec 2024	26%	"Behavioral Health Services Director's Update for the Behavioral Health Commission," Hillary Kunins, Sep 18, 2025, p. 6

Table 3. Estimates on drug overdose deaths occurring in PSH. OD = drug overdose. PSH = permanent supportive housing. Percentages reflect share of citywide accidental drug overdose deaths that occurred in PSH sites during the indicated period.

The factual recitations in legislation passed by the BOS Public Safety and Neighborhoods Committee on April 23, 2026 and recommended for full-Board approval, summarizes the urgency:

“According to data from the Office of the Chief Medical Examiner, between June 2024 and July 2025, 26% of overdose deaths occurred in PSH, a higher percentage than in shelters, hospitals, private homes, or on the street. Drug-related behaviors and associated lawlessness lead to public nuisances that routinely rob law-abiding PSH residents and neighbors of the quiet enjoyment of their own residences and neighborhoods. Just one PSH facility alone generated 654 police calls for service in a single year – averaging nearly two calls per day. A sample of 15 PSH sites showed 5,872 police calls for service during that same time frame.”

⁴⁴ BOS Public Safety and Neighborhood Services Committee Hearing on Overdose Prevention, Jul 24, 2025.

Collectively, the various estimates of death in PSH show two things. First, while the study methods and results may not be perfect, there are far too many deaths in permanent supportive housing. Deaths by accidental drug overdose also appear to be increasing as a percent of the total OCME count from 2019 to 2025. Second, the City needs a data process that maps people who die from overdoses to PSH addresses and that includes PSH residents

Roughly 25% of drug overdose deaths in San Francisco occur in PSH sites – which house only 1.5% of the city's population

who died on the way to, or at a hospital or medical facility, or in proximity to the PSH building. This could be done through coordination between HSH, DEM, DPH and OCME.

More broadly, these statistics suggest that housing alone—without consistent clinical engagement, harm reduction infrastructure, and rigorous oversight—is insufficient to reduce overdose mortality. Absent reforms that make resident safety and survival core performance metrics, PSH is failing the very population it is designed to protect.

Key safety data still not effectively used, despite past recommendations

For serious incidents, HSH requires its nonprofit providers to report their occurrence through CIRs. These incidents include, but are not limited to, medical and behavioral health emergencies, overdoses, acts of violence, deaths, and significant service disruptions. CIRs are intended to provide HSH with timely notice of critical events so that the Department can coordinate responses, when necessary, monitor site conditions, and assess provider performance and program safety.

Standard contract provisions require providers to submit a CIR within 24 hours of an incident. For example, a contract between HSH and HomeRise states:

“Grantee shall report critical incidents, as defined in the Critical Incident Policy, to HSH within 24 hours of the incident... Critical incidents that involve life endangerment events or major service disruptions should be reported immediately to the HSH program manager.”⁴⁵

HSH policy also requires reporting of overdose events, including overdose reversals. These requirements establish CIRs as a mandatory reporting mechanism intended to inform the city of serious conditions affecting resident safety and program operations.

⁴⁵ “Fourth Amended Grant Agreement Approval: Community Housing Partnership dba HomeRise | 5th & Harrison Transitional Living Program, HSH, Jan 1, 2025.

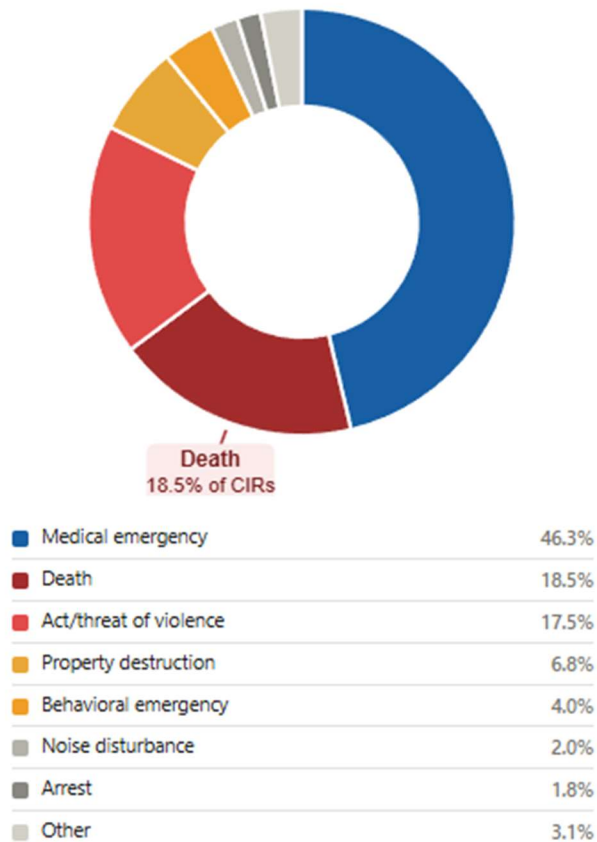
Controller's Analysis and Report on CIRs

CIRs provide a vital look into how HSH's nonprofit providers are ensuring client safety in the course of service delivery, but remains a nondisclosed data set, even when aggregated and anonymized to comply with federal HIPAA regulations and HUD Homeless Management Information System (HMIS) standards to protect client privacy. In 2024, prompted by the convergence of operational, oversight, and policy concerns on safety conditions, the Controller's Office analyzed⁴⁶ HSH's workflows based on CIRs and CIR data from June 2023 through February 2024.

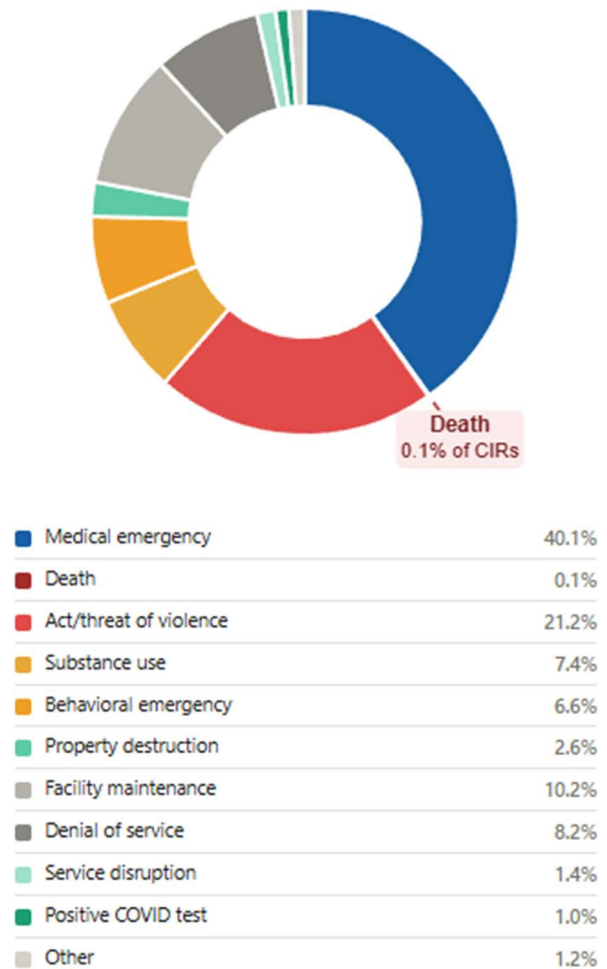
Despite the findings and recommendations from the 2024 report, the City is still struggling to converge operational, oversight and policy to address safety conditions for HSH programs, particularly PSH. Out of 4,095 total CIRs filed over June 2022 to July 2023, the Controller's report treated and analyzed the data for 1,968, with the following results:

⁴⁶ "HSH Critical Incident Analysis and Recommendations," Controller's Office, Apr 2024.

N = 914 • Jun. 2022 – Jul. 2023



N = 996 • Jun. 2022 – Jul. 2023



Figures 5 and 6. PSH (left) and Shelter CIRs (right) from the Controller’s analysis. There were 169 deaths in total, of which only 1 occurred in a shelter. The Mission Hotel (PSH run by THC) reported 10 deaths, the most at any PSH site. The Plaza (PSH run by TNDC) reported 8 deaths and the Tahanan (PSH run by Mercy Housing) reported 7 deaths. Source: Jury graphics generated from controller’s data.

The sampled data indicates that HSH shelter and housing sites regularly manage high-acuity populations and experience frequent safety-related incidents. What jumps out is that CIRs for deaths is almost exclusive to PSH, and these deaths occurred at a not insignificant frequency, 18% of all sampled CIRs (N=914).

Limitations in CIR Data and Reporting

79% of responding sites reported that CIR data undercounts incidents at their programs. 64% said it was unclear when a CIR was even required

The Controller's 2024 Report on HSH Critical Incident Analysis and Recommendations⁴⁷ identified several limitations in HSH's CIR workflows that affect the reliability and usefulness of the data. First, CIR data may underrepresent the actual number of incidents. Based on surveys conducted as part of the analysis, 79 percent of responding sites reported that CIR data undercounts incidents occurring at their programs. Providers cited inconsistent reporting practices

and uncertainty regarding reporting requirements.

Second, providers reported a lack of clarity regarding when CIRs are required. Sixty-four percent of surveyed providers indicated that it was not clear when a CIR should be submitted. The Controller's Office also found that providers received inconsistent or insufficient training on CIR reporting requirements.

Third, the quality and consistency of CIR data vary across providers. The Controller found inconsistencies in how incidents are categorized and documented, which limits the ability to compare data across sites or over time.

Lack of Standardized Response to, and Use of, Data

The Controller also found that HSH lacks standardized processes for responding to reported incidents. Program managers do not have uniform guidance on how to assess incidents, escalate concerns, or initiate corrective actions. As a result, responses to similar incidents may vary across programs.

In addition, HSH has not fully developed systems to aggregate and analyze CIR data at the program, provider, or system level. While CIRs are collected in a centralized system, the Controller found that data is not consistently used to identify trends, monitor performance, or inform management decisions. Two years later, serious incidents continue to occur, often repeatedly; this report has produced the same finding that HSH has not used CIRs at a system level, to any measurable effect, to improve client safety.

⁴⁷ San Francisco Office of the Controller, City Performance Unit. "HSH Critical Incident Analysis and Recommendations." Apr 23, 2024

The Jury's investigation included research into the status of implementation of the Controller's recommendations but that research did not reveal that any steps had been taken toward implementation.

Absence of System-wide Safety Metrics

Based on the evidence reviewed, CIR data is not currently used to establish systemwide safety metrics or performance benchmarks for providers. The Jury was unable to obtain aggregated CIR data by site or provider or documentation demonstrating routine use of such data for comparative analysis.

CIRs appear to function primarily as individual incident reports rather than as components of a comprehensive safety monitoring system. The absence of standardized metrics limits the City's ability to: identify programs with elevated levels of risk; detect patterns of repeated incidents at specific sites; compare performance across providers; and initiate timely intervention based on emerging trends.

Implications for Oversight

The CIR system provides a mechanism for reporting serious incidents, but its current implementation does not ensure that those incidents are systematically analyzed or used to inform oversight.

As a result, information regarding deaths, overdoses, violence, and other critical events remains fragmented across individual reports. Without consistent aggregation and analysis, these data do not function as an early warning system for deteriorating conditions at specific sites or within specific programs. This limitation is particularly significant in a system that relies on multiple providers operating across numerous sites, where risks may emerge gradually and across locations.

The following case studies examine specific instances in which serious incidents and/or delivery failures were alleged to have occurred within HSH-funded programs. The concerns raised by these incidents illustrate how the limitations identified in the CIR system might potentially affect the City's ability to identify patterns, respond to emerging risks, and ensure resident safety.

The Two Perspectives of Homelessness

San Francisco has invested heavily on its "care to exit" framework for driving successful exits from homelessness - an approach that prioritizes moving people from unsheltered homelessness into interim permanent housing, with supportive services intended to stabilize residents and help them exit homelessness on a sustained basis. At the same time, a central

tension defines what it means to be homeless in SF: the gap between the system's promise of care, and the reality that many face unsafe conditions, inconsistent support, and in some instances, traumatizing events and life-threatening outcomes even after being brought indoors. Yet, this system is notable for its scale⁴⁸ and level of public investment.

The effectiveness of this system depends not only on the number of people processed and housed, but on what occurs after placement. This section examines the central tension within SF's approach - the divergence between how the system is designed and measured at the policy level, and how it may be experienced by the people it is intended to service. We argue that to become more effective, this divergence needs to be reconciled.

As the jury investigated the operations and oversight of HSH, two perspectives emerged.

The first is the **human, lived experience**. This perspective reflects day-to-day realities: the personal choice each homeless person must make of whether to remain unsheltered or seek shelter and, for some, possibly re-live past traumas at HSH housing sites, whether to receive services and remain connected to care, and in some cases whether they survive. It is shaped by conditions inside individual buildings, it depends on the training and reliability of staff, and the degree to which vulnerable individuals are actively supported or passively housed.

The second is the **policy-level perspective**. The system is designed, funded and managed by the City, and operated by its nonprofit providers. This perspective⁴⁹ emphasizes scale, throughput, implementation of number of beds or units brought online, contracts executed, with equity and inclusion in mind. It reflects the operational realities of rapidly expanding a complex service delivery system critically dependent on a network of nonprofit providers, many of which have grown exponentially to meet needs.

Both perspectives are required to address homelessness. But they need to be reconciled.

A system can appear to be effective when evaluated through aggregate, institutional KPIs (key performance indicators, or more simply, metrics) - beds or units added, housing vacancies, etc. - while simultaneously producing deeply concerning outcomes at the individual level, including neglect, unmanaged behavioral health

A system can appear to be effective when evaluated through institutional KPIs, while simultaneously producing deeply concerning outcomes at the individual level

⁴⁸ U.S. Department of Housing and Urban Development, 2023 Annual Homeless Assessment Report (AHAR) to Congress.

⁴⁹ Home by the Bay, HSH's long term strategic plan.

conditions, and preventable deaths. Individual failures and deaths may be treated as isolated incidents rather than as indicators of weaknesses in systemic design, staff training or oversight challenges.

This section presents two case studies, each viewed primarily through one of these perspectives – one centered on an individual resident, the other on a large shelter site and its surrounding community. Rather than findings of fault, which the Jury is not positioned to make, each describes circumstances in which raised concerns implicate the gap described above: between a system that can appear effective in the aggregate and the conditions that may be experienced at the individual and community level. More importantly, they can point to what can be done better, i.e. areas of improvement. For example, precursor events to individual failures or deaths can be aggregated, normalized and analyzed by HSH to preventively address systemic design or training issues. The case studies surface gaps like this in programmatic oversight, leading to recommendations later in this report which we believe can strengthen the already comprehensive work⁵⁰ led by the Controller’s Office to ensure fiscal compliance with nonprofit providers.

Perspective #1 - Eric McCain: Reported Concerns about Jazzie Collins Apartments

In November 2025, Eric McCain passed away in his unit at the Jazzie Collins Apartments, a PSH site operated by HomeRise.⁵¹ His body is reported to have remained undiscovered for approximately 10-12 days, until his sister called the San Francisco Police Department (“SFPD”) to perform a wellness check. By the time his body was discovered, it had reportedly moderately decomposed. The purported circumstances of his death raised immediate concerns, and investigative reports published by the San Francisco Chronicle and the UC Berkeley Investigative Reporting Program raised questions about whether:

1. wellness checks were conducted and accurately documented;
2. signs of absence or distress by Mr. McCain were identified; and
3. staff should have escalated the matter given the alleged prolonged lack of contact.

Grant agreements for PSH sites contain standardized contract terms requiring wellness checks and emergency safety checks for those serving high-acuity residents, such as the Jazzie Collins Apartments, as well as those serving residents with demonstrated stability, for

⁵⁰ Citywide Nonprofit Monitoring and Capacity Building Program, Controller’s Office.

⁵¹ “At a ‘model’ S.F. complex for the formerly homeless, a man lay dead for days unnoticed,” Matthias Gafni, Matthew Mitchell, Susie Neilson, SF Chronicle, Mar 20, 2026.

example The Abigail Housing Ladder Program. In HSH's recent 3-year extension⁵² for that housing site, the contract contains the following standardized terms for wellness checks:

"Wellness and Emergency Safety Checks: Grantee shall conduct Wellness and/or Emergency Safety Checks in accordance with HSH policy to assess a tenant's safety. Whenever there is a reason to believe there is immediate and substantial risk due to a medical and/or psychiatric emergency, then Grantee shall contact appropriate emergency medical professionals."

The Jazzie Collins site was designed to support clients with acute needs – those with past trauma, substance abuse orders, physical disabilities. The site opened to great political fanfare in 2022.⁵³ The reported and alleged circumstances raise concerns about whether the above contractual standards that help safeguard residents have been consistently applied at the site.

HomeRise: Prior Concerns and Corrective Action History

HomeRise had previously been on the Controller's Corrective Action list, with its status at Tier 2 or "Elevated Concern" following fiscal monitoring of the 2021-2022 and 2022-2023 fiscal years. The Mayor's Office of Housing and Community Development ("MOHCD") and HSH requested an audit of HomeRise in 2022. The Audit found "gross fiscal non-compliance, wasteful practices that misuse taxpayer funds, and spending of City funds on unallowed or questionable costs that *likely diverted services from intended housing recipients or facility improvements* (emphasis added)." ⁵⁴ After the Audit was released, the Controller's Office escalated its status to Red Flag status.⁵⁵ It was subsequently lowered to Tier 2, with a notation "lowered from Tier 3 in 2024" as reflected in the Controllers FY24-25 Corrective Action list.⁵⁶

⁵² Second Amendment to Grant Agreement between City and County of San Francisco and Tenderloin Housing Clinic, Inc., HSH, May 15, 2026, Description of Services, p. 3.

⁵³ "A Pelosi Model Is Now a San Francisco Scandal," James Freeman, The Wall Street Journal, Mar 20, 2026.

⁵⁴ Letter dated April 2, 2024 from Mark de la Rosa, SF Director of Audits to HSH and MOHCD, transmitting audit and noting "the audit, which your departments requested after discovering HomeRise's significant fiscal challenges, had as its objective to determine whether HomeRise complied with the requirements of the city agreements, with a focus on fiscal areas and limited efforts on programmatic compliance." Department of Homelessness and Supportive Housing, "Community Housing Partnership, d/b/a HomeRise, Mismanaged Financial Activities and Misused City Funds Related to City Agreements for Its Properties and Supportive Housing Efforts."

⁵⁵ Amended Grant Agreement Approval: Community Housing Partnership dba HomeRise | 5th & Harrison Transitional Living Program, HSH prepared materials for HOC, Agenda Item 12.3, Nov 7, 2024, p. 3.

⁵⁶ Citywide Nonprofit Monitoring and Capacity Building Program, FY24-25 Annual Report, Corrective Action Designations, FY25 Tier 2 Designations, December 2, 2025, p. 30.

Aisha McCain told her brother's story during public comment at the January 15, 2026 HOC meeting.⁵⁷ HSH issued a corrective action letter to HomeRise⁵⁸ on February 6, 2026, "to address HomeRise's failure to follow the required HSH Resident Emergency Safety Check Policy and Procedures for the Jazzie Collins Permanent Supportive Housing (PSH) program (FSP #1000025900) during the timeframe of November 05, 2025, to November 14, 2025." This timeframe coincides with Eric McCain's estimated date of death, in early-to-mid November 2025. The letter directed HomeRise to take corrective actions at Jazzie Collins - overhaul its wellness check process, implement added staff training and develop a Technological Improvements Plan. It did not call for a systemic audit of any deaths at the other PSH facilities operated by HomeRise and it did not call for implementing the corrective procedures at other HomeRise facilities, if necessary.

Rise of Homeless Nonprofits: "Too Big to Fail" Now?

Since the 1980s, the City has built a diverse and complex network of nonprofit providers, originally with the intent of tapping into their unique skills and community ties. Nonprofits deliver the majority of its homelessness services – outreach, shelters, and permanent supportive housing.

Organizations like HomeRise and Urban Alchemy have expanded from managing individual sites to operating large portfolios of properties and programs across the City. The expansion has been driven in part by the urgency of the homelessness crisis, including the need for rapid expansion during the COVID-19 pandemic, as well as by the City's preference for working with established providers capable of scaling operations quickly.

This rapid growth has come with challenges. Certain nonprofits have faced difficulties maintaining consistent service quality across sites, ensuring adequate staffing levels, and meeting contractual and reporting requirements. For clients' lived experience in the homelessness system, this can manifest on different levels from dissatisfaction with service delivery, at best, to complaints of being victimized by violence and subsequent trauma or, in the worst case, death.

Evidence (Figure 7) points to increasing levels of acuity among the homelessness population, and as this mega-trend plays out, it is increasingly critical to uphold and maintain consistent service delivery across all program types. This is particularly critical for site-based PSH; anecdotally, through the course of interviews, this Jury learned that despite being offered

⁵⁷ Special Homelessness Oversight Commission meeting, Jan 15, 2026, 15:00 mark on archived video.

⁵⁸ "Corrective Action Letter for HSH Resident Emergency Safety Check Policy," Dariush Kayhan, Deputy Director for Programs, Feb 6, 2026.

placement, some homeless individuals consciously choose to be unsheltered to avoid re-living past trauma from acts of violence endured in prior PSH stays.

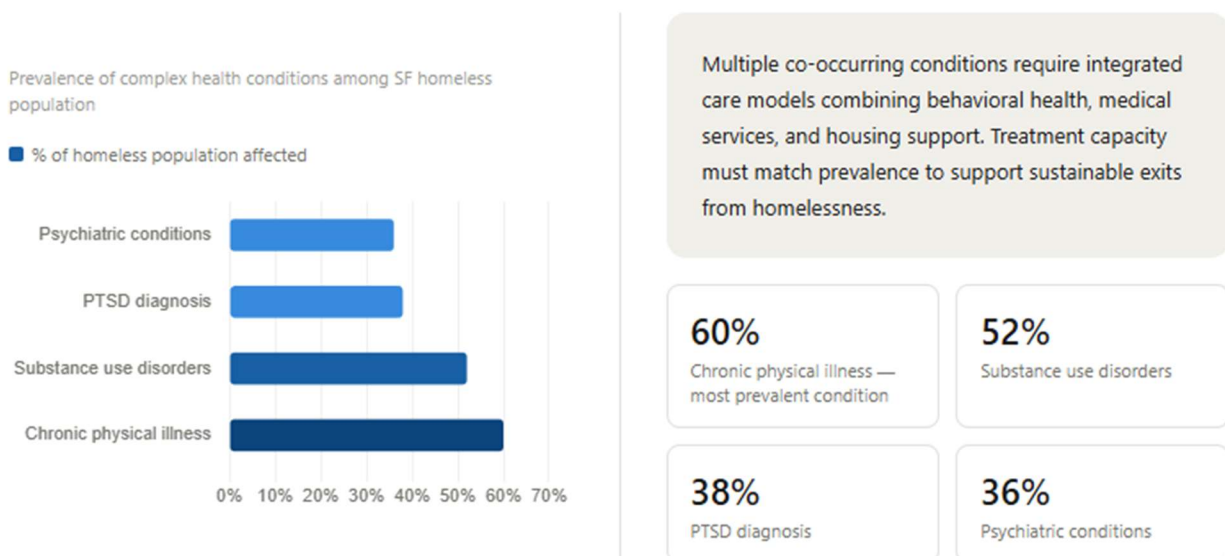


Figure 7. Source: Data Officer presentation from HOC Meeting, April 2, 2026 detailing the prevalence of complex health conditions among its clients.⁵⁹

Staff at housing sites are frequently tasked with managing complex behavioral health situations, responding to crises, and maintaining order in environments with high concentrations of high-acuity clients. These responsibilities may sometimes be carried out without adequate clinical staffing, training, or authority.

The scale, scope, and operational footprint of these multifaceted nonprofits increasingly make them difficult to replace in the short term without significant disruption to services. Current trends risk creating a set of nonprofit providers that are “too big to fail.” This, in turn, can further weaken the City’s leverage to enforce fiscal and programmatic standards consistently and proactively.

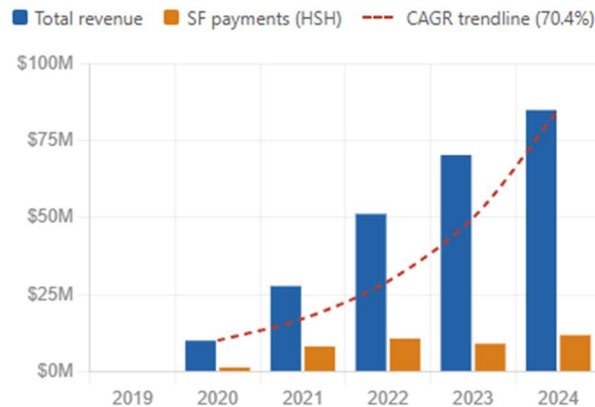
Perspective #2 - Urban Alchemy and Realities of Scale

The Urban Alchemy (also referred to as “UA”) story shows how the City’s reliance on large nonprofit operators has evolved. Founded in 2018, UA was initially contracted by the Department of Public Works to staff “Pit Stop” hygiene stations across the City. UA now operates in Oakland, Los Angeles, Portland, and Birmingham, and it continues to be one of SF’s larger and more visible nonprofits providing homelessness services.

⁵⁹ Homelessness Oversight Commission meeting. April 2, 2026. pg. 9.

Urban Alchemy revenue vs. SF payments, 2019–2024

SF payments remained at \$9M–\$12M per year over 2022–2024 while total revenue tripled.



Key metrics

2024 total revenue

\$84.9M

Up from \$10.1M in 2020

Revenue CAGR (2020–2024)

70.4%

Compound annual growth rate

SF payments (2024)

\$11.9M

HSH completed payments to UA

SF payment range

\$9–12M

Per year, consistent 2022–2024

Total SF payments

\$43.3M

Cumulative 2019–2024

Cities operating in (2024)

4

SF, LA, Portland, Austin

Figure 8. Urban Alchemy’s annual revenue has grown at a CAGR of 70% over 2020–2024, to reach \$84.9M as it has scaled to operate in SF and beyond SF. Source: ProPublica, SF OpenBook

Urban Alchemy was established to provide community ambassador and public safety-adjacent services, often staffed by individuals with lived experience with incarceration or homelessness. Its model emphasized presence and engagement in public spaces, de-escalation, informal order maintenance, and peer-based trust-building.

During the COVID-19 stay-at-home order, the City significantly expanded its use of Urban Alchemy to staff shelter-in-place hotels, temporary housing sites (Safe Sleeping Sites at City Hall, the 311 Gough Cabin Program), and street outreach and encampment response efforts. Urban Alchemy’s role evolved from a niche service provider to a core operational partner with HSH to meet urgent demand during a declared emergency. As such, UA became responsible for operating large congregate and non-congregate shelter sites, managing environments with high concentrations of individuals with complex behavioral health needs, and managing safety and order within and around sites. This increasingly required clinical awareness and coordination, structured supervision and management systems, and financial and administrative controls consistent with large contracts. It soon became a multi-function service provider, operating at the intersection of housing, behavioral health and public safety.

By 2025, UA was designated as “Tier 2” on the Controller’s Office Nonprofit Monitoring Corrective Action list due to serious concerns about exceeding budget, employee time-tracking, and prior issues with invoicing. Reporting indicates that Urban Alchemy may have struggled with budgets, staffing, and data or record keeping at their sites in San Francisco. 711 Post Street has been cited as one example of such struggles.

711 Post St: An Oversight Framework Without a Safety Dimension

The Ansonia Hotel, a former youth hostel, opened as an HSH-funded shelter (named simply 711 Post Street) in 2022, originally contracted to house 250 people on a semi-congregate basis; capacity was raised to 280 in 2025.⁶⁰ It serves a high-acuity population (single adults with significant behavioral health and substance use disorders) under a “low-threshold,” harm reduction model that, by design, admits and retains residents with minimal preconditions. Urban Alchemy is contracted for in-facility operations; a separate nonprofit, Five Keys, is contracted for safety and cleanliness in the surrounding Lower Nob Hill neighborhood. The six-month renewal of Urban Alchemy’s contract was approved by two City bodies in the fall of 2025 — first by HOC, then by the BOS. This section examines what those two reviews measured, and did not, in reaching their approvals.

The HOC Approval (August 7, 2025)

HSH brought the six-month, \$4 million extension of 711 Post Street to HOC as a consent-calendar item. The “Performance History” supporting the request was entirely fiscal and administrative:⁶¹ two unresolved citywide fiscal-monitoring findings (exempt staff not tracking time, and roughly 20 days of operating cash against a 30-day City standard); a June 26, 2025 corrective action letter for overspending the budget at 711 Post; and four resolved program-monitoring findings on forms, training records, and data submission. The packet did not report whether Urban Alchemy had met its service and outcome objectives; beyond the fiscal findings, the only performance figure it offered was an average occupancy rate of 96 percent for FY24–25, alongside a narrative description of community-outreach activities.

The contract’s standardized service and outcome objectives — occupancy of at least 90 percent, bed turnover, referral documentation, staff-training completion, Coordinated Entry, and document readiness — contain a single reference to safety: an outcome measure that at least 75 percent of guests who complete a satisfaction survey rate “the treatment of staff, connection to services, and safety as good or excellent.” No measure draws on critical incident, overdose, or violence data; critical incidents appear only as a reporting duty imposed on the grantee. The only public comment recorded on the item was a question about whether the site had adequate space for the expansion, and the extension was approved on the consent calendar.⁶²

⁶⁰ Amended Grant Agreement Approval: Urban Alchemy | 711 Post (Ansonia Hotel), HOC Approval Package, Aug. 7, 2025. The 30-bed increase (to 280) was temporary, offsetting a reduction at the Multi-Service Center (MSC) South shelter during its rehabilitation.

⁶¹ Amended Grant Agreement Approval: Urban Alchemy | 711 Post (Ansonia Hotel), HOC Approval Package, Aug. 7, 2025, “Performance History” (p. 3) and Appendix A, Service and Outcome Objectives.

⁶² Per the meeting minutes, the only comment was: “Christin Evans questioned if there was adequate space at 711 Post since the contract indicates that there will be an expansion of space.” SF HOC Meeting Minutes, Aug. 7, 2025, p. 9.

The BOS Approval (September 30, 2025)

Because the contract in total exceeded \$10 million, it required BOS approval; the grant amendment brought the total to roughly \$27.6 million. HSH's FY2024–25 performance monitoring found that Urban Alchemy “met all service and outcome objectives” except guest attendance at community meetings — a measure the proposed amendment then removed, as the Budget and Legislative Analyst noted; the Analyst described the provider as “successful at operating the 711 Post shelter program” on the basis of 763 adults served and 96 percent occupancy.

Every deficiency the analysis identified was fiscal: overspending, 15 days of operating cash against the 30-day standard, recurring time-study findings, and the Controller's pending “Tier 2” designation. The service and outcome objectives reviewed were the same ones used by HOC, carrying the same single, survey-based reference to safety. The grant's scope of services does impose neighborhood-facing duties — a “Good Neighbor Policy,” discouraging loitering and public drug use in the surrounding area, and daily perimeter inspections — but the review measured none of them. The lone piece of public correspondence in the packet raised fiscal objections, not safety.⁶³

A Pattern Across Two Reviews

Two oversight bodies, two months apart, through two separate review processes, approved the same renewal of the same site, and neither review treated client safety or community conditions as a measured factor. This was not for lack of data. Resident complaints flow to the SMC, an HSH advisory body that investigates complaints about shelter conditions and rules whether a shelter is “in compliance,” “indeterminate,” or “out of compliance” with Standards of Care that expressly require an environment “safe and free of physical violence.”⁶⁴ Serious incidents at the site are captured in CIRs. The grant amendment in question requires Urban Alchemy to participate in SMC's monitoring, adhere to the Standards of Care, maintain a resident complaint process, and file CIRs.⁶⁵ But because resident-safety performance — complaints routed to SMC, or the volume and nature of critical incidents — is not expressed as

⁶³ BOS File No. 250896, Public Correspondence (G. Lee, Sept. 18, 2025).

⁶⁴ San Francisco Administrative Code § 20.305 (Shelter Monitoring Committee); Shelter Standards of Care legislation (2008). The Committee receives complaints regarding shelter conditions — to which a shelter has seven days to respond — and, where a complaint remains unresolved, investigates and determines whether the shelter is “in compliance,” “indeterminate,” or “out of compliance” with the Standards of Care. See Shelter Monitoring Committee, sf.gov.

⁶⁵ HOC Approval Package, Aug. 7, 2025, Appendix A (Shelter Standards of Care; “Feedback, Complaint and Follow-up Policies”; Critical Incident reporting; “City Communications and Policies,” including attendance at Shelter Monitoring Committee meetings); BOS File No. 250896, Grant Agreement Appendix A (same provisions; Standard of Care, Agreement § 16.22).

a contractual service objective, it has no path into the approval framework, even though the data exists. Nowhere in either packet, and nowhere in the evaluative “Performance History” or the Budget and Legislative Analyst’s review, is there any summary of complaint counts filed at 711 Post, any determination by SMC, any Standard-of-Care finding, or any critical-incident data for the site. This machinery appears only as obligations the provider must satisfy (i.e. boxes to check) not as information bearing on the decision.

The result is an approval framework that is not robust: it can certify a provider as compliant and successful while the safety-relevant data the City already collects plays no role. The only trace of safety within the framework itself was a single line on a guest-satisfaction survey, in which “safety” is bundled with two unrelated attributes and reported as a guest perception rather than an objective measure. That the same omission recurs across two independent review points suggests it is not a

lapse by one body but a feature of how the City evaluates these contracts — and a notable one given the program itself: for a high-acuity population served under a low-threshold model, the safety of residents and the conditions at and around the site should be central to the program’s purpose, not peripheral to it.

Yet across both approvals, the provider’s evaluation rested on occupancy, throughput, referrals, and fiscal compliance — the BOS analysis going so far as to call the provider “successful at operating” the site on those grounds. The neighborhood conditions at 711 Post surfaced only later, and outside the routine process — at a February 12, 2026 BOS sub-committee hearing⁶⁶, after which Urban Alchemy elected to exit the contract.⁶⁷

The contract approval framework is not robust: it can certify a nonprofit as compliant and successful while the safety-relevant data the City already collects plays no role.

For a high-acuity population served under a low-threshold model, the safety of residents and the conditions at and around the site should be central to the program’s purpose, not peripheral to it.

⁶⁶ Hearing — Shelter Services and Operations — 711 Post Street, BOS Public Safety and Neighborhood Services Committee, Feb. 12, 2026.

⁶⁷ “S.F. set to lose 450+ shelter beds in Tenderloin,” Eleni Balakrishnan, Mission Local, Apr. 6, 2026.

So What? From Incidents to System Accountability

The alleged circumstances surrounding Eric McCain's death at a PSH site and the concerns raised about 711 Post Street are consistent with the concern for safety, oversight, and accountability gaps this report identifies within HSH-funded programs. Drawing on statistics from multiple analyses, accidental drug overdose deaths at PSH sites are not isolated events; they occur within a broader system that collects information about risk without consistently using it to prevent future harm. In both cases, the City's systems collected information relevant to client safety, but the mechanisms to aggregate that information, identify patterns, and trigger timely review were limited. In each, attention came from outside the routine oversight process — a family member's public comment at an HOC meeting, and a neighborhood's call for a BOS Public Safety and Neighborhood Services Committee hearing. These cases point to systemic gaps in how HSH and HOC use data, exercise oversight, and ensure accountability. The findings and recommendations that follow are intended to address those gaps.

Findings and Recommendations

Finding 1 – HSH has not used Critical Incident Reports effectively to identify troubling patterns or to improve safety at housing sites.

R1.1 By December 2026, HSH should maintain aggregated and anonymized data in a business intelligence-driven dashboard, updated no less than monthly, that allows the user to search and filter the data set by coded incident (deaths, overdoses, acts/threats of violence, sexual assault, denial of service), nonprofit provider, housing type, and location (zip code), by year.

R1.2 By December 2026, HSH should expand the responsibilities of its existing Program Compliance function – redesignating it "Safety and Compliance" – to include system-level monitoring and improvement of client safety across all HSH-funded programs. Using existing staff and resources, the function should centralize the analysis, and use of Critical Incident Reports; establish and implement systemwide safety standards and data-driven early-warning methods; and report on client-safety trends to HOC on a quarterly basis.

R1.3 By June 2027, HSH should include aggregated and anonymized CIR data as part of the Director's report to HOC, quarterly, and through the Sunshine Act, make this available as a data dashboard to the public.

R1.4 By December 2027, HSH should designate the most serious coded incident categories in CIRs as standards in a separate section required in all its nonprofit contracts, tentatively titled, "Safety Standards." The Safety Standards section should also include thresholds for triggering additional, targeted review.

Finding 2 – HSH is lagging in its efforts to present data that allows for benchmarking nonprofits among themselves by program or housing type, and to use data as a trigger for automated, and targeted program monitoring.

R2.1 By December 2026, HSH should begin publishing business intelligence-driven data dashboards for HOC and the public that showcase performance aligned to the Performance Measurement Plan to meet HOC's and the public's need for full transparency on the data and metrics that guide HSH's decision-making.

R2.2 By March 2027, HSH should internally benchmark nonprofit providers among themselves by program or housing type (portfolio management) with the objective of screening for performance and safety outliers. Negative outliers should be tagged for further investigation,

and root causes identified and ruled out as an early warning sign of more serious service delivery problems.

R2.3 By December 2027, HSH should develop data-driven automation alerts (“data triggers”⁶⁸) for triggering additional, targeted review of nonprofit contracts. For example, certain CIRS from R1.2, and more broadly, outliers and negative trendlines in performance outcomes and safety standards should drive investigations into root causes, and be evaluated as potential early warning signs of more serious problems.

Finding 3 – HSH’s cessation of the established practice of submitting certain contracts to HOC for review and consent and notifying HOC of all renewals and extensions as line items, undermines HOC’s impact as a governing oversight body.

R3.1 By December 2026, HSH should return contract renewals and extensions to HOC’s consent calendar.

R3.2 By December 2026, HSH and HOC should work together to establish new threshold requirements for HOC’s review of, and comment on, nonprofit contracts appearing on its consent calendar, taking into consideration that the monetary thresholds for BOS approval of contracts.

Finding 4 – HOC has yet to exercise the full extent of its statutory authority, and lacks the training and resources to meet the public’s expectations as set by the 2022 Prop C initiative.

R4.1 By June 2027, the City Attorney should create onboarding and training materials for current commission members and future appointees to explain HOC’s authority, including performance audits and how to conduct or commission them, and how to conduct robust contract reviews.

⁶⁸ Data triggers are automated procedures in databases that execute specific actions when predefined data conditions are met. This can be as simple as sending alerts to a management team when data exceeds preset targets. Data triggers here could include: 1). identification of outliers (data points that differ significantly from others in a dataset) the portfolio analysis in R 2.2, 2). unfavorable trendline analysis of any one of the 100+ metrics in the Performance Measurement Plan, 3). a pattern of elevated CIRS (vs. comparables normalized by zip code) for a particular coded incident type, and 4). ongoing status as a Tier 2 or Tier 3 offender in the Corrective Action Report.

R4.2 By March 2027, HSH should collaborate with HOC to review and revise the Executive Director's monthly report to HOC to incorporate data and format requests from HOC commissioners, including its Data Officer.

R4.3 By March 2027, HOC should initiate or commission a performance audit per its chartered authority, to investigate overdoses, including reversals, and deaths at PSH sites with the objective to identify structural or systemic causes and to establish departmental performance standards.

Finding 5 – The Shelter Monitoring Committee is set to terminate by a recent ordinance, and HSH has insufficient resources to absorb SMC's work, and oversee permanent supportive housing sites effectively.

Note: The Shelter Monitoring Committee was the only independent body empowered to conduct unannounced site visits to City-funded shelters for the purpose of monitoring Standards of Care, staffed by two full-time employees of DPH. Its mandate never extended to PSH. Upon the Ordinance's effective date, there will be no independent body authorized to conduct unannounced inspections of City-funded homeless services facilities of any kind – neither shelters nor PSH. Its complaint investigation function will rest with HSH.

R5.1 By December 2026, the Controller's Office should conduct a review of, and report on, what changes and resources would be necessary to enable HSH to carry out and continue the functions of the Shelter Monitoring Committee.

R5.2 By December 2026, the Controller's Office should conduct a review of, and report on, what changes and resources would be necessary to enable HSH to implement and conduct unannounced site visits and other process changes to enhance monitoring of permanent supportive housing sites.

Required and Requested Responses

Pursuant to California Penal Code §933, the Jury requires responses to the findings and recommendations shown in Table 4 within 60 calendar days (for the Mayor's Office, and the City Attorney) or 90 calendar days (for the Board of Supervisors).

Table 4: Required responses

Respondent	Findings	Recommendations
Mayor	F1, F2, F3, F4, F5	R1.1, R1.2, R1.3, R1.4, R2.1, R2.2, R2.3, R3.1, R3.2, R4.2, R4.3, R5.1, R5.2
Board of Supervisors	F1, F2, F3	R1.1, R1.4, R2.1, R3.1
City Attorney	F4	R4.1

Pursuant to California Penal Code §933(a), the Jury requests responses to the findings and recommendations shown in Table 5 within 60 calendar days.

Table 5: Requested responses

Respondent	Findings	Recommendations
Homelessness Oversight Commission	F1, F2, F3, F4	R1.3, R1.4, R2.1, R3.1, R3.2, R4.1, R4.2, R4.3
Department of Homelessness and Supportive Housing	F1, F2, F3, F4, F5	R1.1, R1.2, R1.3, R1.4, R2.1, R2.2, R2.3, R3.1, R3.2, R4.2, R5.1, R5.2
Controller	F1, F5	R1.4, R5.1, R5.2
Office of Contract Administration	F1	R1.4

Methodology

To prepare this report, the Jury conducted personal interviews, reviewed reports and data dashboards from City offices, and consulted relevant legal statutes. The Jury interviewed persons presently and formerly associated with HSH, HOC and various City entities with oversight or other functions relating to HSH.

The Jury reviewed and analyzed: City supplier data; reports by previous Civil Grand Juries, the Office of the Controller, and the Board of Supervisors' Budget and Legislative Analyst; contracts managed by the Homelessness and Supportive Housing Department, and news coverage and reporting. The Jury attended or watched recordings of meetings of: HOC, OCOH, and SMC.

The report was reviewed and approved by the City Attorney and a Superior Court judge.

Key Reports Reviewed:

- A progress report about the San Francisco [HSH]," SF CGJ, Jun 30, 2022, https://civilgrandjury.archive.sf.gov/2021_2022/2022%20CGJ%20Report_A%20Progress%20Report%20about%20the%20San%20Francisco%20Department%20of%20Homelessness%20and%20Supportive%20Housing.pdf
- Hitting the performance bullseye; contracting for better outcomes in homelessness services," SF CGJ, Jun 28, 2023, https://media.api.sf.gov/documents/2023_CGJ_Report_Hitting_the_Performance_Bullseye_-_Contracting_for_Better_Outc_h8IGNXC.pdf
- Homelessness benchmarking comparing San Francisco to peer jurisdictions," City Performance team (Controller's Office), Jul 26, 2023, <https://www.sf.gov/sites/default/files/2023-07/2023%20Homelessness%20Benchmarking%20Report.pdf>
- "HomeRise mismanaged financial activities and misused city funds...", HSH, MOHCD, CSA and Sjoberg Evashenk Consulting, Apr 2, 2024, <https://www.sf.gov/sites/default/files/2024-04/HSH-MOHCD%20HomeRise%20Audit%20Report%2004.02.24.pdf>
- HSH critical incident analysis and recommendations," City Performance team (Controller's Office), Apr 23, 2024, <https://www.sf.gov/sites/default/files/2024-05/HSH%20Critical%20Incident%20Analysis%20and%20Recs%20-%20FINAL%20COMBINED%204.23.24.pdf>
- Performance audit of permanent supportive housing funds administered by [HSH]," BLA, Fred Brousseau, May 3, 2024, https://sfbos.archive.sf.gov/sites/default/files/050324_PA_of_Permanent_Supportive_Housing_Funds_Admin_by_DH_SH.pdf

- Assessment of the San Francisco shelter system," City Performance team (Controller's Office), Mar 10, 2025, https://media.api.sf.gov/documents/CON_Shelter_Assessment_Report.pdf

Glossary and Abbreviations

Term	Definition
Adult Probation Department (APD)	The City department that supervises adults on probation; receives allocations from the Our City, Our Home Fund for reentry-related homelessness services.
Balance-of-state	A Continuum of Care organized at the state level that encompasses areas without their own local continuum.
Board of Supervisors (BOS)	San Francisco's 11-member legislative body, responsible for passing ordinances, approving the City budget, and providing legislative oversight of City departments.
Budget and Legislative Analyst (BLA)	An independent office that conducts performance audits, fiscal analyses, and policy research for the Board of Supervisors.
CAGR (Compound Annual Growth Rate)	A measure of growth over a period of time, expressed as an annualized percentage rate that accounts for compounding.
Care Not Cash	A 2002 voter-approved policy that replaced a portion of cash assistance to homeless adults with direct services and shelter access.
Care to exit	HSH's strategic framework for addressing homelessness, which prioritizes moving people from unsheltered homelessness into temporary shelter and then permanent housing, with supportive services intended to stabilize residents and help them exit homelessness on a sustained basis.
City Attorney	The elected official responsible for providing legal advice to the City and its departments, representing the City in litigation, and reviewing Civil Grand Jury reports for legal accuracy prior to publication.
City Services Auditor (CSA)	A division within the Controller's Office that conducts performance audits of City departments and their nonprofit contractors. The CSA's authority to audit homelessness-related services was explicitly expanded by the 2022 Proposition C ballot measure.
Citywide Nonprofit Monitoring and Capacity Building Program	The Controller's program for monitoring compliance of nonprofit organizations under contract with the City, encompassing both fiscal and programmatic oversight.
CLMS (Contract Lifecycle Management System)	Software used by HSH to manage contracts and related processes, including formation, amendments, monitoring, and reporting. HSH began implementing a new CLMS in May 2026.
Commission Streamlining Task Force	A five-member body established by Proposition E (November 2024) to evaluate and recommend changes to San Francisco's commissions and advisory bodies. The Task Force issued its final report in January 2026 and introduced legislation that the Board of Supervisors voted on in May 2026.
Community-based organization (CBO)	Locally rooted nonprofit organizations that deliver services to a specific community or population

Term	Definition
Congregate setting	A shelter or housing site where multiple residents are housed in a shared space, as distinguished from scattered site or non-congregate housing.
Consent calendar / consent agenda	A portion of a commission or board meeting agenda reserved for routine items expected to be approved. Items are typically grouped and voted on as a block unless a member requests to pull an item for separate discussion.
Continuum of Care program	A federal initiative designed to promote community-wide commitment to ending homelessness. It provides funding to local governments and nonprofits to quickly rehouse individuals and families, minimize trauma, and optimize self-sufficiency.
Coordinated Entry	A federally required, standardized process for assessing and prioritizing people experiencing homelessness for housing and services. One of HSH's three core program areas.
Corrective Action designation (Tier 1 / Tier 2 / Tier 3)	A three-tier classification system established by the Controller's Citywide Nonprofit Corrective Action Policy. Tier 1 covers lower-severity fiscal concerns and is not publicly reported. Tier 2 covers serious fiscal or programmatic concerns and triggers mandatory technical assistance. Tier 3 covers patterns of severe concerns, triggers public notification, and authorizes departments to use the designation in funding decisions.
Critical Incident Report (CIR)	A report that HSH requires nonprofit providers to submit within 24 hours of a serious incident, including overdoses, overdose reversals, deaths, acts or threats of violence, sexual assault, denial of service, and emergency responses requiring police, fire, or ambulance.
Data trigger	An automated alert generated when data meets a predefined condition or threshold, used to flag situations requiring further review. In the context of this report, data triggers could include elevated CIR rates, outlier performance metrics, or ongoing Corrective Action designations.
Debarment	A formal determination that a contractor is ineligible to receive City contracts, typically due to serious violations of contract requirements or applicable law.
Department of Children, Youth, and Families (DCYF)	A City department that funds and oversees programs serving children and youth; some nonprofit providers also hold contracts with DCYF in addition to HSH.
Department of Emergency Management (DEM)	The City department responsible for emergency planning, preparedness, and coordination of emergency response across City agencies.
Department of Homelessness and Supportive Housing (HSH)	The City department created in 2016 to consolidate and administer homelessness services and supportive housing programs. HSH administers approximately \$487 million annually in nonprofit contracts and serves roughly 27,000 people per year.
Department of Public Health (DPH)	The City department responsible for public health services, including behavioral health, substance use treatment, and medical care. DPH staffs the Shelter Monitoring Committee and administers certain health programs in PSH sites.

Term	Definition
Department of Public Works (DPW)	The City department responsible for maintaining public infrastructure and cleanliness. Urban Alchemy's first City contracts were with DPW to staff hygiene stations.
Desk audit	A remote review of a nonprofit contractor conducted based on submitted records and documentation, rather than through an in-person site visit.
Denial of service	A decision by a shelter or program to refuse or discontinue services to a client, which may be subject to grievance and appeal under the Shelter Grievance Policy.
FTE (Full-time equivalent)	A unit of staffing measurement equal to one employee working full-time. Used to compare staffing levels across departments and programs regardless of whether positions are filled by full-time or part-time employees.
Harm reduction model	A service delivery approach that seeks to reduce the negative consequences of substance use and other behaviors without requiring abstinence as a condition of housing or services.
HEARTH Act (Homeless Emergency Assistance and Rapid Transition to Housing Act)	Federal legislation passed in 2009 that reauthorized and consolidated federal homelessness programs, established the Continuum of Care planning structure, and mandated use of a Homeless Management Information System (HMIS) as a condition of receiving HUD funding.
High acuity	A term describing clients with complex, intensive medical, behavioral health, or substance use needs that require significant support and clinical engagement.
HMIS (Homeless Management Information System)	A data system used to collect, track, and report information on people experiencing homelessness and the services they receive, required by HUD for recipients of federal homelessness funding. San Francisco's system is called ONE System.
Homelessness Oversight Commission (HOC)	The governing body created by Proposition C (2022) to oversee HSH. HOC has statutory authority to approve HSH's budget, conduct performance audits, establish departmental standards, and hire and fire the HSH Executive Director. Its members are appointed by the Mayor and Board of Supervisors.
Housing First	A policy approach that prioritizes placing people into stable housing as quickly as possible, before requiring participation in treatment or other services. Adopted as a cornerstone of San Francisco's homelessness strategy and enshrined in California state policy in 2016.
HUD (U.S. Department of Housing and Urban Development)	The federal agency that administers homelessness funding, including Continuum of Care grants, and sets standards for HMIS data collection and reporting.
Human Services Agency (HSA)	A City department that provides social safety-net services that help low-income residents meet their basic needs. It connects eligible individuals and families to public benefits, housing assistance, employment training, and protective services.

Term	Definition
Key Performance Indicator (KPI)	A quantitative measure used to assess performance against defined objectives. In HSH contracts, KPIs have historically measured service volume (e.g., number of clients enrolled) rather than outcomes.
Local Homeless Coordinating Board (LHCB)	The body responsible for governing San Francisco's Continuum of Care program and coordinating federal homelessness grant applications. Required by the McKinney-Vento Act and the HEARTH Act as a condition of receiving HUD Continuum of Care funding.
Low-threshold model	A service model that imposes minimal participation requirements on clients—such as no requirement to be sober or to engage in case management—as a condition of receiving housing or shelter.
Master Lease	A contractual arrangement in which the City leases an entire building from a private owner and subleases individual units to HSH clients, with a nonprofit provider managing the building and delivering on-site services.
Mayor's Office of Housing and Community Development (MOHCD)	A City department that administers housing funding and development programs, including some that overlap with HSH's PSH portfolio.
McKinney-Vento Homeless Assistance Act	The primary federal law governing homelessness programs, first enacted in 1987 and substantially amended by the HEARTH Act in 2009. Requires local jurisdictions to establish a Continuum of Care and a local homeless coordinating board to receive HUD funding.
Multi-year Procurement Plan	A plan for the future procurement of contracts over multiple years, used by HSH to plan contracting activity.
Navigation Center	A type of temporary shelter that offers low-barrier access and is intended to quickly connect clients to longer-term housing options through coordinated entry and intensive case management.
No-bid contracting authority	Authority granted to HSH by the Board of Supervisors to award certain contracts without a competitive bidding process, used during shelter crises and the COVID-19 pandemic.
Nonprofit provider / vendor	A nonprofit organization under contract with the City to provide homelessness services, including outreach, shelters, and permanent supportive housing. HSH contracts with 73 distinct nonprofit entities.
Office of Economic and Workforce Development (OEWD)	A City department focused on economic development and workforce programs; receives allocations from the Our City, Our Home Fund.
Office of the Chief Medical Examiner (OCME)	The City office responsible for investigating and certifying the causes of death, including accidental drug overdose deaths. OCME data is the primary source for overdose mortality statistics cited in this report.
Ordinance 055-24	A 2024 ordinance passed by the Board of Supervisors that clarified and expanded the Controller's authority to audit and monitor nonprofit organizations contracting with the City, and directed the Controller to establish measurable performance goals for nonprofit contracts.

Term	Definition
Our City, Our Home Oversight Committee (OCOH)	The advisory body created to monitor and advise on expenditures from the Our City, Our Home Fund, established by Proposition C (2018). Administered by the Controller's Office.
Permanent supportive housing (PSH)	Long-term affordable housing paired with on-site supportive services—including case management and housing stability support—for people with complex needs exiting homelessness.
Performance Measurement Plan	HSH's framework for defining and tracking performance measures across its programs and nonprofit contracts.
Point-In-Time count	A periodic census used to estimate the number of people experiencing homelessness on a given night, conducted biennially as required by HUD.
Proposition C (2018)	The "Our City, Our Home" ballot measure that created a gross receipts tax on large businesses to fund homelessness services, and established the Our City, Our Home Fund and Oversight Committee.
Proposition C (2022)	The "Homelessness Oversight" ballot measure that amended the City Charter to create the Homelessness Oversight Commission, giving it governing authority over HSH including budget approval, audit authority, and the power to hire and fire the HSH Executive Director.
Proposition E (2024)	A ballot measure approved by San Francisco voters in November 2024 that established the Commission Streamlining Task Force and authorized it to introduce ordinances to eliminate, consolidate, or revise City commissions and advisory bodies.
Safe Sleeping Site	A supervised outdoor or semi-outdoor site providing basic amenities—such as tents, sanitation, and services—for people experiencing unsheltered homelessness during periods of declared emergency.
Scattered site PSH	Permanent supportive housing in which clients occupy individual units in private-market buildings, with services provided by mobile case teams.
Self-reporting	A process in which nonprofit providers submit their own compliance, performance, or incident data to HSH, as distinct from data obtained through independent monitoring or site visits.
Shelter Grievance Advisory Committee (SGAC)	A body that reviewed grievances related to denial of shelter services and advised HSH on its Shelter Grievance Policy. Members were appointed by HOC. Eliminated by Board of Supervisors ordinance in May 2026.
Shelter-in-place hotel	A temporary housing site established in existing hotel properties during the COVID-19 pandemic for emergency sheltering of people experiencing homelessness.
Shelter Monitoring Committee (SMC)	A body established in 2004 to conduct unannounced site visits to City-funded shelters, receive and investigate complaints, and report findings to the Mayor, Board of Supervisors, and HOC. Eliminated by Board of Supervisors ordinance in May 2026.
Site-based PSH	Permanent supportive housing in which multiple units are located within a single dedicated building, with on-site staff providing services.

Term	Definition
SRO (Single Room Occupancy hotel)	A type of residential building providing small, individual rooms, typically with shared bathrooms and kitchens. Many of San Francisco's PSH units are located in SRO buildings, some of which were historically operated as residential hotels.
Standard of Care (SOC) complaint	A formal complaint alleging that a shelter provider has failed to meet the minimum standards of care required under its City contract and the Administrative Code.
Sunshine Ordinance	San Francisco's local open government law (Administrative Code Chapter 67), which requires City bodies—including HOC—to hold public meetings, provide public notice of agendas, and make records available to the public.
Treasurer and Tax Collector (TTX)	The City office responsible for collecting taxes and administering certain financial functions; receives allocations from the Our City, Our Home Fund and provides administrative support for the OCOH tax.
Wellness check	A contractual requirement for PSH site staff to make in-person contact with high-acuity residents at defined intervals, to confirm their health and safety. The failure to conduct required wellness checks was a central finding in the investigation of Eric McCain's death.

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Appendix A: Timeline of this report's events

This timeline covers key legislative actions, ballot measures, corrective actions, and developments relevant to this report. Entries are listed chronologically. Where only a year is shown, the specific month could not be confirmed.

Date	Event / Item
Jun. 2016	The Board of Supervisors votes to consolidate homeless services from four City departments – DPH, HSA, MOHCD, and DCYF – creating the Department of Homelessness and Supportive Housing.
Jan. 2016	The State of California enshrines Housing First as a key policy for addressing homelessness.
Feb. 2018	The Board of Supervisors passes Ordinance No. 29-18, granting HSH no-bid contracting authority for select shelter sites in connection with a shelter crisis declared by Mayor London N. Breed.
2018	Urban Alchemy is founded by Lena Miller and begins contracting with the Department of Public Works to staff Pit Stop hygiene stations across the City.
Nov. 2018	Proposition C, "Our City, Our Home," was passed by voters (61%) on November 6, 2018, creating a gross receipts tax on large businesses to fund homelessness services and establishing the Our City, Our Home Fund and Oversight Committee.
Mar. 2019	The Board of Supervisors passes Ordinance No. 61-19, granting HSH no-bid contracting authority for homelessness services and extending its Navigation Center operating authority.
Mar. 2020	COVID-19 pandemic begins. HSH significantly expands its use of Urban Alchemy to staff shelter-in-place hotels, Safe Sleeping Sites, and emergency encampment response. Urban Alchemy's role shifts from niche provider to core operational partner.
Dec. 2021	Mayor London N. Breed declares a state of emergency to address homelessness and drug use in the Tenderloin and downtown San Francisco.
2021–2022	HomeRise appears on the Controller's Corrective Action list at Elevated Concern status following fiscal monitoring of the 2021–2022 fiscal year.
Early 2022	MOHCD and HSH request an audit of HomeRise. The audit, conducted by the City Services Auditor and Sjoberg Evashenk Consulting, finds gross fiscal noncompliance, wasteful practices, and misuse of City funds.
July 2022	The Ansonia Hotel, formerly a youth hostel at 711 Post Street, opens as an HSH-funded shelter with Urban Alchemy contracted to manage operations, initially housing 250 people on a semi-congregate basis.
July 2022	The Jazzie Collins Apartments, a permanent supportive housing site for 96 formerly homeless adults, opens to political fanfare. HomeRise is contracted to operate the site and deliver on-site services.
Nov. 2022	Proposition C, "Homelessness Oversight," is passed by voters on November 8, 2022, amending the City Charter to create the Homelessness Oversight Commission with governing authority over HSH, including budget approval, audit authority, and power to hire and fire the HSH Executive Director.
May 2023	HOC holds its inaugural meeting on May 4, 2023. HSH establishes a practice of presenting contracts above certain thresholds to HOC for public review and comment.

Date	Event / Item
2023	The Controller's Office escalates HomeRise to Tier 3 (Red Flag) corrective action status following the 2022 audit findings. HomeRise is subsequently reduced to Tier 2 the following year.
May 2024	The Board of Supervisors passes Ordinance 055-24 on May 22, 2024, clarifying and expanding the Controller's authority to audit and monitor nonprofit organizations contracting with the City, and directing the Controller to establish measurable performance goals for nonprofit contracts.
2024	The Controller's Office publishes the Citywide Nonprofit Corrective Action Policy, establishing the three-tier corrective action framework applicable to both fiscal and programmatic monitoring concerns.
Aug. 2024	HSH conducts program monitoring at 711 Post Street, finding four deficiencies related to missing required forms, training records, and monthly data submissions. All findings are reported as satisfactorily resolved.
Nov. 2024	Proposition M, "Business Tax Reform," is passed by voters, lowering overall City revenues and setting the stage for HSH budget pressures in subsequent fiscal years.
Nov. 2024	Proposition E is passed by voters, establishing the Commission Streamlining Task Force and authorizing it to introduce ordinances to eliminate, consolidate, or revise City commissions and advisory bodies.
Dec. 2024	The Board of Supervisors approves a grant agreement amendment with HomeRise for transitional housing, not to exceed \$12.7 million, continuing the City's contractual relationship despite ongoing corrective action concerns.
Jan. 2025	Mayor Daniel Lurie takes office and reaffirms the state of emergency related to homelessness and fentanyl.
Jan. 2025	The Commission Streamlining Task Force holds its first public meetings, beginning a process of evaluating the City's 152 boards, commissions, and advisory bodies.
2025	Urban Alchemy is designated Tier 2 on the Controller's Corrective Action list due to serious concerns about exceeding budget, employee time-tracking irregularities, and prior invoicing issues.
May 2025	HSH Executive Director Shireen McSpadden announces on May 1, 2025, that contract renewals and extensions will no longer be presented to HOC for public review and comment, citing administrative burden. HOC's role in contract oversight is substantially reduced.
Jul. 2025	The BOS Public Safety and Neighborhood Services Committee holds a hearing on overdose prevention on July 24, 2025.
Aug. 2025	HOC approves a six-month extension of Urban Alchemy's contract at 711 Post Street (October 1, 2025 to March 31, 2026, \$4 million) as a consent calendar item on August 7, 2025. The HSH staff report contains no reference to any reported or alleged staffing, safety, or community concerns at the site.
Sept. 2025	The BOS BLA reports at a Budget and Finance Committee hearing that Urban Alchemy knowingly overspent its 711 Post Street contract by \$800K (UA disputed the amount, asserting \$336K). Controller's Office issues a correction action notice related to inadequate and noncompliant tracking of employee hours.

Date	Event / Item
Nov. 2025	Controller's Office clears Urban Alchemy of its "corrective action" status, removing it from the "Tier 2" watchlist after addressing serious concerns regarding inadequate employee time-tracking and record-keeping that had been raised on August 21, 2025.
Nov. 2025	Eric McCain dies at the Jazzie Collins Apartments, a PSH site operated by HomeRise. His body allegedly remains undiscovered for 10–12 days until his sister calls SFPD to request a wellness check.
Jan. 2026	The Commission Streamlining Task Force issues its final report on January 28, 2026, recommending the elimination of the Shelter Monitoring Committee and Shelter Grievance Advisory Committee, and recommending that HOC be converted from a governing body to an advisory body.
Jan. 2026	Aisha McCain gives public comment at the HOC special meeting on January 15, 2026, describing her brother's death and alleged conditions at Jazzie Collins Apartments.
Feb. 2026	The Lower Nob Hill Neighborhood Alliance publishes a call to action on February 2, 2026, alleging ongoing safety, sanitation, and community quality-of-life concerns at 711 Post Street.
Feb. 2026	HSH issues a corrective action letter to HomeRise on February 6, 2026, directing it to overhaul wellness check processes, implement additional staff training, and develop a plan for technological improvements at Jazzie Collins Apartments.
Feb. 2026	The BOS Public Safety and Neighborhood Services Committee holds a hearing on shelter services and operations at 711 Post Street on February 12, 2026. HSH characterizes Urban Alchemy's performance as successful. Community correspondence to the BOS alleges four years of safety and sanitation concerns.
Mar. 2026	Urban Alchemy exits its 711 Post Street contract on March 31, 2026. Five Keys takes over operations. Supervisor Danny Sauter states the shelter was "not meeting the standards we should set for services in our city."
May 2026	The Board of Supervisors votes 6-4 on May 19, 2026, to finally pass an Administrative Code ordinance (File No. 260217) implementing some Commission Streamlining Task Force recommendations. The ordinance eliminates the Shelter Monitoring Committee and the Shelter Grievance Advisory Committee, among 40+ other bodies.
June 2026	The San Francisco Civil Grand Jury publishes "At Scale, At Risk: Upgrading Data and Oversight to Improve Homelessness Services."

Appendix B: Data reporting from other jurisdictions

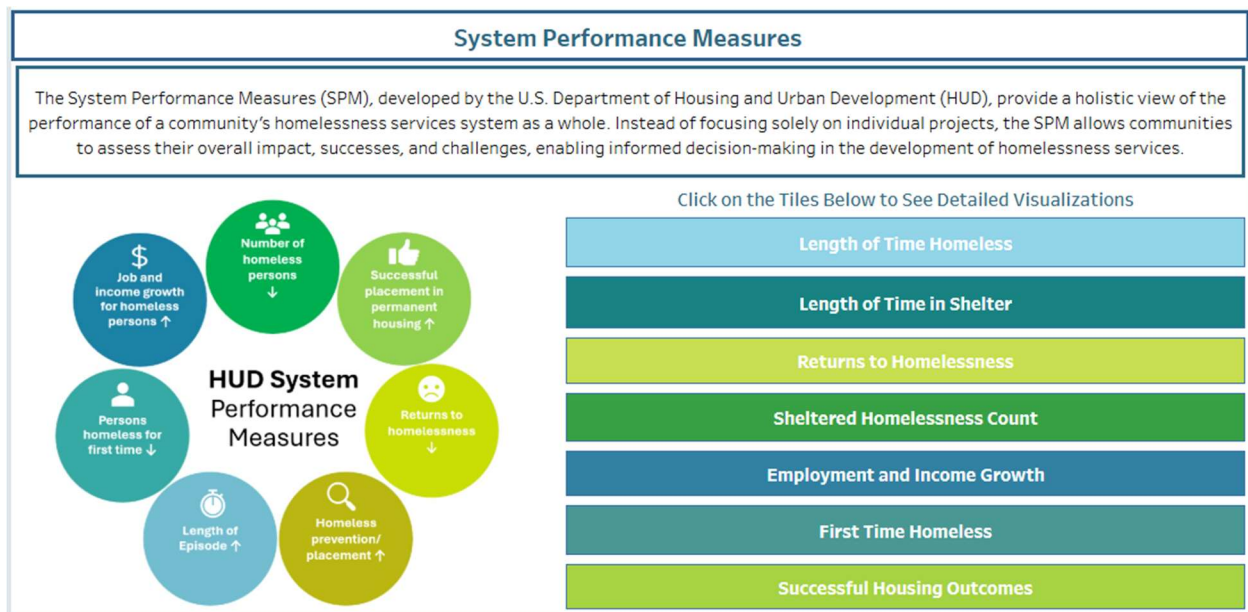
The Jury reviewed data and dashboards from various sources including:

- The State of Utah
- The State of Washington; Seattle; King County Regional Homelessness Authority
- The State of Arizona; Maricopa County Association of Governments
- Los Angeles County Homeless Services Authority
- The State of Oregon; Multnomah County (wherein lay the City of Portland)
- The State of Texas; Houston and Harris Counties; the City of Houston

Below are examples pertinent to the Jury's investigation.

Utah

Utah's homelessness data is reported at the state level in a centralized set of dashboards. Salt Lake County links directly to the State of Utah Department of Workforce Services website.

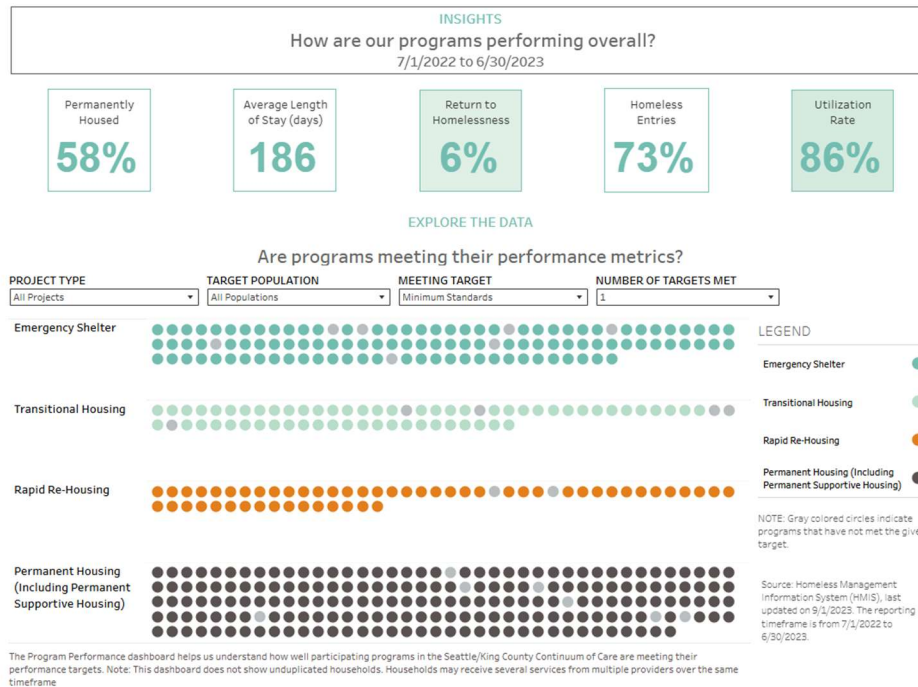


"System Performance Measures" dashboard from the State of Utah's Workforce Services department. Retrieved from: <https://jobs.utah.gov/homelessness/hard.html>

The state of Utah notes which beds or units are used for individuals using mental health services, HIV treatment, etc. Utah also reports income growth for homeless clients.

Washington

Washington state's largest homelessness services agency is the King County Regional Homelessness Authority ("KCRHA"), which oversees King County (where Seattle is located) and other neighboring counties.



*"System Performance" dashboard from the King County Regional Homelessness Authority.
Retrieved from <https://kcrha.org/data-overview/system-performance/>*

The dashboard above allows the user to click on individual circles, each of which represent a vendor. Gray circles indicate vendors who have unmet performance targets. The user can filter for vendors with greater or fewer unmet targets.

California

The Los Angeles Homeless Services Authority ("LAHSA") is the regional agency providing homeless services, acting as the continuum of care and HMIS manager for Los Angeles County. Its data was particularly granular, e.g. distinguishing various age groups, noting the number of veterans served, by what program, and location in the county.

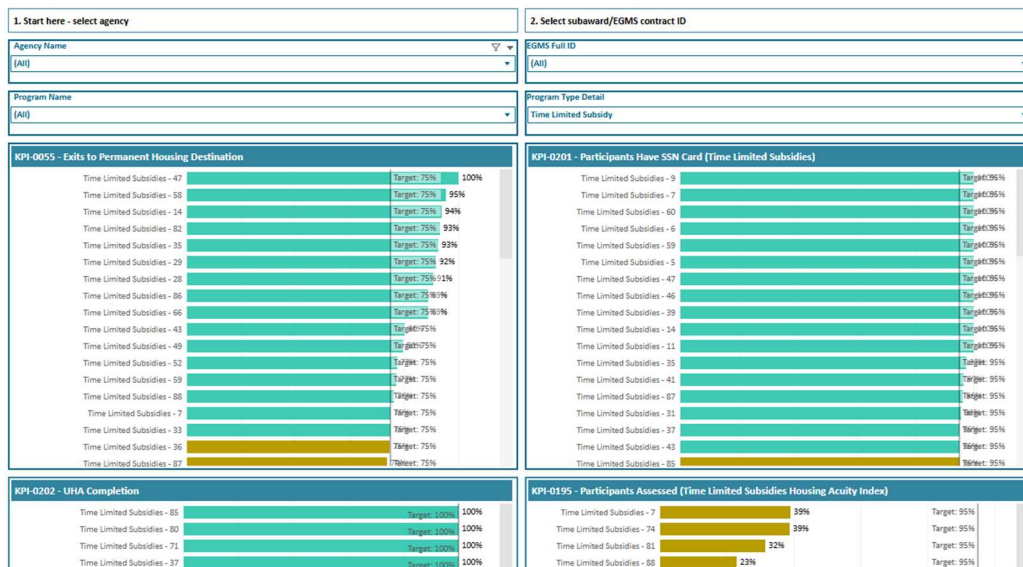
Similar to the King County Regional Homelessness Authority, LAHSA maintains a database that provides specific performance information for each nonprofit vendor with whom the authority contracts.



Program KPI - Permanent Housing - Program-level Performance
Time Limited Subsidies - Adult
Los Angeles Homeless Services Authority Report

Data Dictionary
Metrics Definition & Logic

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Fiscal Year 24-25 KPIs, "Permanent Housing - Program level Performance Time Limited Subsidies - Adult" dashboard from the Los Angeles Homeless Services Authority. Retrieved from: <https://www.lahsa.org/data-refresh/home/datadashboard?id=61>

Texas

The City of Austin provides summarized data which notes what kinds of services were provided to unsheltered individuals and families, e.g. document help, referrals, etc.

Appendix C: Oversight and Advisory bodies for HSH

HSH and the programs and services it provides as part of San Francisco's Homelessness Response System are overseen by multiple bodies. A summary of their roles and functions follows.

Controller's Office

The Controller's Office plays a significant role in oversight of the City's nonprofit contracts, and therefore HSH's contracts, which represented the greatest portion in dollar terms of the Controller's nonprofit monitoring pool for FY2025. Although HSH manages homelessness programs and contracts directly, the Controller's Citywide Nonprofit Monitoring and Capacity Building Program is the principal framework that HSH and other City agencies use to conduct fiscal and programmatic monitoring of nonprofit contracts over \$200K in annual spending. Of the \$1.6 billion in nonprofit spending by the City for FY2025, \$1.4 billion worth of contracts were monitored and participated in the Controller's program (\$469 million of this amount was contracts with HSH).

For nonprofits in the monitoring pool experiencing elevated fiscal or operational concerns, the Controller's Office maintains a Corrective Action tracking system that categorizes these nonprofits according to identified fiscal or operational concerns. Several nonprofits with active HSH contracts have appeared on the Corrective Action tracking systems; at the end of FY2025, Conard House, HomeRise, Lavender Youth Recreation and Information Center (LYRIC), and Bayview Hunters Point Foundation were among them.

Passed in March 2024, ordinance no. 55-24 conferred the Controller's Office with strengthened oversight of nonprofits, resulting in the establishment of mandatory, measurable performance goals in nonprofit contracts (standardized "Service" and "Objective" Outcomes in HSH's contracts), on-site reviews of programs by department, and review of departments' compliance with these new policies.

Homelessness Oversight Commission

In 2022, a report from the Jury titled "A Progress Report about the San Francisco Department of Homelessness and Supportive Housing" called for a commission to oversee the department. That same year, a supervisor-proposed charter amendment reached the voters as Proposition C, and it passed with 67.37% voting YES.

The first Homelessness Oversight Commission members were appointed in 2023, and it has since met regularly, although in 2025 it struggled to have all members present, or canceled meetings due to lack of a quorum.

All commissions in the City Charter have the responsibility to hold public meetings, “[f]ormulate, evaluate and approve goals, objectives, plans and programs and set policies consistent with the overall objectives of the City and County,”⁶⁹ approve department budgets and budget modifications, remove department heads, and “[c]onduct investigations into any aspect of governmental operations within its jurisdiction through the power of inquiry, and make recommendations to the Mayor or the Board of Supervisors.”

HOC is specifically empowered by the City Charter to conduct “performance audits of [HSH] to assess the efficiency and effectiveness of the Department’s delivery of services to persons experiencing homelessness and persons participating in programs overseen by the Department, and the extent to which the Department has met the annual goals and performance standards established by [HOC].”⁷⁰

To the Jury’s knowledge, the commissioners have not yet exercised this power to investigate or conduct performance audits, and some commissioners may not be aware of this authority.

Our City, Our Home Oversight Committee

OCOH was created in 2019 with the passage of Proposition C in 2018, which created a new gross receipts tax. The following City departments receive allocations from the Fund to deliver services:

- Department of Homelessness and Supportive Housing
- Department of Public Health
- Mayor’s Office of Housing and Community Development (“MOHCD”)
- Office of Economic and Workforce Development (“OEWD”)
- Adult Probation Department (“APD”)
- San Francisco Fire Department (“SFFD”)
- Treasurer and Tax Collector (“TTX”)

The Controller’s Office is responsible for the administration and staffing of the OCOH. Per the OCOH Fund legislation, the Controller’s Office must report to the Board of Supervisors annually on the revenue and expenditures of the OCOH Fund.

The legislation outlines specific service areas on which the Fund may be allocated:

⁶⁹ “Boards and Commissions - Powers and Duties” San Francisco City Charter, Section 4.102. Retrieved from: https://codelibrary.amlegal.com/codes/san_francisco/latest/sf_charter/0-0-0-181

⁷⁰ “Homelessness Oversight Commission.” San Francisco City Charter, Section 4.133. Retrieved from: https://codelibrary.amlegal.com/codes/san_francisco/latest/sf_charter/0-0-0-412

- At least 50% of the Fund must be appropriated for Permanent Housing. Within this service area, the Fund further specifies the following uses: 55% for General Housing (referred to within the Annual Report as Adult Housing), 25% for Family Housing, 20% for Youth Housing
- At least 25% of the Fund must be appropriated for Mental Health services.
- Up to 15% of the Fund can be appropriated for Homelessness Prevention services.
- Up to 10% can be appropriated for Shelter and Hygiene services.

Up to 3% of the Fund may be used on administration of the tax, oversight of expenditures, and support for the Oversight Committee. The Controller's Office, Treasurer and Tax Collector, and City Attorney's Office provide these administration services.

Local Homeless Coordinating Board

LHCB is tasked with managing the county's Continuum of Care program as part of the McKinney-Vento Homeless Assistance Act.⁷¹ The board meets monthly, and HSH works with them to apply for grants as part of the City's Continuum of Care program and to comply with HUD reporting requirements.

Shelter Grievance Advisory Committee

SGAC reviews grievances and operates a "two-stage appeals process that allows shelter clients to dispute their denials of service"⁷² for clients of the City's homeless shelters. Since 2023, its members have been appointed by the Homelessness Oversight Commission.

As a result of the final passing of the Administrative Code ordinance (File No. 260217) by the BOS on May 19, 2026, **SGAC is set to be eliminated**, pursuant to the effective date.

Shelter Monitoring Committee

SMC was created in 2004 by the San Francisco Board of Supervisors citing a "significant public interest in determining that the homeless shelters that the City funds are safe and sanitary, that the shelters' policies and procedures are fair and meet the needs of the clients accessing shelter services; that operators receiving City funds are complying with their contractual obligations to the City, and that shelter clients benefit from the expenditure of public funds."⁷³

⁷¹ The McKinney-Vento Homeless Assistance Act was passed in 1987. It provides funding for homelessness and mental health services. Local counties must have a local homelessness advisory board to receive Department of Housing and Urban Development grants.

⁷² "Shelter Grievance Policy." San Francisco Administrative Code, Chapter 20, Article 18.

⁷³ "Shelter Monitoring Committee" San Francisco Administrative Code, Chapter 20, Article 12. Retrieved from: https://codelibrary.amlegal.com/codes/san_francisco/latest/sf_admin/0-0-0-13148

The committee inspects shelters, takes complaints about the shelter system, writes reports to the Homelessness Oversight Commission, the Mayor's Office and the Board of Supervisors, and investigates Standard of Care (SOC) complaints.

As a result of the final passing of the Administrative Code ordinance (File No. 260217) by the BOS on May 19, 2026, **SMC is set to be eliminated**, pursuant to the effective date.