

File No. 230730

Committee Item No. 2

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: December 7, 2023

Board of Supervisors Meeting:

Date: _____

Cmte Board

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

OTHER

- 2023 Civil Grand Jury Report - Hitting the Performance Bullseye - Contracting for Better Outcomes in Homelessness Services 062823
- Matrix of Findings and Recommendations 062823
- FYI Referral 063023
- CON Response 082423
- Consolidated Response Mayor, CAO, HSH, and OCA 082523
- HSH Presentation 120723
- _____

Prepared by: Stephanie Cabrera

Date: November 30, 2023

Prepared by: _____

Date: _____

Prepared by: _____

Date: _____

Hitting the Performance Bullseye

Contracting for Better Outcomes
in Homelessness Services

June 28, 2023



CITY AND COUNTY OF SAN FRANCISCO

2022–2023 CIVIL GRAND JURY

About the San Francisco Civil Grand Jury

The Civil Grand Jury is a government oversight panel of volunteers who serve for one year. It makes findings and recommendations based on its investigations. Reports of the Civil Grand Jury do not identify individuals by name, and disclosure of information about individuals interviewed by the Jury is prohibited.

—*California Penal Code §929*

2022–2023 Civil Grand Jurors

Karen Kennard Foreperson

Pierre Andrada

Richard E. Bogan

Robert J. Chansler

Jonathan E. Cowperthwait

Stan Feinsod

Lorna Hill

Laurance Lem Lee

Peter J. Logan

Marvin D. Norman

Byron Norris

Rick Ohlrich

Mijung Park

Matthew Rhoa

Barbara Savitz

Pauline Soffa

Marc Uscilka

Elwyn Wong

Marina Yu

Cover Image: "Bullseye," Alex Borland. Public domain.

Summary

This has been a busy spring for the City of San Francisco as it works to address the issue of homelessness. In April 2023, San Francisco’s Department of Homelessness and Supportive Housing (HSH) released its five-year strategic plan titled “Home By The Bay: An Equity-Driven Plan to Prevent and End Homelessness in San Francisco.” This plan includes a series of strategies to improve outcomes for all subpopulations of those experiencing homelessness.

On May 4th, the City’s newly-formed Homelessness Oversight Commission (HOC) conducted its first meeting. Approved by San Francisco voters in November 2022, HOC’s responsibilities include setting goals and establishing performance standards for HSH, conducting performance audits of HSH’s service delivery, approving budgets, and holding public hearings.¹ The HOC is expected to bring a new level of supervision and transparency to HSH’s critical work.

Additionally, a member of the San Francisco Board of Supervisors is asking the City Attorney’s Office to draft legislation that may be finalized by year-end to “standardize and streamline existing processes and strengthen performance measurement and performance monitoring” to improve the City’s contracting with community-based organizations (CBOs).² HSH has contracts with multiple CBOs, so this legislation could have significant implications for the City’s efforts to combat homelessness.

These efforts reflect the City’s commitment to solving the homelessness crisis in San Francisco. HSH has been successful in keeping 15,000 people sheltered and housed

¹ San Francisco Charter, Article IV, §4.133.

² Adam Shanks and Craig Lee, “[Supervisor Wants Better Ways to Track City-Funded Nonprofits](#),” *San Francisco Examiner*, October 31, 2022.

every night.³ However, despite billions of dollars spent over the past seven years and progress in many areas, HSH has fallen short of its stated goal of eliminating chronic homelessness.

The 2022–2023 San Francisco Civil Grand Jury investigated HSH’s contracting practices with CBOs and evaluated how those contracting practices may have contributed to a lack of progress in eliminating chronic homelessness in the City. The Jury recognizes that any solution to eliminate homelessness, and particularly chronic homelessness, will require coordinated efforts involving multiple City departments and agencies. We decided to focus on HSH’s contracting practices because HSH largely delivers services to the homeless through a series of contracts it enters into with various CBOs. If those services are to meaningfully reach the homeless individuals they are intended to help, HSH must effectively draft and oversee these contracts—and evaluate the value of the services these CBOs provide.

Our investigation revealed deficiencies in the contracting process that may make it difficult for HSH to determine which CBOs have been effective in delivering services and which have not. This report discusses specific flaws in that process and proposes some recommended solutions.

The Jury was encouraged to see that our observations and recommendations parallel those in HSH’s Home By the Bay report. The Home By the Bay plan sets ambitious goals in five areas, some of which are particularly relevant to this investigation. It proposes the development of a “comprehensive Performance Management Plan,” and notes that it will be important to use data to “enhance service delivery, including design and implementation of a contract management system.” The plan also proposes to increase transparency through publication of an annual progress report that assesses the City’s progress towards each of the plan’s goals.⁴

³ City of San Francisco Department of Homelessness and Supportive Housing, “[Home By the Bay](#).”

⁴ “Home By the Bay,” 36.

At the same time, the Controller’s Office recently made several recommendations to improve citywide transparency and the continuity of contracting across CBOs to improve monitoring and outcomes.⁵ While the Controller’s Office review did not focus on HSH, several of its recommendations are relevant to HSH contracts. HSH needs to effectively work with the new Homelessness Oversight Commission and the Controller’s Office toward the goals set forth in both the Home By the Bay plan and the Controller’s recommendations.

Improving HSH contract procedures will benefit all subpopulations of homelessness in San Francisco, including traditionally underserved groups and those experiencing chronic homelessness. As is evident from the “equity-driven” focus of the Home By the Bay plan, all subpopulations of homeless individuals deserve to benefit equally from the City’s efforts to address this critical problem.

⁵ City & County of San Francisco Office of the Controller City Services Auditor, “The City Should More Effectively Evaluate the Impact of Services Provided by Community-Based Organizations,” August 30, 2022.

Contents

Background	1
Voters Approve a New Commission	2
Homelessness By the Numbers	3
Figure 1: People Experiencing Homelessness During Each PIT Count, 2005–2022	4
Figure 2: HSH Budget Allocation	5
Figure 3: Chronic and Non-Chronic Homeless Counts, 2013–2022	6
Figure 4: Homeless Survey Population and San Francisco General Population Estimates	9
Discussion	10
Measuring Outcomes	10
Prior Reviews of HSH Contracting Practices	11
Lack of Consistently Applied Results-Focused Outcome Objectives	15
Program Monitoring Shows Deficiencies	18
Standardizing Contracting Objectives	21
Creating More Transparency Regarding HSH Progress	22
Findings and Recommendations	23
Required and Invited Responses	25
Methodology	26
Appendix: HSH FY22 Program Monitoring Report	27
References	29

Background

On May 11th, 2016, San Francisco Mayor Edwin Lee announced the formation of the City's new Department of Homelessness and Supportive Housing (HSH). Mayor Lee's goal was to "help at least 8,000 people out of homelessness forever through strategies that stabilize people's lives through the City's nationally recognized housing and supportive services and building a system that ends a person's homelessness before it becomes chronic."

By combining key homeless programs from four existing City departments—the 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 Their Families (DCYF)—HSH was established as a dedicated City department with a singular focus on preventing and ending homelessness for people in San Francisco.⁶

HSH has delivered a number of noteworthy major programs. These include:

- Street outreach and service connection through the Homeless Outreach Team;
- A robust shelter system for single adults and families, including shelters for members of the LGBTQ+ (lesbian, gay, bisexual, transgender, queer or questioning, intersex, asexual and more) community and survivors of domestic violence;
- Navigation Centers, strategically located within the City, that provide temporary shelter for individuals and couples using a low-threshold model;
- Rapid rehousing rental subsidies for families, adults, seniors, and transitional aged youth;

⁶ City of San Francisco, "[Mayor Lee Announces City's New Department](https://www.sfmayor.org/news/2016/05/11/mayor-lee-announces-citys-new-department)," SFMayor.org.

- The Homeward Bound program, which has helped individuals return to their city of origin via travel and relocation services; and
- Robust supportive housing programs of nearly 7,500 units that provide permanent housing and services to formerly homeless individuals and families.

Today, HSH keeps 15,000 people sheltered and housed every night.⁷ “Over 8,000 households exited homelessness from January 2019 to January 2022 through Permanent Supportive Housing, Rapid Rehousing, Prevention and Problem Solving interventions (including relocation assistance).”⁸ HSH helps many families and individuals experiencing homelessness get into housing and remain there.

Despite these efforts and successes, however, reducing homelessness remains a difficult challenge. A September 2022 *San Francisco Chronicle* poll of 1,653 residents reflecting the City’s demographics identified homelessness as the City’s top challenge.⁹ And, as HSH acknowledged in the Home By the Bay plan, this challenge is compounded by the fact that certain groups, including Black and Latine people, people with disabilities, and people who identify as LGBTQIA+, are overrepresented in the homeless population.¹⁰

Voters Approve a New Commission

On May 4 2023, the City’s newly-formed Homelessness Oversight Commission (HOC) conducted its first meeting. The HOC was formed nearly concurrent with a 2022 Civil

⁷ City of San Francisco Department of Homelessness and Supportive Housing, “[Home By the Bay](#).”

⁸ City of San Francisco Department of Homelessness and Supportive Housing, “[San Francisco Homeless Count and Survey](#).”

⁹ Kevin Fagan and Adriana Rezal, “[SF’s Homeless Crisis Won’t Be Solved Anytime Soon, Poll Says](#),” *San Francisco Chronicle*, September 15, 2022.

¹⁰ “Home By the Bay,” 29.

Grand Jury report that observed that HSH lacked independent oversight and recommended that a commission be created.¹¹

Approved by San Francisco voters as Proposition C in November 2022, the HOC consists of seven commissioners, three appointed by the Board of Supervisors and four appointed by the Mayor and confirmed by the Board. HOC's oversight responsibilities include setting goals and establishing performance standards for HSH, conducting performance audits of HSH's service delivery, approving budgets, and holding public hearings, the first of which took place this May.¹²

Homelessness By the Numbers

The U.S. Department of Housing and Urban Development (HUD) requires that every jurisdiction that receives federal funds for homeless services conduct a survey every two years to estimate the numbers of homeless living on the street. This survey, commonly referred to as a Point-In-Time count (PIT), is conducted over a 24 hour period during the winter months. There is debate over the significance and reliability of a count done over 24 hours during the winter,¹³ but the PIT count gives a rough estimate of the numbers of people living without stable housing.

Homelessness is a national crisis, but California bears a disproportionate share of the homeless population. Nationally, the 2022 PIT showed California accounting for 30%

¹¹ San Francisco Civil Grand Jury Report, "A Progress Report About the San Francisco Department of Homelessness and Supportive Housing," at 14–15, 18, June 30, 2022.

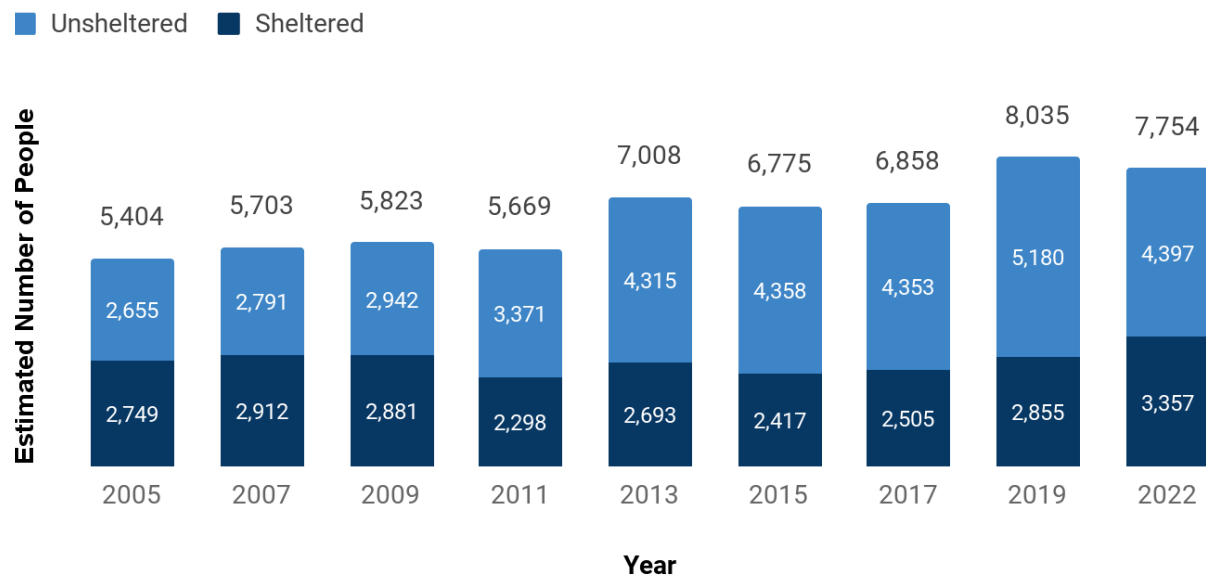
¹² San Francisco Charter, Article IV, §4.133.

¹³ See, e.g., Alastair Boone, "Is There a Better Way to Count the Homeless?" *Bloomberg City Lab*, March 4, 2019.

of the total homeless population despite having only 12% of the nation’s population. Further, California is home to 50% of the nation’s unsheltered population.¹⁴

Since the first PIT count conducted in 2005, San Francisco’s homeless population has grown 30%.¹⁵ As shown in *Figure 1*, the trajectory of the homeless problem in San Francisco has not changed, despite significant annual spending.

Figure 1: People Experiencing Homelessness During Each PIT Count, 2005–2022¹⁶



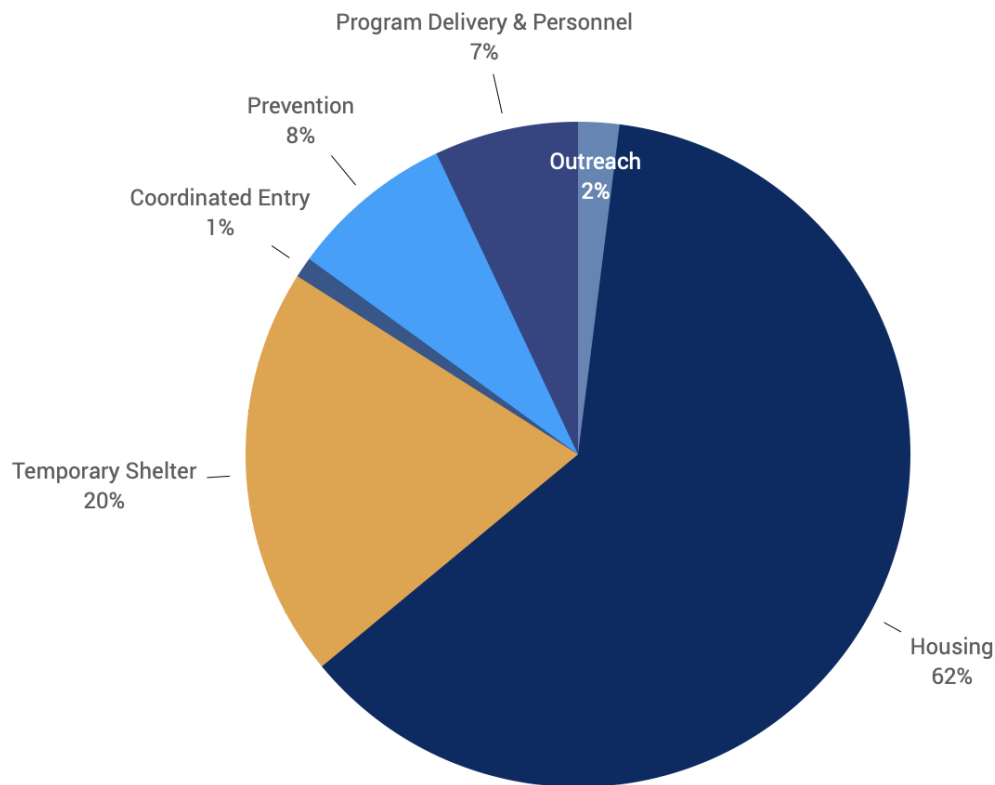
Over the two-year period FY 2022–2024, HSH’s annual budget is over \$600 million, as allocated in *Figure 2*:

¹⁴ “Homeless” refers to an individual or family who lacks a fixed regular or adequate nighttime residence. “Unsheltered” refers to those living in places not meant for human habitation. Emily Hoeven, “[California Homeless Count is 30% of U.S. Total](#),” *CalMatters*, December 2022.

¹⁵ San Francisco City Performance Scorecards, “[Homeless Population: Point-In-Time Homeless Counts 2005–2022](#),” accessed May 31, 2023.

¹⁶ City Performance Scorecards Point-In-Time Homeless Counts, *op. cit.*

Figure 2: HSH Budget Allocation¹⁷



To achieve the goals outlined in the Home By the Bay 5 year plan, HSH estimates that it will need an additional incremental investment of \$607 million over the five year period, with an ongoing commitment of \$217 million a year thereafter.¹⁸

The face and extent of homelessness vary, but for many San Francisco residents and much of the nation, the most obvious evidence of the homeless crisis and a city’s success or failure in addressing it is the growing population of those living on the streets. As noted in a prior Civil Grand Jury report from 2022, “what the public generally observes as ‘the homeless’ is that part of the population on our streets that suffers from chronic unsheltered homelessness. Depending on the data source, this

¹⁷ San Francisco Department of Homelessness and Supportive Housing FY 2022–23 & FY 2023–24 Budget by Service Area, accessed May 31, 2023.

¹⁸ “Home By the Bay,” at p. 10, *op. cit.*

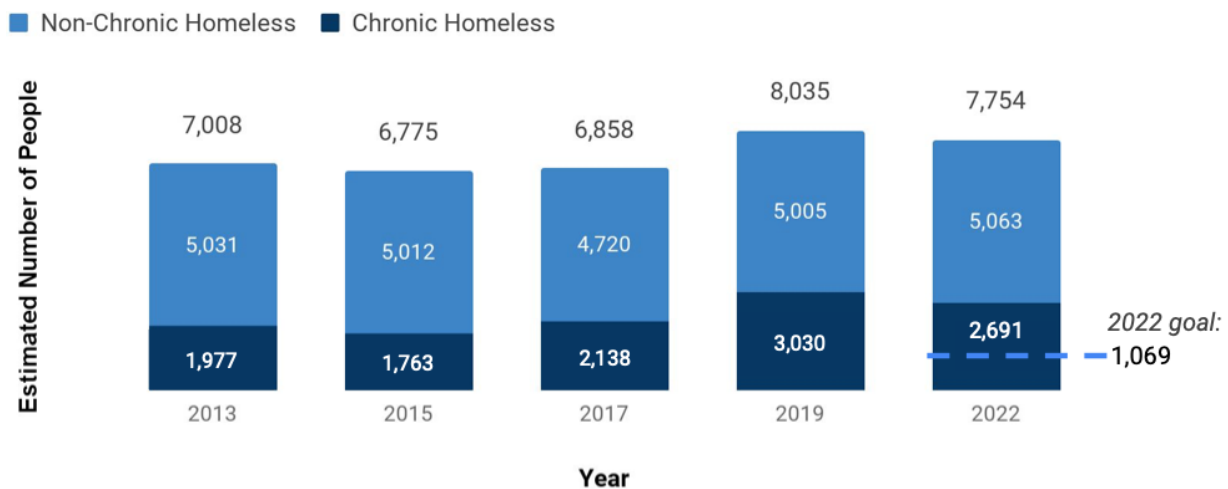
subpopulation represents only about a third of the total homeless population. But in the public perception, this part often ends up representing the whole.”¹⁹

The HSH 2022 PIT count defines *chronically homeless* as:

- An individual with one or more disabling conditions or a family with a head of household with a disabling condition who:
 - Has been continuously homeless for 1 year or more and/or
 - Has experienced 4 or more episodes of homelessness within the past three years.²⁰

When Mayor Lee announced the formation of HSH, a stated goal was to reduce the number of chronically homeless by 50% (represented as “2022 Goal” in Figure 3).

Figure 3: Chronic and Non-Chronic Homeless Counts, 2013–2022²¹



¹⁹ San Francisco Civil Grand Jury, “A Progress Report About the Department Of Homelessness and Supportive Housing,” at 6 (2022).

²⁰ San Francisco City Performance Scorecards, “Homelessness Benchmarking: Homeless Subgroups,” accessed May 31, 2023.

²¹ Chronic homelessness is defined as having a disabling condition and being homeless for more than a year, or having at least four episodes of being homeless adding up to a year over a span of three years. The dotted line indicates the target of a 50% reduction in chronic homelessness from the 2017 HSH Five Year Strategic Framework, i.e., 1,069. Source: 2022 Homeless Count and Survey, *op. cit.*

The chronically homeless represent the most visible and vulnerable people in the homeless community.²² For people who experience chronic homelessness, one-time interventions or basic services often are insufficient to help them successfully transition out of homelessness. Instead, they are more likely to benefit from sustained case management and higher-touch service models designed to meet their needs, such as residential recovery programs.²³

In 2022, the PIT count showed that the chronically homeless represented approximately 35 percent of the homeless population in San Francisco. Comparing the 2005 PIT count to the 2022 PIT count demonstrates the lack of progress in reducing the number of chronically homeless in San Francisco.²⁴ Indeed, our evaluation of performance over multiple PIT counts saw discouraging results—the chronic homeless totaled 1,977 in 2013 vs. 2,691 from the 2022 Point in Time count as seen in *Figure 3, above*.²⁵

A March 2023 study from McKinsey & Company reported that, in 2022, an estimated 20,000 individuals in San Francisco experienced homelessness. The McKinsey study tracked these individuals over the course of the year, looking at multiple year-end outcomes such as how many individuals were “diverted from homelessness,” or ended the year “precariously housed” or in “permanent supportive housing.”

Those 20,000 individuals included 2,650 individuals who met the criteria for “chronic homelessness” at the beginning of the year. Of those 2,650 individuals, 2,550 of them—96%—remained chronically homeless by year-end. This grim statistic shows

²² This can be seen from the many news headlines highlighting this problem. Examples include “S.F. Had a Bold Plan to Cut Chronic Homelessness in Half in 5 Years. The Numbers Only Got Worse,” *San Francisco Chronicle*, September 20, 2022; and “Study: San Francisco’s Fragmented City Services are Harming—and Killing—the Most Vulnerable,” *San Francisco Chronicle*, September 27, 2022.

²³ Alexis Krivkovich, Kunal Modi, Eufern Pan, et al., “The Ongoing Crisis of Homelessness in the Bay Area” (2023): McKinsey & Company.

²⁴ Point In Time and Housing Inventory Counts, *op. cit.*

²⁵ Point-In-Time Homeless Counts, *op. cit.*

that the City's efforts to address homelessness are failing this particular subgroup at an alarming rate.²⁶

Yet HSH has reported seemingly conflicting statistics,²⁷ like the ones below, that paint a different picture. HSH has noted that changes in PIT counts between 2019 and 2022 include:

- 15% Decrease in Unsheltered Homelessness;
- 3.5% Decrease in Overall Homelessness;
- 18% increase in people living in shelters and transitional housing;
- 11% decrease in chronically homeless single adults; and
- Improvement in youth counts.

HSH's top line statistics over the past three years regarding progress made toward reducing overall homelessness, and the City's increasing financial commitment, attest to progress on many fronts in serving homeless populations. Yet, sufficient long-term progress for the chronic homeless remains elusive.

As illustrated in *Figure 4*, the homeless crisis also disproportionately impacts our most marginalized residents.²⁸ In addition, the estimated 12% of individuals in San Francisco who identify as LGBTQIA+ account for 27% of the homeless population.²⁹

²⁶ Krivkovich, Modi, Pan, et al., *op. cit.*

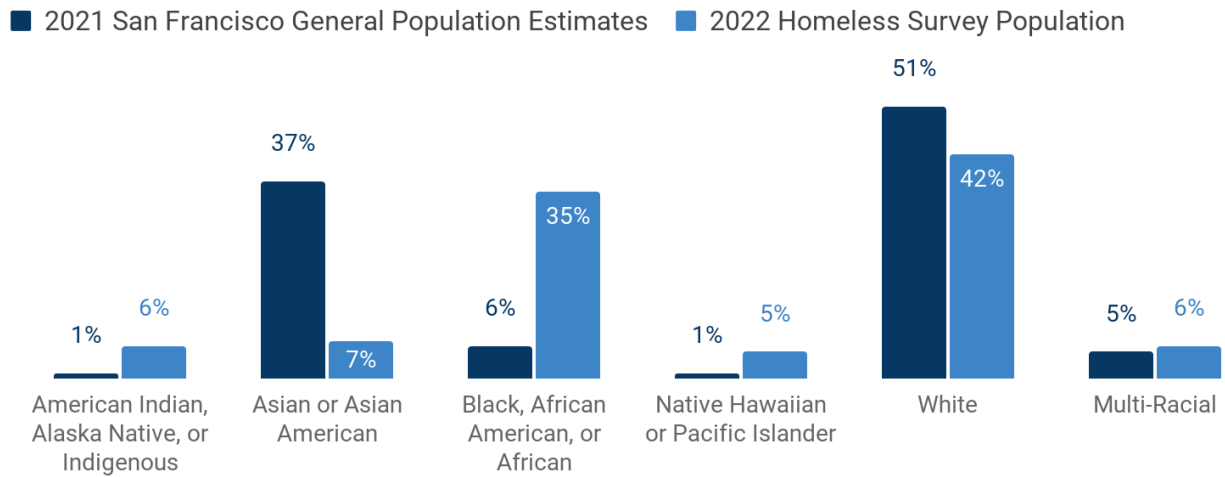
²⁷ City of San Francisco, "[New San Francisco Homelessness Count Reveals 15% Decrease in Unsheltered Homelessness from 2019 to 2022](https://www.sfmayor.org/newsroom/2022/07/15/new-san-francisco-homelessness-count-reveals-15-percent-decrease-in-unsheltered-homelessness-from-2019-to-2022)," SFMayor.org.

²⁸ 2022 Homeless Count and Survey, *op. cit.*

²⁹ Meg Elison, "More Queer People than Ever Living on the Street in SF," *Bay Area Reporter*, July 10, 2019.

Figure 4:

Homeless Survey Population and San Francisco General Population Estimates³⁰



The Jury commends HSH on its equity-driven plan to address homelessness outlined in the Home By the Bay plan. The plan sets ambitious goals that seek to focus on all subpopulations of those experiencing homelessness, most notably the chronically homeless.

We investigated current contracting practices used by HSH to determine if contracting improvements could help HSH achieve these goals. The recommendations in this report seek to better position HSH to do so.

³⁰ 2022 Homeless Count and Survey, *op. cit.*

Discussion

The majority of HSH services are delivered through contracts with CBOs. During our investigation, we learned that, as of May 4, 2023, HSH had a total of over 300 active agreements, some extending until 2030, representing a total original contract value of more than \$2 billion.

The Jury evaluated HSH's contracting practices with nonprofit CBOs to determine whether improvements to these practices could contribute to better progress toward eliminating homelessness. Our investigation revealed potential deficiencies in the contracting process that may make it difficult for HSH to determine which CBOs have been effective in delivering homelessness services and which have not. It is critical for HSH to monitor and evaluate the value of services provided by CBOs.

Measuring Outcomes

The Harvard Performance Lab notes that good contracting practices are essential to the delivery of performance and value for government operations:

Many of the most important functions of state and local governments—from building and maintaining roads to housing the homeless—involve contracting for goods and services supplied by the private sector. Increasing the effectiveness of procurements is . . . an essential component of improving governments' overall performance in creating public value. Unfortunately, governments often treat procurement as a back office administrative function, rather than as a core part of their strategy for delivering better performance. . . . Contractor performance is rarely tracked in a meaningful manner. Contract management tends to focus on compliance instead of performance

improvement, with contractors held accountable for inputs and activities rather than outcomes and impacts (if performance is measured at all).³¹

The benefits of results-driven contracting seem self-evident. However, as discussed below, HSH's contracts have previously drawn criticism for lacking consistently applied results-based outcome measures.

Prior Reviews of HSH Contracting Practices

Recent years have seen multiple calls for the City to improve its contracting practices, both in general and specifically for homeless services.

Even as HSH was being formed, a 2016 Civil Grand Jury report, "San Francisco Homeless Health & Housing: A Crisis Unfolding On Our Streets,"³² included the following finding:

- Contracts are awarded through HSA and DPH with few requirements to include Client Outcomes in performance reports used to evaluate the success of a contract or program. Number of Clients Served is more often used.

That finding resulted in the following Grand Jury recommendation directed at the newly-formed HSH:

- Contracts with organizations receiving City funding should require comprehensive Outcome Performance Measures which include client outcomes.

HSH agreed with this finding, and said that the recommendation would "be implemented in the future" as existing contracts were renewed. Given that HSH

³¹ Harvard Kennedy School Government Performance Lab, "[Results-Driven Contracting](#)," accessed May 31, 2023.

³² San Francisco Civil Grand Jury, "[San Francisco Homeless Health & Housing: A Crisis Unfolding On Our Streets](#)," at 25 (2016).

was a new organization picking up staff, contracts, and responsibilities from HSA and DPH—and that no timeframe was stated in the recommendation—it would have been difficult for HSH to immediately begin using outcome measures. However, its stated intent to do so in the future is one factor that motivated this Jury to assess the extent of HSH’s progress.

Similarly, an August 6, 2020 Performance Audit of the Department of Homelessness & Supportive Housing issued by the San Francisco Budget and Legislative Analyst (BLA) noted that “from a sample review of contracts, it appears that the Department has not adopted consistent practices in establishing performance metrics for providers in the contracting process and has not developed internal policies and procedures to monitor program performance.” It recommended that “the Executive Director should: Ensure that all contracts include specific performance metrics and that those metrics are monitored at least annually through the program monitoring process.”

In its response, HSH noted that the BLA report “should be understood within the context of the national and regional homelessness crisis, rapid expansion of a newly created City department and within the context of the unforeseen and unprecedented impacts of the COVID-19 public health crisis on the department’s regular operations.” Nonetheless, HSH agreed with the recommendation about performance metrics and contract monitoring and identified a plan to have standardized contract terms and provisions in place by 2024.³³

The issue was raised again in 2021. Online news site *The Frisc* reported that on March 3, 2021, Supervisor Matt Haney asked HSH Interim Director Abigail Stewart-Kahn whether “anything has changed in transparent and effective contract oversight.” Stewart-Kahn offered that the department had moved to “performance-based

³³ Harvey M. Rose Associates, “Performance Audit of the Department of Homelessness & Supportive Housing” (2020), at 48, 55.

contracting” that focuses on the outcomes a provider achieves.³⁴ However, as discussed below, that statement appears to reflect an aspiration that has yet to be fully accomplished.

In 2022, the *San Francisco Chronicle* looked into the history of the City’s efforts to fight homelessness, including HSH’s repeatedly-delayed attempts to move to performance-based contracting. The article noted that in 2017, “officials said they would develop comprehensive performance measures for all nonprofit contractors. HSH said it would put this enhanced oversight in place by the end of 2019—and the need was urgent.” However, the article went on to note that in December 2019, as the deadline for that metrics-driven plan approached, HSH officials “pushed their self-imposed deadline back until summer 2021.” The article recounts additional delays thereafter, “in large part because of the pandemic.” By April 2022 when the article was published, HSH Director Shireen McSpadden recounted “plans to have detailed goals and requirements folded into all new contracts by June 2023.” The article concluded by noting that Mayor Breed acknowledged that specific performance goals are a “key component missing in terms of accountability.”³⁵

Most recently, in August 2022, the City Auditor issued a report titled “The City Should More Effectively Evaluate the Impact of Services Provided by Community-Based Organizations.” The objective of this report was to evaluate the frameworks City departments use to measure the impact of their services. The City Auditor selected six departments working with CBOs during 2017–2018, but HSH was not selected for evaluation because it was launched in July 2016 and did not have policies in place at the start of the audit.

³⁴ Kristi Coale, “SF’s Homelessness Department Has a Billion Dollars, and Brings Up as Many Questions,” *The Frisc*, March 24, 2021.

³⁵ Joaquin Palomino and Trisha Thadani, “S.F. Spent Millions to Shelter Homeless in Hotels. These are the Disastrous Results,” *San Francisco Chronicle*, April 26, 2022.

Although the report did not evaluate HSH, it offered extensive recommendations regarding citywide practices that are relevant to how HSH contracts with CBOs. Those recommendations included:

1. Improve performance measurement by:
 - a. Standardizing common definitions for performance measures (for example, output and outcome) across departments and applying them to existing performance measures.
 - b. Creating and/or identifying common performance measures to be tracked, focusing on important outcome measures and the indicators that must be tracked to understand the outcomes.
 - c. Ensuring measures are calculated in the same way so results can be compared across program areas.
2. Strengthen program monitoring practices by:
 - a. Creating a forum to share lessons learned and successful strategies.
 - b. Collaborating on developing minimum requirements for program monitoring activities, such as site visits.
 - c. Evaluating the quality of services provided, through such practices as surveys or interviews of program participants and observations of services provided, where appropriate.
 - d. Ensuring results from program monitoring activities inform technical assistance needs.
3. Explore the possibility of implementing a system with data from multiple departments integrated to track the performance of community-based organizations from a citywide perspective. If this is not feasible, work with information system suppliers to identify

opportunities to share data or centralize data reporting among departments, where appropriate.³⁶

As noted above, HSH was specifically excluded from the City Auditor’s analysis. But our investigation, through Jury research and interviews, found that HSH’s contracting and monitoring practices suffer from many of the weaknesses identified in the City Auditor’s report.

The preceding discussion describes repeated statements by HSH in recent years regarding its intent to improve its contracting procedures. The Jury believes that improved HSH contracting will deliver value to the City in terms of improved quality of services delivered to those impacted by homelessness. Improvement in contracting and contract monitoring should become a priority.

Lack of Consistently Applied Results-Focused Outcome Objectives

The City works with CBOs by either a grant or a contract. Contracts are agreements that are entered into for the City’s purchase of commodities or services, as those terms are defined in San Francisco Administrative Code Chapter 21.³⁷ A *grant*, as defined in Administrative Code Section 21G.2,³⁸ is an award of City funds to a *grantee* for a public purpose.³⁹

³⁶ City Services Auditor, “The City Should More Effectively Evaluate the Impact of Services Provided by Community-Based Organizations,” at 6 (2022).

³⁷ San Francisco Administrative Code, Chapter 21, §21.02.

³⁸ San Francisco Administrative Code, Chapter 21G, §21G.2.

³⁹ Because grants and contracts perform similar functions and are administered and monitored in similar ways by HSH, this report will refer to contracts and grants collectively as “contracts.”

City departments, including HSH, use standard form agreements that cover both nonprofit service providers (Form G-100) and for-profit providers (Form P-600). In either case, the agreement body contains standard City terms and conditions uniformly applied to all agreements of a similar type. Appendix A to these form agreements defines the specific Scope of Services to be performed by the CBO.

The provisions in Appendix A include both *service objectives* and *outcome objectives*. The service objectives section describes activities to be performed by the contractor (e.g., client surveys, maintaining files, client service plans, etc.). The outcome objectives section identifies the results-driven performance measures that the CBO has agreed to undertake.

The Jury evaluated ten sample HSH contracts with different CBOs. Consistent with the findings in the BLA and City Auditor's reports discussed previously, we found that outcome objectives in four of the contracts in this sample actually specified activities to be performed, rather than outcomes to be achieved.

A grant agreement with the Tenderloin Housing Clinic Inc., dated October 1, 2020, correctly identifies service objectives that are activities and outcome objectives that are results.

Examples of service objectives that enumerate activities include:

- Grantee shall obtain feedback on type and quality of services from at least 50 percent of tenants.
- Grantee shall create and maintain files for 100 percent of tenants, regardless of services type, in the San Francisco Homeless Management Information System (HMIS) ONE System⁴⁰ and hard copies of eligibility documents, including homelessness verification.

⁴⁰ The ONE System uses data from CBOs to drive accountability and performance management. To support its plans and efforts, HSH also continues to make improvements to this system to improve data quality, enhance data sharing infrastructure, and deploy and analyze data for planning and evaluation.

Examples of outcome objectives that enumerate performance-based results include:

- 90 percent of all households will remain housed for at least one year from their move-in date, or will move to other permanent housing where they pay rent, or will exit the program in good standing;
- 75 percent of all households that showed housing instability (non-payment of rent, lease violations) will remain in housing; and
- 80 percent of households completing an annual tenant satisfaction survey will respond with satisfied or very satisfied with program services (based on a four point scale: 1 = very dissatisfied, 2 = dissatisfied, 3 = satisfied, 4 = very satisfied).

By contrast, another HSH contract, a grant agreement with Urban Alchemy dated March 21, 2022, is an example of an agreement that identifies service objectives that are activities, but outcomes objectives that are also activities—as opposed to results.

Contract service objectives relating to activities include:

- 100 percent of guests with referral needs shall be provided referrals related to benefits, employment, health, and related transportation support if needed.
- 100 percent of guests shall be offered referral for problem-solving and/or assessment via Adult Coordinated Entry within one week of placement.

However, the contract's outcome objective identified a singular activity to be performed—submitting data into a City database, RTZ—instead of a result to be achieved:

- Grantees shall routinely exceed a 100 percent completion rate for all client data required in RTZ, or other databases mandated by City.

Our review of additional HSH contracts confirmed inconsistencies in the labeling and application of results-based outcome measures. Furthermore, there was no consistency across contracts of a similar nature.

Program Monitoring Shows Deficiencies

In addition to inconsistent inclusion of appropriately-labeled service objectives and outcome objectives in individual HSH contracts, our investigation also revealed a concern regarding HSH's contract monitoring procedures. Contract monitoring for HSH CBOs comprises elements including the following:

- **fiscal and compliance monitoring**, performed by a Controller's citywide task force made up of representatives of each department delivering homeless services;
- **HSH program monitoring** involving desk audits or site visits for CBOs not excluded from these reviews through a waiver process; and
- **contract-specific reviews and audits.**

In *Active Contract Management: How Governments Can Collaborate More Effectively with Social Service Providers to Achieve Better Results*, the Harvard Performance Lab discusses organizational benefits relating to good contract monitoring:

Many critical functions of government social service agencies involve contracting with private service providers. Increasing the effectiveness of procurements is therefore essential to improving governments' ability to deliver social services. Often government agencies assume that their role is complete once a contract is signed and shift to a narrow focus on processing invoices and enforcing compliance. However, some of the most important work for government staff comes during the course of the contract, when real-time improvements to service delivery can drive better outcomes for the people being served. Agencies should use procurement and contracting to establish the

foundation for an ongoing collaboration with contracted service providers to strategically improve performance.⁴¹

Effective program and contract monitoring is important in any successful contracting system. Efficient active collaboration with CBOs would allow HSH to identify and provide additional support to nonprofit providers who are not meeting their goals. It also would generate incremental information that would improve the overall contracting process. A good contract monitoring system improves outcomes and staff productivity.

This report has already cited the 2020 Budget and Legislative Analyst report, which found that “HSH had no internal policy for evaluating service providers who receive funds, noting ‘widespread inconsistencies’ in program monitoring. The department was only able to produce monitoring reports for nine of 20 contracts requested by the budget analysts.”⁴²

HSH Director McSpadden seems to be in accord with this critique, because she has publicly commented, “We have huge, huge challenges with getting the things done that we need, whether it’s actually executing contracts, whether it’s monitoring, whether it’s just getting things out the door.”⁴³

It appears that an effort to address these problems, which may include proposed legislation, may be getting underway. On February 16, 2023, the Board of Supervisors Government Audit and Oversight Committee (GAO) held a meeting to review the findings of the 2022 City Auditor’s report on nonprofit performance. One supervisor stated that she was working with the Controller’s Office to potentially address many of the findings from the report. At that same meeting, the supervisor and a number of

⁴¹ Harvard Kennedy School Government Performance Lab, “Active Contract Management” (2017).

⁴² Harvey M. Rose, *op. cit.*

⁴³ Trisha Thadani, “S.F. Has Been Slow to Spend Hundreds of Millions for Homelessness. Here’s Why,” *San Francisco Chronicle*, March 28, 2023.

nonprofit providers also noted that improvements in contract monitoring, such as consolidating program and contract monitoring visits across City departments, would increase administrative productivity for CBOs, who currently are burdened with multiple audits, reviews, and requests from multiple City departments.⁴⁴

The Jury also investigated the issue of HSH contract monitoring. HSH participates in the City/County of San Francisco’s annual Joint Fiscal Monitoring process, a partnership between the Controller’s Office and HSH that conducts desk audits and on-site fiscal monitoring of HSH CBOs who receive funding in excess of \$500,000 a year.

Joint fiscal monitoring practices include staffing from both agencies and focus on how CBOs utilize overall agency funding as opposed to individual grant awards.⁴⁵ During the course of our investigation, we learned that in FY22, 85 nonprofit providers representing 318 agreements and \$280 million in contract value were subject to this monitoring.⁴⁶

After fiscal monitoring, HSH performs a risk assessment to identify how each of its CBOs will be monitored at a program level, indicating the method of monitoring that will be used: on-site monitoring, or a desk audit. Participating in the desk audit should require no extra preparation by the CBO that is the subject of the monitoring, but if additional support is determined to be beneficial, on-site monitoring is performed. This additional level of oversight ensures that federally-funded recipients are administering homeless programs in accordance with all applicable local, state and federal laws.⁴⁷

⁴⁴ City of San Francisco Board of Supervisors Government Audit and Oversight Committee, February 16, 2022 (video).

⁴⁵ City of San Francisco Department of Homelessness and Supportive Housing, “How HSH’s Federally-Funded Programs are Monitored” (2020)

⁴⁶ City Services Auditor, “Citywide Nonprofit Monitoring and Capacity Building Program: Fiscal Year 2020–2021 Annual Report” (2022).

⁴⁷ “How HSH’s Federally-Funded Programs are Monitored,” *op. cit.*

In multiple interviews, our investigation found that on-site program monitoring provides benefits to both the monitoring departments (including but not limited to HSH) and to the CBOs, that are not obtained through desk audits alone. Several witnesses indicated a need for increased on-site program monitoring. This is consistent with findings in the BLA and City Auditor reports.

During FY22, of the 49 contractors meeting the requirements for program monitoring, the Jury was only able to confirm that HSH performed 17 on-site program audits. (See *Appendix A*.)

Accordingly, the Jury believes that HSH should add on-site program monitoring for additional CBOs each year to yield significant process improvements in collaboration and results.

Standardizing Contracting Objectives

The Jury recognizes that HSH faces a daunting task achieving the goals of the Home By the Bay strategic plan, given increasing workload, funding challenges, and significant open HSH headcount.⁴⁸ We further acknowledge that HSH has stated an intent to standardize all service and outcome objectives across all programs to make sure they are specific, measurable, actionable, relevant, and time-bound. But HSH has stated its intent to address these deficiencies a number of times before, over a number of years.

HSH staff must be given the tools to efficiently evaluate contract and contractor performance against overall goals. Improving contracting practices will improve both HSH staff and CBO productivity, and maximize the effective use and value of taxpayer funds.

⁴⁸ Trisha Thadani, “S.F. Has Been Slow,” *op. cit.*

Creating More Transparency Regarding HSH Progress

During our investigation of HSH contracting, we sought to determine how it might be possible to track improved outcomes if the recommendations in this report, and others currently under consideration elsewhere, are implemented. We observed that the San Francisco City Performance Scorecard for Homelessness Benchmarking,⁴⁹ in the form currently published, would make such tracking difficult. The current Homelessness Benchmarking Scorecard provides information on “homeless subgroups” in the City. However, it does not currently show information on all of the subpopulations of homeless individuals who are identified in the Home By the Bay plan. To create visibility and transparency for the City’s programs, it would be beneficial for HSH to track and report outcomes for the chronically homeless and all other subpopulations identified in the Home By the Bay report, against peer groups, over time, as is done for other categories.

Improvements in HSH contracting, to include the addition of outcome measures along with tracking homelessness subpopulation data, will allow HSH to determine if contract process improvements, such as the ones recommended in this report, are working, and whether its plans for improved equity are being met. Improved data tracking and reporting by HSH will create greater visibility and transparency, so the public can more readily understand its plans and assess its progress toward eliminating homelessness for all subpopulations.

⁴⁹ City Performance Scorecards, *op. cit.*

Findings and Recommendations

Finding 1

Inconsistent use of specific results-based outcome measures in contracts and grants impairs the Department of Homelessness and Supportive Housing's ability to measure and evaluate the success of its programs and the performance of the CBOs who provide homelessness services.

Recommendation 1.1

By the end of Fiscal Year 2024, HSH, working with the Controller's Office and the Homelessness Oversight Commission, should develop a set of contract performance outcomes that will be consistently applied across all contracts for the provision of homelessness services and that will link directly to HSH's Home By the Bay strategic goals.

Recommendation 1.2

By the end of Fiscal Year 2024, HSH should include, in all contracts for the provision of homelessness services, measures to facilitate tracking the outcome of the services provided across all homelessness subpopulations identified in the Home By the Bay plan, including the chronically homeless.

Finding 2

Insufficient on-site program monitoring limits HSH's ability to evaluate and support CBOs and improve contract performance.

Recommendation 2

By the end of FY24, HSH, working with the Controller's office, should develop standards for program and contract monitoring designed to increase on-site program monitoring; improve evaluation of, collaboration with, and support for CBOs; and minimize burdens on CBOs by consolidating overall contract and program monitoring visits from multiple agencies to the extent possible.

Finding 3

The existing City Performance Scorecard for Homelessness Benchmarking does not adequately track progress in reducing homelessness within specific subpopulations over time, including the chronically homeless, which limits HSH's ability to credibly assess and publicly report its progress toward achieving its strategic goals for these subpopulations.

Recommendation 3

By the end of FY24, HSH, working with the City Controller and the City Administrator, should augment the City Performance Scorecard for Homelessness Benchmarking to provide regular reports on progress made in reducing homelessness for all subpopulations of homeless identified in the Home By the Bay strategic plan, including the chronically homeless.

Required and Invited Responses

Required Responses

Pursuant to California Penal Code §933, the Jury requests from this City institution responses to the following Findings and Recommendations within 60 calendar days:

Respondent	Findings	Recommendations
Office of the Mayor	F1, F2, F3	R1.1, R1.2, R2, R3

Invited Responses

The Jury invites responses to the following Findings and Recommendations from this City institution within 60 calendar days:

Respondent	Findings	Recommendations
San Francisco Controller's Office	F1, F2, F3	R1.1, R1.2, R2, R3
San Francisco Department of Homelessness and Supportive Housing (HSH)	F1, F2, F3	R1.1, R1.2, R2, R3
San Francisco Homelessness Oversight Commission	F1	R1.1, R1.2
San Francisco Office of Contracts Administration	F1, F2	R1.1, R1.2, R2
San Francisco City Administrator	F3	R3

Methodology

Facts that are the basis of this report were obtained from the following sources:

- Public resources: news reports from various media; formal reports from multiple City departments; and public online resources of City departments and other groups.
- Interviews of City officials, front-line City department workers, and members of the public. All interviews were conducted in confidence. Each interviewee was administered an admonition of confidentiality, and promised that no fact or quotation would be directly attributed to that person. The Juror oath requires that each Juror not reveal any details of an investigation not contained in the published report of that investigation. Twenty-four formal interviews were conducted.

Before publication, this report was reviewed by the City Attorney and the Superior Court.

Appendix: HSH FY22 Program Monitoring Report

Monitoring types

SV: Site Visit (Expanded Monitoring)

SA: Self Assessment (Core Monitoring)

Waiver: Waiver issued

Contractor	FY21–22 Monitoring Type	FY21–22 Monitoring Status	FY22–23 Monitoring Type
3rd Street Youth Center & Clinic	SA	Completed - no findings	Waiver
ABODE SERVICES	SV	Status not listed	SV
Asian Women's Shelter	SA	Completed - no findings	SV
Bayview Hunters Point Foundation	SV	Elevated	SV
Bayview Hunters Point Multipurpose Senior Services	Waiver	Waiver	SA
BRIDGE HOUSING CORP	NA	Completed - no findings	SA
BRILLIANT CORNERS	Waiver	Waiver	SV
CATHOLIC CHARITIES	SA	Completed - no findings	SA
Central City Hospitality House	SA	Completed - no findings	SA
Chinatown Community Development center	SA	Completed - no findings	Waiver
Community Forward SF	Waiver	Waiver	SA
COMMUNITY INITIATIVES	SA	Completed - no findings	SA
Compass Family Services	Waiver	Waiver	SA
Conard House	SV	Elevated	SV
DOLORES STREET COMMUNITY CENTER	SV	Completed - no findings	Waiver
Episcopal Community Services of San Francisco, Inc.	Waiver	Waiver	SV
Eviction Defense Collaborative. Inc.	Waiver	Waiver	SA
Felton Institute	SA	Completed - no findings	Waiver
FIRST PLACE FOR YOUTH	SA	Completed - no findings	SA
Five Keys Charter School and Programs	SA	Completed - no findings	SV
GLIDE COMMUNITY HOUSING	SV	Completed - findings resolved	SV
Glide Foundation	SV	Completed - no findings	SA
Hamilton Families	SV	Completed - no findings	Waiver

Contractor	FY21–22 Monitoring Type	FY21–22 Monitoring Status	FY22–23 Monitoring Type
Heluna Health	Waiver	Waiver	Core
Homeless Prenatal Program	SV	Completed - no findings	SA
HomeRise	SA	Elevated	SV
Huckleberry Youth Programs	SV	Completed - no findings	SA
Justice and Diversity Center-SF Bar Association	SV	Completed - no findings	SA
Larkin Street Youth Services	SV	Completed - no findings	SA
Lavender Youth Recreation and Information Center	SA	Elevated	SV
LUTHERAN SOCIAL SERVICES OF NORTHERN CALIFORNIA	Waiver	Waiver	Waiver
MEALS ON WHEELS	Waiver	Waiver	SA
MISSION HOUSING DEVELOPMENT CORP (MHDC)	SV	Completed - findings resolved	SV
Mission Neighborhood Centers	SA	Completed - no findings	SV
Mission Neighborhood Health Center	SA	Completed - no findings	SA
PROVIDENCE FOUNDATION OF SAN FRANCISCO	SA	Elevated	SA
REALITY HOUSE WESTINC	Waiver	Waiver	SV
Salvation Army	SV	Completed - findings resolved	Expanded
SAN FRANCISCO FOOD BANK	Waiver	Waiver	SA
San Francisco Housing Development Corporation	SA	Status not listed in Salesforce	Waiver
San Francisco LGBT Community Center	Waiver	Waiver	SA
SEQUOIA LIVING	SV	Completed - findings resolved	SA
St. James Infirmary	SV	Elevated	SA
St. Vincent de Paul Society	Waiver	Waiver	SV
Swords to Plowshares: Veterans Rights Organization	SV	Completed - no findings	SA
Tenderloin Housing Clinic. Inc			SA
Tides Center	SV	Completed - no findings	Waiver
Urban Alchemy	SV	Completed - findings resolved	SV
WeHOPE	SA	Completed - findings resolved	SA

References

- Boone, Alexander. 2019. “Is There a Better Way to Count the Homeless?” *Bloomberg City Lab*, March 4, 2019.
<https://www.bloomberg.com/news/articles/2019-03-04/the-problem-with-hud-s-point-in-time-homeless-count>.
- City of San Francisco San Francisco Administrative Code, Chapter 21.
https://codelibrary.amlegal.com/codes/san_francisco/latest/sf_admin/0-0-0-58262.
- City of San Francisco Board of Supervisors. 2023. “San Francisco Government Audit and Oversight Committee Meeting.” Government Audit and Oversight Committee, February 16, 2022 (video).
https://sanfrancisco.granicus.com/player/clip/43026?view_id=11&redirect=true&h=de6eac613eed207e76dba41d918cd3dd.
- City of San Francisco Department of Homelessness and Supportive Housing. 2020. “How HSH’s Federally-Funded Programs are Monitored.” SF HSH.
https://hsh.sfgov.org/wp-content/uploads/2020/01/HowHSHEnsuresProgramCompliance_FINAL-2020-01-09.pdf.
- City of San Francisco Department of Homelessness and Supportive Housing. 2023. “Home By the Bay: An Equity-Driven Plan to Prevent and End Homelessness in San Francisco,” SF HSH.
<https://hsh.sfgov.org/wp-content/uploads/2023/05/Home-by-the-Bay-FINAL.pdf>.
- City of San Francisco Department of Homelessness and Supportive Housing FY 2022–23 & FY 2023–24 Budget by Service Area. Accessed May 31, 2023.
<https://hsh.sfgov.org/about/budget>.

City of San Francisco Department of Homelessness and Supportive Housing. 2022.
“San Francisco Homeless Count and Survey.” City of San Francisco
Department of Homelessness and Supportive Housing.
<https://hsh.sfgov.org/wp-content/uploads/2022/08/2022-PIT-Count-Report-San-Francisco-Updated-8.19.22.pdf>

City & County of San Francisco Office of the Controller City Services Auditor. 2022.
“Citywide Nonprofit Monitoring and Capacity Building Program: Fiscal
Year 2020–2021 Annual Report.” City of San Francisco.
<https://sf.gov/sites/default/files/2022-12/Citywide%20Nonprofit%20Monitoring%20and%20Capacity%20Building%20Program%20FY22%20Annual%20Report.pdf>.

City & County of San Francisco Office of the Controller City Services Auditor. 2022.
“The City Should More Effectively Evaluate the Impact of Services Provided
by Community-Based Organizations.”
<https://sfcontroller.org/sites/default/files/Documents/Auditing/Citywide%20Nonprofit%20Performance%20Audit%20Report%208.30.2022.pdf>.

City of San Francisco. 2016. “Mayor Lee Announces City's New Department of
Homelessness & Supportive Housing & Appoints Jeff Kositsky Director |
Office of the Mayor.” SFMayor.org.
<https://sfmayor.org/article/mayor-lee-announces-city%E2%80%99s-new-department-homelessness-supportive-housing-appoints-jeff>.

City of San Francisco. 2022. “New San Francisco Homelessness Count Reveals 15%
Decrease in Unsheltered Homelessness from 2019 to 2022.” SFMayor.org.
<https://sfmayor.org/article/new-san-francisco-homelessness-count-reveals-15-decrease-unsheltered-homelessness-2019-2022>.

City of San Francisco. n.d. “Homeless Population.” City of San Francisco Performance
Scorecards. Accessed May 31, 2023.
<https://sfgov.org/scorecards/safety-net/homeless-population>.

City of San Francisco. n.d. "Homelessness Benchmarking: Homeless Subgroups." City of San Francisco Performance Scorecards. Accessed May 31, 2023.
<https://sfgov.org/scorecards/benchmarking/homelessness>.

Coale, Kristi. "SF's Homelessness Department Has a Billion Dollars, and Brings Up as Many Questions." *The Frisc*, March 24, 2021,
<https://thefrisc.com/sfs-homelessness-department-has-a-billion-dollars-and-brings-up-almost-as-many-questions-50da21062351>. Accessed May, 2023.

Ege, Mike. 2023. "Supes Hash Out Audit That Revealed Lack of Nonprofit Oversight." *The San Francisco Standard*.
<https://sfstandard.com/politics/supervisors-hash-out-city-audit-that-revealed-lack-of-nonprofit-oversight/>.

Elison, Meg. 2019. "More Queer People Than Ever Living on the Street in SF." *Bay Area Reporter*, July 10, 2019.
https://www.ebar.com/story.php?ch=news&sc=news&id=278723&more_queer_people_than_ever_living_on_the_street_in_sf.

Fagan, Kevin, and Adriana Rezal. 2022. "SF's Homeless Crisis Won't Be Solved Anytime Soon, Poll Says." *San Francisco Chronicle*, September 15, 2022.
<https://www.sfchronicle.com/sf/article/sfnext-poll-homelessness-crisis-17442518.php>.

Harvard Kennedy School Government Performance Lab. 2017. "Active Contract Management: How Governments Can Collaborate More Effectively with Social Service Providers to Achieve Better Results." Government Performance Lab.
https://govlab.hks.harvard.edu/files/active_contract_management_brief.pdf.

Harvard Kennedy School Government Performance Lab. n.d. "Results-Driven Contracting." Government Performance Lab. Accessed May 31, 2023.

https://govlab.hks.harvard.edu/results-driven-contracting?sv_list_box_delta=1539202772&pager_id=0&destination=node/1140836&page=0%2C1%2C2.

Harvey M. Rose Associates. 2020. "Performance Audit of the Department of Homelessness & Supportive Housing." SFBOS.org.
https://sfbos.org/sites/default/files/BLA_Performance_Audit_Homelessness_Supportive_Housing_08062020.pdf.

Hoeven, Emily. 2022. "California Homeless Count is 30% of U.S. Total." CalMatters.
<https://calmatters.org/newsletters/whatmatters/2022/12/california-homeless-count-2/>.

Jung, Yoohyun. 2023. "Tracking San Francisco's drug overdose epidemic." *San Francisco Chronicle*, May 12, 2023.
<https://www.sfchronicle.com/projects/2021/san-francisco-drug-overdose-s-map/>.

Krivkovich, Alexis, Kunal Modi, Eufern Pan, Ramya Parthasarathy, and Robert Schiff. 2023. "The Ongoing Crisis of Homelessness in the Bay Area: What's Working, What's Not." McKinsey & Company.
<https://www.mckinsey.com/industries/public-and-social-sector/our-insights/the-ongoing-crisis-of-homelessness-in-the-bay-area-whats-working-whats-not>.

Palomino, Joaquin, and Trisha Thadani. "S.F. Spent Millions to Shelter Homeless in Hotels. These are the Disastrous Results." *San Francisco Chronicle*, April 26, 2022, <https://www.sfchronicle.com/projects/2022/san-francisco-sros/>. Accessed May 12, 2023.

San Francisco Civil Grand Jury. 2016. "San Francisco Homeless Health & Housing." https://civilgrandjury.sfgov.org/2015_2016/2015-16_CGJ_Final_Report_SF_Homeless_Health_and_Housing_7_12_16.pdf.

San Francisco Civil Grand Jury. 2022. "A Progress Report About the Department Of Homelessness and Supportive Housing."
https://civilgrandjury.sfgov.org/2021_2022/2022%20CGJ%20Report_A%20Progress%20Report%20about%20the%20San%20Francisco%20Department%20of%20Homelessness%20and%20Supportive%20Housing.pdf.

Shanks, Adam, and Craig Lee. 2022. "Supervisor Wants Better Ways to Track City-Funded Nonprofits." *San Francisco Examiner*.
https://www.sfexaminer.com/news/the-city/supervisor-wants-better-ways-to-track-city-funded-nonprofits/article_17e607e6-5557-11ed-83fe-fb829a87f7cd.html.

Thadani, Trisha. 2023. "S.F. Has Been Slow to Spend Hundreds of Millions for Homelessness. Here's Why." *San Francisco Chronicle*, March 28, 2023.
<https://www.sfchronicle.com/sf/article/sf-homeless-crisis-unspent-funds-housing-17843541.php>.

2022-23 CIVIL GRAND JURY FINDINGS, RECOMMENDATIONS, AND RESPONSES TO FINDINGS AND RECOMMENDATIONS

Report Title [Publication Date]	F#	Finding	Respondent Assigned by CGJ [Response Due Date]	Finding Response (Agree/ Disagree)	Finding Response Text
Hitting the Performance Bullseye: Contracting for Better Outcomes in Homelessness Services [June 28, 2023]	F1	Inconsistent use of specific results-based outcome measures in contracts and grants impairs the Department of Homelessness and Supportive Housing’s ability to measure and evaluate the success of its programs and the performance of the CBOs who provide homelessness services.	Office of the Mayor [August 27, 2023]		
Hitting the Performance Bullseye: Contracting for Better Outcomes in Homelessness Services [June 28, 2023]	F2	Insufficient on-site program monitoring limits HSH’s ability to evaluate and support CBOs and improve contract performance.	Office of the Mayor [August 27, 2023]		
Hitting the Performance Bullseye: Contracting for Better Outcomes in Homelessness Services [June 28, 2023]	F3	The existing City Performance Scorecard for Homelessness Benchmarking does not adequately track progress in reducing homelessness within specific subpopulations over time, including the chronically homeless, which limits HSH’s ability to credibly assess and publicly report its progress toward achieving its strategic goals for these subpopulations.	Office of the Mayor [August 27, 2023]		



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller
Todd Rydstrom
Deputy Controller

August 24, 2023

The Honorable Anne-Christine Massullo
Presiding Judge, Superior Court of California, County of San Francisco
400 McAllister Street, Room 008
San Francisco, CA 94102

Dear Judge Massullo:

The following is in response to the 2022-2023 Civil Grand Jury report, *Hitting the Performance Bullseye: Contracting for Better Outcomes in Homelessness Services (June 28, 2023)*. In accordance with California Penal Code §933, our response is being submitted to the Presiding Judge.

Thank you for the opportunity to comment on this Civil Grand Jury report. If you have any questions, please contact me at Todd.Rydstrom@sfgov.org.

Respectfully submitted,

Todd Rydstrom /s/
Deputy Controller

cc: Ben Rosenfield, Controller
Mark de la Rosa, Director of Audits
Claire Stone, Manager of Special Projects and Key Initiatives
Anatolia Lubos, Civil Grand Jury Analyst
Stephanie Cabrera, Board of Supervisors Clerk

#	Finding	Respondent Assigned by CGJ	Response	Response Text
			Agree with the finding	No explanation needed
			Disagree, partially	Specify portion disputed and reason
			Disagree, wholly	Specify disputation and reason
F1	Inconsistent use of specific results-based outcome measures in contracts and grants impairs the Department of Homelessness and Supportive Housing's ability to measure and evaluate the success of its programs and the performance of the CBOs who provide homelessness services.	MYR, CON, HSH, Homelessness Oversight Commission	Agree with the finding	The Controller's Office concurs that when departments have inconsistent use of outcome measures in their contract it can impair a department's ability to measure success.
F2	Insufficient on-site program monitoring limits HSH's ability to evaluate and support CBOs and improve contract performance.	MYR, CON, HSH, Office of Contracts Admin.	Agree with the finding	The Controller's Office has not conducted a review of HSH's monitoring practices and cannot speak to whether there was sufficient on-site monitoring conducted by that department in the past. However, the Controller's Office will be developing guidelines and standards for performance monitoring of nonprofit contractors in the coming year, including guidelines for on-site monitoring practices by City departments.
F3	The existing City Performance Scorecard for Homelessness Benchmarking does not adequately track progress in reducing homelessness within specific subpopulations over time, including the chronically homeless, which limits HSH's ability to credibly assess and publicly report its progress toward achieving its strategic goals for these subpopulations.	MYR, CON, HSH, ADM	Disagree, partially	<p>The Controller's Office <u>Scorecards</u> are designed to provide timely information on the efficiency of San Francisco government services. Scorecards choose a few key indicators to provide a high-level view of a department's performance over time. This product is not intended to illustrate all of a department's goals and outcomes but can be used to spotlight high-priority measures, as relevant to the department.</p> <p>The Controller's Office <u>Benchmarking</u> products are designed to compare areas of San Francisco government to other peer jurisdictions. The Controller's Office published the Homelessness Benchmarking Report on July 26, 2023, which compares population and inventory of services across 17 peers between 2019 and 2022.</p> <p>Annual <u>Performance Measures</u> can be defined by a department to align to both the strategic and operational goals that department outlines in its strategic plan. This tool may be the preferred option to support the Department of Homelessness and Supportive Housing to monitor its progress toward achieving specific results with priority populations. The Controller's Office publishes an "Annual Performance Report" which documents annual measures and spotlighted trends each fall.</p>

#	Recommendation	Respondent Assigned by CGJ	Response	Response Text
			Has been implemented	Summary regarding implemented action
			Will be implemented	Timeframe for implementation
			Require further analysis	Explain scope and parameter of analysis, timeframe (should not exceed 6-months)
			Will not be implemented	Explain thereof
R1.1 [for F1]	By the end of Fiscal Year 2024, HSH, working with the Controller’s Office and the Homelessness Oversight Commission, should develop a set of contract performance outcomes that will be consistently applied across all contracts for the provision of homelessness services and that will link directly to HSH’s Home By the Bay strategic goals.	MYR, CON, HSH, Homelessness Oversight Commission, Office of Contracts Admin.	Will be implemented	The Department of Homelessness and Supportive Housing is working with consultants on the goals of this recommendation presently. The Controller’s Office staff are available to support as needed.
R1.2 [for F1]	By the end of Fiscal Year 2024, HSH should include, in all contracts for the provision of homelessness services, measures to facilitate tracking the outcome of the services provided across all homelessness subpopulations identified in the Home By the Bay plan, including the chronically homeless.	MYR, CON, HSH, Homelessness Oversight Commission, Office of Contracts Admin.	Will be implemented	The Controller’s Office will be developing guidelines and standards for performance monitoring of nonprofit contractors in the coming year, including guidelines for on-site monitoring practices by City departments, and standards for the types of performance measures departments should apply. It may not be feasible for City departments to implement these standards within the timeline of this recommendation.
R2 [for F2]	By the end of FY24, HSH, working with the Controller’s office, should develop standards for program and contract monitoring designed to increase on-site program monitoring; improve evaluation of, collaboration with, and support for CBOs; and minimize burdens on CBOs by consolidating overall contract and program monitoring visits from multiple agencies to the extent possible.	MYR, CON, HSH, Office of Contracts Admin.	Will be implemented	The Controller’s Office will be developing guidelines and standards for performance monitoring of nonprofit contractors in the coming year, including guidelines for on-site monitoring practices by City departments, and standards for the types of performance measures departments should apply. It may not be feasible for City departments to implement these standards within the timeline of this recommendation.
R3 [for F3]	By the end of FY24, HSH, working with the City Controller and the City Administrator, should augment the City Performance Scorecard for Homelessness Benchmarking to provide regular reports on progress made in reducing homelessness for all subpopulations of homeless identified in the Home By the Bay strategic plan, including the chronically homeless.	MYR, CON, HSH, ADM	Require further analysis	<p>The Controller’s Office <u>Scorecards</u> are designed to provide timely information on the efficiency of San Francisco government services. Scorecards choose a few key indicators to provide a high-level view of a department’s performance over time. This product is not intended to illustrate all of a department’s goals and outcomes but can be used to spotlight high-priority measures, as relevant to the department.</p> <p>The Controller’s Office <u>Benchmarking</u> products are designed to compare areas of San Francisco government to other peer jurisdictions. The Controller’s Office published the Homelessness Benchmarking Report on July 26, 2023, which compares population and inventory of services across 17 peers between 2019 and 2022.</p> <p>Annual <u>Performance Measures</u> can be defined by a department to align to both the strategic and operational goals that department outlines in its strategic plan. This tool may be the preferred option to support the Department of Homelessness and Supportive Housing to monitor its progress toward achieving specific results with priority populations. The Controller’s Office publishes an “Annual Performance Report” which documents annual measures and spotlighted trends each fall.</p>



August 25, 2023

The Honorable Anne-Christine Massullo
Presiding Judge, Superior Court of California, County of San Francisco
400 McAllister Street, Room 008
San Francisco, CA 94102-4512

Dear Judge Massullo,

In accordance with Penal Code 933 and 933.05, the following is in response to the 2022-2023 Civil Grand Jury Report, *Hitting the Performance Bullseye: Contracting for Better Outcomes in Homelessness Services*. We would like to thank the members of the 2022-2023 Civil Grand Jury for their interest in the City's effort to standardize and streamline existing processes and strengthen performance measures and performance monitoring in our work to address homelessness.

We generally agree with the Jury's findings that the City has had inconsistent approaches to contracts and grants when it comes to homelessness. Recognizing this, we have already implemented some of the recommendations, such as performance measurement of programs. We also agree there is more to do. Guided by the City's new Five-Year strategic plan on homelessness, "Home by the Bay", we will implement recommendations designed to improve practices between community-based organizations and our Department of Homelessness and Supportive Housing. We will also evaluate the best strategies to continue to improve and publish public reporting that shows progress for the system as a whole, as well as subpopulations experiencing homelessness within the City of San Francisco.

Detailed responses from the Mayor's Office, the Office of the City Administrator, the Department of Homelessness and Supportive Housing, and the Office of Contract Administration are attached.

We appreciate the opportunity to comment on the Civil Grand Jury report findings and recommendations.

Sincerely,

A handwritten signature in cursive script that reads "London Breed".

London N. Breed
Mayor



Carmen Chu
City Administrator, Office of the City Administrator



Shireen McSpadden
Executive Director, Department of Homelessness and Supportive Housing



Sailaja Kurella
Director, Office of Contract Administration

Report Title [Publication Date]	#	Finding	Respondent Assigned by CGJ [Response Due Date]	Finding Response (Agree/ Disagree)	Finding Response Text
Hitting the Performance Bullseye: Contracting for Better Outcomes in Homelessness Services [June 28, 2023]	F1	Inconsistent use of specific results-based outcome measures in contracts and grants impairs the Department of Homelessness and Supportive Housing's ability to measure and evaluate the success of its programs and the performance of the CBOs who provide homelessness services.	Office of the Mayor [August 27, 2023]	Agree	Before the Department of Homelessness and Supportive Housing (HSH) was created in 2016, there was no centralized database to track outcomes for unsheltered clients. To analyze systemwide outputs and outcomes, the City relied heavily on non-profit providers to report aggregate data measures (e.g. the number of clients housed last month). In this context, inconsistent data across providers hindered the City's ability to understand the system as a whole. As a first step towards implementing standardized outcomes measures, HSH has focused the last several years on configuring the Department's new Homeless Management Information System (HMIS), a client-level database tracking homeless clients and the services they receive, and ensuring providers across the system of care are trained to input data on all clients served. HSH is already leveraging this data structure for various reporting and analytical needs. This data is used to report to local, state, and federal funders. As of the January 2023 Housing Inventory Count (HIC) submitted to the Department of Housing and Urban Development, 93% of permanent housing resources and 95% of shelter resources identified in San Francisco are contributing data to the HMIS system or the HMIS-aligned shelter bed management system. This undertaking has created a robust data infrastructure that HSH is now able to use to flexibly analyze program and system outcomes. Now that this data infrastructure is in place, the next step is to set more standardized metrics and accompanying targets in HSH's agreements to evaluate the success and performance of programs.
Hitting the Performance Bullseye: Contracting for Better Outcomes in Homelessness Services [June 28, 2023]	F2	Insufficient on-site program monitoring limits HSH's ability to evaluate and support CBOs and improve contract performance.	Office of the Mayor [August 27, 2023]	Agree	Although this finding has been true historically and there is still work to be done, the Civil Grand Jury's report drew on outdated or inaccurate materials. HSH has made significant progress to set program monitoring expectations internally in FY 2022-23 and will implement these standards fully in FY 2023-24. Guidelines for all departments will also be made available by the Controller's Office. In FY 2022-23, HSH developed expectations for program and fiscal monitoring, which are summarized below. HSH conducts regular monitoring and compliance reviews to ensure that providers are meeting agreement requirements. HSH is incorporating these expectations into agreements and program team manuals throughout FY2023-24 for full implementation by the end of the fiscal year. Program monitoring can include, but is not limited to, review of the following: participant files, the grantee's administrative records, staff training documentation, postings, program policies and procedures, data reported on Annual Performance Reports (APR), documentation of funding match sources, Disaster and Emergency Response Plan and training, personnel and activity reports, proper accounting for funds and other operational and administrative activities, back-up documentation for reporting progress towards meeting service and outcome objectives, and monitoring of program participation in the Online Navigation and Entry (ONE) system. Due to the varied nature and funding stream requirements of the programs HSH operates, the Department cannot have a single templated program monitoring process but does try to streamline as much as possible. The annual program monitoring process includes a site visit, unless the program manager recommends a desk audit. HSH Programs teams may conduct a Risk Assessment (as applicable) to determine if programs will be considered for a desk audit or on-site monitoring visit. For on-site visits: - Program Managers schedule and send notification letters in advance of the monitoring visit. On-site visits will generally include a tour of the program site, documentation of program records and file review, interview with provider staff, and discussion of any findings or recommendations found during the site visit. - HSH Program Managers conduct an annual review and assessment of the program's service delivery and compliance with department, City, and funder expectations and requirements. As part of this assessment, the program's service and outcome objectives are reviewed and monitored for achievement. Program Managers send completed monitoring tool and results letter to providers. Recommendations may be given to providers to support positive achievement of outcomes. If there are findings as a result of the monitoring, providers are required to submit supplemental information or action plans to HSH, as applicable. Program managers may accept or request additional action steps before sending out the close out letter. If needed, HSH will work with the provider to develop a corrective action plan with timelines for completion. HSH will monitor closely to ensure that the provider is actively working towards full compliance. If a program received a monitoring visit the previous year and results were satisfactory with no findings or recommendations, and the HSH Program Manager has no concerns about current performance to suggest that a site monitoring visit would be necessary, then a desk audit may be considered after conducting a risk assessment of the program's current performance. As part of the desk audit, program managers will review the program achievements for the year and performance as it relates to the objectives. HSH hired a programs compliance officer in FY 2021-22 who is leading this work across programmatic teams. The Department has an updated and more in-depth Programs Agreement Handbook that will be rolled out in the first quarter of FY2023-24. This handbook includes policies on program monitoring standardized across divisions. HSH has also developed training materials for staff to support monitoring. Fiscal Monitoring: HSH participates in the citywide fiscal monitoring process. This partnership between the Office of the City Controller and 12 City departments, including HSH, conducts desk audits and on-site fiscal monitoring of grantees who receive funding in excess of \$200,000 a year from two or more City departments. Joint fiscal monitoring practices promote efficient monitoring that applies consistent standards and methods to focus on the nonprofit's organizational health and evaluates whether funds are being spent in alignment with the City's financial and administrative standards, as opposed to individual programs. When the HSH Contracts team is fully staffed, the Contract Analysts will extend the fiscal and compliance monitoring process to providers that do not meet the Office of the Controller's funding threshold to be included in the joint fiscal monitoring pool. Starting in Fiscal Year 2023-24, the Contracts team will conduct regular monitoring of provider operating expenses under \$10,000 including, but not limited to requesting supporting documentation demonstrating invoices were paid using random sampling of provider agreements, to ensure compliance with the Office of the Controller's Cost Categorization Guidelines. Given these new policies, HSH does not agree fully with finding 2. The Department has clear policies that are in the process of being rolled out to hold programs teams accountable to monitoring programs on an annual basis, and already had a strong process for fiscal monitoring through the citywide process. It is also important to note that the Civil Grand Jury arrived at this finding using outdated or inaccurate information, as outlined below: - The findings cited an outdated document from January 2020 (previously linked on the HSH website and since removed) when formulating their recommendations. - Pages 27 and 28 refer to "program monitoring" status for many of the agencies HSH has agreements with. This table appears to reference the findings of the citywide joint fiscal monitoring process, which HSH participates in but does not lead. HSH monitors at the program level, not the agency level. Many of the entities flagged as not receiving monitoring in FY2021-22 did indeed receive program monitoring for at least one, if not multiple, programs. Many of the entities listed as getting a self-assessment rather than a site visit did get a site visit for their program monitoring.
Hitting the Performance Bullseye: Contracting for Better Outcomes in Homelessness Services [June 28, 2023]	F3	The existing City Performance Scorecard for Homelessness Benchmarking does not adequately track progress in reducing homelessness within specific subpopulations over time, including the chronically homeless, which limits HSH's ability to credibly assess and publicly report its progress toward achieving its strategic goals for these subpopulations.	Office of the Mayor [August 27, 2023]	Disagree wholly	City Performance Scorecards are developed and maintained by the Office of the Controller in partnership with departments. Measures generally visualize a subset of the metrics identified and published in the Mayor's Budget Book. While these are important tools for monitoring citywide performance, they do not reflect all performance metrics that are important for the City, through HSH, to monitor. HSH aims to revisit the measures selected for the City Scorecards in November for the Controller's November Annual Performance Report to better align with the Home by the Bay plan's forthcoming Performance Measurement Plan. However, the City Performance scorecards may not be the appropriate place to publish reporting on all subpopulations that HSH aims to track.

Report Title [Publication Date]	R# [for F#]	Recommendation	Respondent Assigned by CGJ [Response Due Date]	Recommendation Response (Implementation)	Recommendation Response Text
Hitting the Performance Bullseye: Contracting for Better Outcomes in Homelessness Services [June 28, 2023]	R1.1 [for F1]	By the end of Fiscal Year 2024, HSH, working with the Controller's Office and the Homelessness Oversight Commission, should develop a set of contract performance outcomes that will be consistently applied across all contracts for the provision of homelessness services and that will link directly to HSH's Home By the Bay strategic goals.	Office of the Mayor [August 27, 2023]	The recommendation has not yet been implemented, but will be implemented in the future	Most HSH agreements are grant agreements with nonprofit providers. The Civil Grand Jury report notes that grant agreement G-100 forms are for nonprofits, while P-600s are for for-profit providers. While this is mostly the case, Personal Services Contracts, or P-600s, are used for nonprofits in some cases, including when nonprofit providers are caring for a City asset or there are labor considerations. A small percentage of HSH's agreements are P-600 contracts that involve the Office of Contract Administration (OCA). HSH's grant agreements do not involve OCA, so they play a limited role in this report's findings. In the responses to all these findings and recommendations, HSH uses the term "agreement" to refer to both contract and grant agreements with providers. HSH is committed to developing more standardization in performance outcomes and to track metrics that produce reliable and actionable improvements, impacting system-wide outcomes that demonstrate the effectiveness of various interventions in overall homelessness. In FY 2023-24, HSH is developing a comprehensive Performance Measurement Plan (PMP) as referenced in the new citywide Strategic Plan on homelessness, the "Home by the Bay" plan. It will include performance outcomes for each intervention that will align with the new system-wide goals described in Home by the Bay and it will include a framework for assessing individual program performance. The framework will prioritize core metrics for program reporting and a process by which these will be reflected and monitored in all agreements. The process to update Appendix A service and outcome objectives for all of HSH's agreements is a substantial undertaking and will take place over the next few years due to the varied nature of programs, mixed funding streams with associated requirements, and different agreement term durations. This process will require a high level of effort and thoughtfulness to communicate new metrics to providers, set achievable targets per provider, and develop tools to calculate and monitor measures across the system. This work includes eliminating measures that may be less meaningful, as the Civil Grand Jury identified (ex. 100% of guests with referral needs shall be provided referrals"). HSH expects to finalize this comprehensive Homelessness Response System Performance Measurement Plan (PMP) in FY 2023-24 and expects that several measures will be calculable within the next 1-2 years, even as updates to existing agreements are still taking place. HSH agreements will have standardized new metrics integrated as services are reprocurd or as agreements are amended.
Hitting the Performance Bullseye: Contracting for Better Outcomes in Homelessness Services [June 28, 2023]	R1.2 [for F1]	By the end of Fiscal Year 2024, HSH should include, in all contracts for the provision of homelessness services, measures to facilitate tracking the outcome of the services provided across all homelessness subpopulations identified in the Home By the Bay plan, including the chronically homeless.	Office of the Mayor [August 27, 2023]	Has been implemented	HSH is treating this recommendation as applicable to all agreements (i.e., both contracts and grants). As referenced in Finding 1, HSH has included requirements in all agreements to hold providers accountable to tracking client-level data in the Department's centralized HMIS data system. This database is the tool that allows us to track outcomes for populations referenced in the Home by the Bay plan. The Home by the Bay plan references that the City will develop strategies and track outcomes related to 11 populations: veterans, youth, families, people who are justice-involved, people with behavioral health care needs, transgender and gender non-conforming people, survivors, people with disabilities, older adults, people experiencing chronic homelessness, and immigrant communities. As referenced in R1.1, the forthcoming Performance Measurement Plan (PMP) related to the citywide Home by the Bay plan will be published in fall 2023. This PMP will inform the outcomes and measures that are tracked for the groups above. Broadly speaking, the goal is to ensure all relevant subpopulations are identifiable in HMIS data so that any metrics calculated can be analyzed at a subpopulation level. Most of these populations are already identifiable in HMIS data. Certain populations, including people who are justice-involved, people with behavioral health care needs, and immigrant communities, are new areas of focus for HSH. These populations already have potential identifiers in the ONE system, but may need additional definition as HSH works to develop tailored strategies for each subpopulation.
Hitting the Performance Bullseye: Contracting for Better Outcomes in Homelessness Services [June 28, 2023]	R2 [for F2]	By the end of FY24, HSH, working with the Controller's office, should develop standards for program and contract monitoring designed to increase on-site program monitoring; improve evaluation of, collaboration with, and support for CBOs; and minimize burdens on CBOs by consolidating overall contract and program monitoring visits from multiple agencies to the extent possible.	Office of the Mayor [August 27, 2023]	Has not yet been implemented but will be implemented in the future	In FY 2022-23, HSH developed the departmental policy described in the response to Finding 2 that outlines standards for program and fiscal monitoring and addresses this recommendation. These expectations will be implemented by the end of FY 2023-24. HSH's processes already attempt to minimize the burden on non-profit providers: for example, fiscal monitoring is a joint visit that covers multiple City departments/agreements, and HSH has consolidated site visits for program monitoring for housing sites that receive funding from various sources. The Department will continue to evaluate opportunities to minimize the monitoring burden on HSH's non-profit partners.
Hitting the Performance Bullseye: Contracting for Better Outcomes in Homelessness Services [June 28, 2023]	R3 [for F3]	By the end of FY24, HSH, working with the City Controller and the City Administrator, should augment the City Performance Scorecard for Homelessness Benchmarking to provide regular reports on progress made in reducing homelessness for all subpopulations of homeless identified in the Home By the Bay strategic plan, including the chronically homeless.	Office of the Mayor [August 27, 2023]	Requires further analysis	The City Performance Scorecards are designed to visualize a subset of measures per issue area to highlight a bird's eye view of city performance. Additionally, these measures are held consistent year over year, when possible, to develop a longitudinal understanding of City Performance. The Home by the Bay plan is a five-year time-limited plan. A total of 11 subpopulations were identified as special focus areas specific to the plan, with forthcoming strategies to be developed to improve outcomes for these populations. Due to the breadth of subpopulations identified in this context, the time-limited nature of the strategic framework, and the work still to be developed in formulating strategies to address these populations, HSH does not think that this is appropriate for reporting in the City Scorecard. Instead, HSH will be developing a format to produce annual reporting on the Home by the Bay plan's progress for the duration of the five-year time span. Additionally, HSH will be working with City Performance to ensure the new Performance Measurement Plan (PMP) currently in development is used to inform improvements to the Mayor's Budget Book and City Scorecard measures at a more general level. The Department will revisit these measures in November 2023.

Report Title [Publication Date]	#	Finding	Respondent Assigned by CGJ [Response Due Date]	Finding Response (Agree/ Disagree)	Finding Response Text
<p>Hitting the Performance Bullseye: Contracting for Better Outcomes in Homelessness Services [June 28, 2023]</p>	F1	<p>Inconsistent use of specific results-based outcome measures in contracts and grants impairs the Department of Homelessness and Supportive Housing's ability to measure and evaluate the success of its programs and the performance of the CBOs who provide homelessness services.</p>	<p>Department of Homelessness and Supportive Housing [August 27, 2023]</p>	Agree	<p>Before the Department of Homelessness and Supportive Housing (HSH) was created in 2016, there was no centralized database to track outcomes for unsheltered clients. To analyze systemwide outputs and outcomes, the City relied heavily on non-profit providers to report aggregate data measures (e.g. the number of clients housed last month). In this context, inconsistent data across providers hindered the City's ability to understand the system as a whole. As a first step towards implementing standardized outcomes measures, HSH has focused the last several years on configuring the Department's new Homeless Management Information System (HMIS), a client-level database tracking homeless clients and the services they receive, and ensuring providers across the system of care are trained to input data on all clients served. HSH is already leveraging this data structure for various reporting and analytical needs. This data is used to report to local, state, and federal funders. As of the January 2023 Housing Inventory Count (HIC) submitted to the Department of Housing and Urban Development, 93% of permanent housing resources and 95% of shelter resources identified in San Francisco are contributing data to the HMIS system or the HMIS-aligned shelter bed management system. This undertaking has created a robust data infrastructure that HSH is now able to use to flexibly analyze program and system outcomes. Now that this data infrastructure is in place, the next step is to set more standardized metrics and accompanying targets in HSH's agreements to evaluate the success and performance of programs.</p>
<p>Hitting the Performance Bullseye: Contracting for Better Outcomes in Homelessness Services [June 28, 2023]</p>	F2	<p>Insufficient on-site program monitoring limits HSH's ability to evaluate and support CBOs and improve contract performance.</p>	<p>Department of Homelessness and Supportive Housing [August 27, 2023]</p>	Agree	<p>Although this finding has been true historically and there is still work to be done, the Civil Grand Jury's report drew on outdated or inaccurate materials. HSH has made significant progress to set program monitoring expectations internally in FY 2022-23 and will implement these standards fully in FY 2023-24. Guidelines for all departments will also be made available by the Controller's Office. In FY 2022-23, HSH developed expectations for program and fiscal monitoring, which are summarized below. HSH conducts regular monitoring and compliance reviews to ensure that providers are meeting agreement requirements. HSH is incorporating these expectations into agreements and program team manuals throughout FY2023-24 for full implementation by the end of the fiscal year. Program monitoring can include, but is not limited to, review of the following: participant files, the grantee's administrative records, staff training documentation, postings, program policies and procedures, data reported on Annual Performance Reports (APR), documentation of funding match sources, Disaster and Emergency Response Plan and training, personnel and activity reports, proper accounting for funds and other operational and administrative activities, back-up documentation for reporting progress towards meeting service and outcome objectives, and monitoring of program participation in the Online Navigation and Entry (ONE) system. Due to the varied nature and funding stream requirements of the programs HSH operates, the Department cannot have a single templated program monitoring process but does try to streamline as much as possible. The annual program monitoring process includes a site visit, unless the program manager recommends a desk audit. HSH Programs teams may conduct a Risk Assessment (as applicable) to determine if programs will be considered for a desk audit or on-site monitoring visit. For on-site visits:</p> <ul style="list-style-type: none"> Program Managers schedule and send notification letters in advance of the monitoring visit. On-site visits will generally include a tour of the program site, documentation of program records and file review, interview with provider staff, and discussion of any findings or recommendations found during the site visit. HSH Program Managers conduct an annual review and assessment of the program's service delivery and compliance with department, City, and funder expectations and requirements. As part of this assessment, the program's service and outcome objectives are reviewed and monitored for achievement. Program Managers send completed monitoring tool and results letter to providers. Recommendations may be given to providers to support positive achievement of outcomes. If there are findings as a result of the monitoring, providers are required to submit supplemental information or action plans to HSH, as applicable. Program managers may accept or request additional action steps before sending out the close out letter. If needed, HSH will work with the provider to develop a corrective action plan with timelines for completion. HSH will monitor closely to ensure that the provider is actively working towards full compliance. If a program received a monitoring visit the previous year and results were satisfactory with no findings or recommendations, and the HSH Program Manager has no concerns about current performance to suggest that a site monitoring visit would be necessary, then a desk audit may be considered after conducting a risk assessment of the program's current performance. As part of the desk audit, program managers will review the program achievements for the year and performance as it relates to the objectives. HSH hired a programs compliance officer in FY 2021-22 who is leading this work across programmatic teams. The Department has an updated and more in-depth Programs Agreement Handbook that will be roll out in the first quarter of FY2023-24. This handbook includes policies on program monitoring standardized across divisions. HSH has also developed training materials for staff to support monitoring. Fiscal Monitoring: HSH participates in the citywide fiscal monitoring process. This partnership between the Office of the City Controller and 12 City departments, including HSH, conducts desk audits and on-site fiscal monitoring of grantees who receive funding in excess of \$200,000 a year from two or more City departments. Joint fiscal monitoring practices promote efficient monitoring that applies consistent standards and methods to focus on the nonprofit's organizational health and evaluates whether funds are being spent in alignment with the City's financial and administrative standards, as opposed to individual programs. When the HSH Contracts team is fully staffed, the Contract Analysts will extend the fiscal and compliance monitoring process to providers that do not meet the Office of the Controller's funding threshold to be included in the joint fiscal monitoring pool. Starting in Fiscal Year 2023-24, the Contracts team will conduct regular monitoring of provider operating expenses under \$10,000 including, but not limited to requesting supporting documentation demonstrating invoices were paid using random sampling of provider agreements, to ensure compliance with the Office of the Controller's Cost Categorization Guidelines. Given these new policies, HSH does not agree fully with finding 2. The Department has clear policies that are in the process of being rolled out to hold programs teams accountable to monitoring programs on an annual basis, and already had a strong process for fiscal monitoring through the citywide process. It is also important to note that the Civil Grand Jury arrived at this finding using outdated or inaccurate information, as outlined below: <ul style="list-style-type: none"> The findings cited an outdated document from January 2020 (previously linked on the HSH website and since removed) when formulating their recommendations. Pages 27 and 28 refer to "program monitoring" status for many of the agencies HSH has agreements with. This table appears to reference the findings of the citywide joint fiscal monitoring process, which HSH participates in but does not lead. HSH monitors at the program level, not the agency level. Many of the entities flagged as not receiving monitoring in FY2021-22 did indeed receive program monitoring for at least one, if not multiple, programs. Many of the entities listed as getting a self-assessment rather than a site visit did get a site visit for their program monitoring.
<p>Hitting the Performance Bullseye: Contracting for Better Outcomes in Homelessness Services [June 28, 2023]</p>	F3	<p>The existing City Performance Scorecard for Homelessness Benchmarking does not adequately track progress in reducing homelessness within specific subpopulations over time, including the chronically homeless, which limits HSH's ability to credibly assess and publicly report its progress toward achieving its strategic goals for these subpopulations.</p>	<p>Department of Homelessness and Supportive Housing [August 27, 2023]</p>	Disagree wholly	<p>City Performance Scorecards are developed and maintained by the Office of the Controller in partnership with departments. Measures generally visualize a subset of the metrics identified and published in the Mayor's Budget Book. While these are important tools for monitoring citywide performance, they do not reflect all performance metrics that are important for the City, through HSH to monitor. HSH aims to revisit the measures selected for the City Scorecards in November for the Controller's November Annual Performance Report to better align with the Home by the Bay plan's forthcoming Performance Measurement Plan. However, the City Performance scorecards may not be the appropriate place to publish reporting on all subpopulations HSH aims to track.</p>

Report Title [Publication Date]	R# [for F#]	Recommendation	Respondent Assigned by CGJ [Response Due Date]	Recommendation Response (Implementation)	Recommendation Response Text
Hitting the Performance Bullseye: Contracting for Better Outcomes in Homelessness Services [June 28, 2023]	R1.1 [for F1]	By the end of Fiscal Year 2024, HSH, working with the Controller's Office and the Homelessness Oversight Commission, should develop a set of contract performance outcomes that will be consistently applied across all contracts for the provision of homelessness services and that will link directly to HSH's Home By the Bay strategic goals.	Department of Homelessness and Supportive Housing [August 27, 2023]	The recommendation has not yet been implemented, but will be implemented in the future	Most HSH agreements are grant agreements with nonprofit providers. The Civil Grand Jury report notes that grant agreement G-100 forms are for nonprofits, while P-600s are for for-profit providers. While this is mostly the case, Personal Services Contracts, or P-600s, are used for nonprofits in some cases, including when nonprofit providers are caring for a City asset or there are labor considerations. A small percentage of HSH's agreements are P-600 contracts that involve the Office of Contract Administration (OCA). HSH's grant agreements do not involve OCA, so they play a limited role in this report's findings. In the responses to all these findings and recommendations, HSH uses the term "agreement" to refer to both contract and grant agreements with providers. HSH is committed to developing more standardization in performance outcomes and to track metrics that produce reliable and actionable improvements, impacting system-wide outcomes that demonstrate the effectiveness of various interventions in overall homelessness. In FY 2023-24, HSH is developing a comprehensive Performance Measurement Plan (PMP) as referenced in the new citywide Strategic Plan on homelessness, the "Home by the Bay" plan. It will include performance outcomes for each intervention that will align with the new system-wide goals described in Home by the Bay and it will include a framework for assessing individual program performance. The framework will prioritize core metrics for program reporting and a process by which these will be reflected and monitored in all agreements. The process to update Appendix A service and outcome objectives for all of HSH's agreements is a substantial undertaking and will take place over the next few years due to the varied nature of programs, mixed funding streams with associated requirements, and different agreement term durations. This process will require a high level of effort and thoughtfulness to communicate new metrics to providers, set achievable targets per provider, and develop tools to calculate and monitor measures across the system. This work includes eliminating measures that may be less meaningful, as the Civil Grand Jury identified (ex. 100% of guests with referral needs shall be provided referrals"). HSH expects to finalize this comprehensive Homelessness Response System Performance Measurement Plan (PMP) in FY 2023-24 and expects that several measures will be calculable within the next 1-2 years, even as updates to existing agreements are still taking place. HSH agreements will have standardized new metrics integrated as services are reprocurd or as agreements are amended.
Hitting the Performance Bullseye: Contracting for Better Outcomes in Homelessness Services [June 28, 2023]	R1.2 [for F1]	By the end of Fiscal Year 2024, HSH should include, in all contracts for the provision of homelessness services, measures to facilitate tracking the outcome of the services provided across all homelessness subpopulations identified in the Home By the Bay plan, including the chronically homeless.	Department of Homelessness and Supportive Housing [August 27, 2023]	Has been implemented	HSH is treating this recommendation as applicable to all agreements (i.e., both contracts and grants). As referenced in Finding 1, HSH has included requirements in all agreements to hold providers accountable to tracking client-level data in the Department's centralized HMIS data system. This database is the tool that allows us to track outcomes for populations referenced in the Home by the Bay plan. The Home by the Bay plan references that the City will develop strategies and track outcomes related to 11 populations: veterans, youth, families, people who are justice-involved, people with behavioral health care needs, transgender and gender non-conforming people, survivors, people with disabilities, older adults, people experiencing chronic homelessness, and immigrant communities. As referenced in R1.1, the forthcoming Performance Measurement Plan (PMP) related to the citywide Home by the Bay plan will be published in fall 2023. This PMP will inform the outcomes and measures that are tracked for the groups above. Broadly speaking, the goal is to ensure all relevant subpopulations are identifiable in HMIS data so that any metrics calculated can be analyzed at a subpopulation level. Most of these populations are already identifiable in HMIS data. Certain populations, including people who are justice-involved, people with behavioral health care needs, and immigrant communities, are new areas of focus for HSH. These populations already have potential identifiers in the ONE system, but may need additional definition as HSH works to develop tailored strategies for each subpopulation.
Hitting the Performance Bullseye: Contracting for Better Outcomes in Homelessness Services [June 28, 2023]	R2 [for F2]	By the end of FY24, HSH, working with the Controller's office, should develop standards for program and contract monitoring designed to increase on-site program monitoring; improve evaluation of, collaboration with, and support for CBOs; and minimize burdens on CBOs by consolidating overall contract and program monitoring visits from multiple agencies to the extent possible.	Department of Homelessness and Supportive Housing [August 27, 2023]	Has not yet been implemented but will be implemented in the future	In FY 2022-23, HSH developed the departmental policy described in the response to Finding 2 that outlines standards for program and fiscal monitoring and addresses this recommendation. These expectations will be implemented by the end of FY 2023-24. HSH's processes already attempt to minimize the burden on non-profit providers: for example, fiscal monitoring is a joint visit that covers multiple City departments/agreements, and HSH has consolidated site visits for program monitoring for housing sites that receive funding from various sources. The Department will continue to evaluate opportunities to minimize the monitoring burden on HSH's non-profit partners.
Hitting the Performance Bullseye: Contracting for Better Outcomes in Homelessness Services [June 28, 2023]	R3 [for F3]	By the end of FY24, HSH, working with the City Controller and the City Administrator, should augment the City Performance Scorecard for Homelessness Benchmarking to provide regular reports on progress made in reducing homelessness for all subpopulations of homeless identified in the Home By the Bay strategic plan, including the chronically homeless.	Department of Homelessness and Supportive Housing [August 27, 2023]	Requires further analysis	The City Performance Scorecards are designed to visualize a subset of measures per issue area to highlight a bird's eye view of city performance. Additionally, these measures are held consistent year over year, when possible, to develop a longitudinal understanding of City Performance. The Home by the Bay plan is a five-year time-limited plan. A total of 11 subpopulations were identified as special focus areas specific to the plan, with forthcoming strategies to be developed to improve outcomes for these populations. Due to the breadth of subpopulations identified in this context, the time-limited nature of the strategic framework, and the work still to be developed in formulating strategies to address these populations, HSH does not think that this is appropriate for reporting in the City Scorecard. Instead, HSH will be developing a format to produce annual reporting on the Home by the Bay plan's progress for the duration of the five-year time span. Additionally, HSH will be working with City Performance to ensure the new Performance Measurement Plan (PMP) currently in development is used to inform improvements to the Mayor's Budget Book and City Scorecard measures at a more general level. The Department will revisit these measures in November 2023.

Report Title [Publication Date]	F#	Finding	Respondent Assigned by CGJ [Response Due Date]	Finding Response (Agree/ Disagree)	Finding Response Text
Hitting the Performance Bullseye: Contracting for Better Outcomes in Homelessness Services [June 28, 2023]	F3	The existing City Performance Scorecard for Homelessness Benchmarking does not adequately track progress in reducing homelessness within specific subpopulations over time, including the chronically homeless, which limits HSH's ability to credibly assess and publicly report its progress	Office of the City Administrator [August 27, 2023]	Disagree wholly	City Performance Scorecards are developed and maintained by the Office of the Controller in partnership with departments; the City Administrator's Office does not play a direct role in developing or maintaining these. Measures generally visualize a subset of the metrics identified and published in the Mayor's Budget Book. While these are important tools for monitoring citywide performance, they do not reflect all performance metrics that are important for the City, through HSH to monitor. HSH aims to revisit the measures selected for the City Scorecards in November for the Controller's November Annual Performance Report to better align with the Home by the Bay plan's forthcoming Performance Measurement Plan. However, the City Performance scorecards may not be the appropriate place to publish reporting on all subpopulations that HSH aims to track.

Report Title [Publication Date]	R# [for F#]	Recommendation	Respondent Assigned by CGJ [Response Due Date]	Recommendation Response (Implementation)	Recommendation Response Text
Hitting the Performance Bullseye: Contracting for Better Outcomes in Homelessness Services [June 28, 2023]	R3 [for F3]	By the end of FY24, HSH, working with the City Controller and the City Administrator, should augment the City Performance Scorecard for Homelessness Benchmarking to provide regular reports on progress made in reducing homelessness for all subpopulations of homeless identified in the Home By the Bay strategic plan, including the chronically homeless.	Office of the City Administrator [August 27, 2023]	Requires further analysis	The City Administrator's Office does not play a direct role in developing or maintaining City Performance Scorecards. City Performance Scorecards are designed to visualize a subset of measures per issue area to highlight a bird's eye view of city performance. Additionally, these measures are held consistent year over year, when possible, to develop a longitudinal understanding of City Performance. The Home by the Bay plan is a five-year time-limited plan. A total of 11 subpopulations were identified as special focus areas specific to the plan, with forthcoming strategies to be developed to improve outcomes for these populations. Due to the breadth of subpopulations identified in this context, the time-limited nature of the strategic framework, and the work still to be developed in formulating strategies to address these populations, HSH does not think that this is appropriate for reporting in the City Scorecard. Instead, HSH will be developing a format to produce annual reporting on the Home by the Bay plan's progress for the duration of the five-year time span. Additionally, HSH will be working with City Performance to ensure the new Performance Measurement Plan (PMP) currently in development is used to inform improvements to the Mayor's Budget Book and City Scorecard measures at a more general level. The Department will revisit these measures in November 2023.

Report Title [Publication Date]	#	Finding	Respondent Assigned by CGJ [Response Due Date]	Finding Response (Agree/ Disagree)	Finding Response Text
Hitting the Performance Bullseye: Contracting for Better Outcomes in Homelessness Services [June 28, 2023]	F1	Inconsistent use of specific results-based outcome measures in contracts and grants impairs the Department of Homelessness and Supportive Housing's ability to measure and evaluate the success of its programs and the performance of the CBOs who provide homelessness services.	Office of Contract Administration [August 27, 2023]	Agree	<p>While the Office of Contract Administration (OCA) is the department responsible for oversight of Administrative Code Chapter 21G contracts, and ensures that professional services contracts comply with the City's procurement regulations, OCA has no oversight role over Chapter 21G grants. Further, OCA has no operational role in the provision of services to populations experiencing homelessness, and thus is not involved in developing contract performance measures in HSH contracts and grants, or in the monitoring of HSH's contracts and grants.</p> <p>Before the Department of Homelessness and Supportive Housing (HSH) was created in 2016, there was no centralized database to track outcomes for unhoused clients. To analyze systemwide outputs and outcomes, the City relied heavily on non-profit providers to report aggregate data measures (e.g., the number of clients housed last month). In this context, inconsistent data across providers hindered the City's ability to understand the system as a whole.</p> <p>As a first step towards implementing standardized outcomes measures, HSH has focused the last several years on configuring the Department's new Homeless Management Information System (HMIS), a client-level database tracking homeless clients and the services they receive, and ensuring providers across the system of care are trained to input data on all clients served. HSH is already leveraging this data structure for various reporting and analytical needs.</p> <p>This data is used to report to local, state, and federal funders. As of the January 2023 Housing Inventory Count (HIC) submitted to the Department of Housing and Urban Development, 93% of permanent housing resources and 95% of shelter resources identified in San Francisco are contributing data to the HMIS system or the HMIS-aligned shelter bed management system. This undertaking has created a robust data infrastructure that HSH is now able to use to flexibly analyze program and system outcomes. Now that this data infrastructure is in place, the next step is to set more standardized metrics and accompanying targets in HSH's agreements to evaluate the success and performance of programs.</p>
Hitting the Performance Bullseye: Contracting for Better Outcomes in Homelessness Services [June 28, 2023]	F2	Insufficient on-site program monitoring limits HSH's ability to evaluate and support CBOs and improve contract performance.	Office of Contract Administration [August 27, 2023]	Agree	<p>While the Office of Contract Administration (OCA) is the department responsible for oversight of Administrative Code Chapter 21G contracts, and ensures that professional services contracts comply with the City's procurement regulations, OCA has no oversight role over Chapter 21G grants. Further, OCA has no operational role in the provision of services to populations experiencing homelessness, and thus is not involved in developing contract performance measures in HSH contracts and grants, or in the monitoring of HSH's contracts and grants.</p> <p>Although this finding has been true historically and there is still work to be done, the Civil Grand Jury's report drew on outdated or inaccurate materials. HSH has made significant progress to set program monitoring expectations internally in FY 2022-23 and will implement these standards fully in FY 2023-24. Guidelines for all departments will also be made available by the Controller's Office. In FY 2022-23, HSH developed expectations for program and fiscal monitoring, which are summarized below. HSH conducts regular monitoring and compliance reviews to ensure that providers are meeting agreement requirements. HSH is incorporating these expectations into agreements and program team manuals throughout FY2023-24 for full implementation by the end of the fiscal year. Program monitoring can include, but is not limited to, review of the following: participant files, the grantee's administrative records, staff training documentation, postings, program policies and procedures, data reported on Annual Performance Reports (APR), documentation of funding match sources, Disaster and Emergency Response Plan and training, personnel and activity reports, proper accounting for funds and other operational and administrative activities, back-up documentation for reporting progress towards meeting service and outcome objectives, and monitoring of program participation in the Online Navigation and Entry (ONE) system. Due to the varied nature and funding stream requirements of the programs HSH operates, the Department cannot have a single templated program monitoring process but does try to streamline as much as possible.</p> <p>More details about HSH's process are detailed in their response.</p>

Report Title [Publication Date]	R# [for F#]	Recommendation	Respondent Assigned by CGJ [Response Due Date]	Recommendation Response (Implementation)	Recommendation Response Text
<p>Hitting the Performance Bullseye: Contracting for Better Outcomes in Homelessness Services [June 28, 2023]</p>	R1.1 [for F1]	By the end of Fiscal Year 2024, HSH, working with the Controller's Office and the Homelessness Oversight Commission, should develop a set of contract performance outcomes that will be consistently applied across all contracts for the provision of homelessness services and that will link directly to HSH's Home By the Bay strategic goals.	Office of Contract Administration [August 27, 2023]	The recommendation has not yet been implemented, but will be implemented in the future	<p>As noted in the findings, OCA has no operational role in the administration or monitoring of HSH contracts or grants.</p> <p>Most HSH agreements are grant agreements with nonprofit providers. The Civil Grand Jury report notes that grant agreement G-100 forms are for nonprofits, while P-600s are for for-profit providers. While this is mostly the case, Personal Services Contracts, or P-600s, are used for nonprofits in some cases, including when nonprofit providers are caring for a City asset or there are labor considerations. A small percentage of HSH's agreements are P-600 contracts that involve the Office of Contract Administration (OCA). HSH's grant agreements do not involve OCA, so they play a limited role in this report's findings. In the responses to all these findings and recommendations, HSH uses the term "agreement" to refer to both contract and grant agreements with providers. HSH is committed to developing more standardization in performance outcomes and to track metrics that produce reliable and actionable improvements, impacting system-wide outcomes that demonstrate the effectiveness of various interventions in overall homelessness. In FY 2023-24, HSH is developing a comprehensive Performance Measurement Plan (PMP) as referenced in the new citywide Strategic Plan on homelessness, the "Home by the Bay" plan. It will include performance outcomes for each intervention that will align with the new system-wide goals described in Home by the Bay and it will include a framework for assessing individual program performance. The framework will prioritize core metrics for program reporting and a process by which these will be reflected and monitored in all agreements. The process to update Appendix A service and outcome objectives for all of HSH's agreements is a substantial undertaking and will take place over the next few years due to the varied nature of programs, mixed funding streams with associated requirements, and different agreement term durations. This process will require a high level of effort and thoughtfulness to communicate new metrics to providers, set achievable targets per provider, and develop tools to calculate and monitor measures across the system. This work includes eliminating measures that may be less meaningful, as the Civil Grand Jury identified (ex. 100% of guests with referral needs shall be provided referrals"). HSH expects to finalize this comprehensive Homelessness Response System Performance Measurement Plan (PMP) in FY 2023-24 and expects that several measures will be calculable within the next 1-2 years, even as updates to existing agreements are still taking place. HSH agreements will have standardized new metrics integrated as services are reprocedured or as agreements are amended.</p>
<p>Hitting the Performance Bullseye: Contracting for Better Outcomes in Homelessness Services [June 28, 2023]</p>	R1.2 [for F1]	By the end of Fiscal Year 2024, HSH should include, in all contracts for the provision of homelessness services, measures to facilitate tracking the outcome of the services provided across all homelessness subpopulations identified in the Home By the Bay plan, including the chronically homeless.	Office of Contract Administration [August 27, 2023]	Has been implemented	<p>OCA has no operational role in the administration or monitoring of HSH contracts or grants.</p> <p>HSH is treating this recommendation as applicable to all agreements (i.e., both contracts and grants). As referenced in Finding 1, HSH has included requirements in all agreements to hold providers accountable to tracking client-level data in the Department's centralized HIMS data system. This database is the tool that allows us to track outcomes for populations referenced in the Home by the Bay plan. The Home by the Bay plan references that the City will develop strategies and track outcomes related to 11 populations: veterans, youth, families, people who are justice-involved, people with behavioral health care needs, transgender and gender non-conforming people, survivors, people with disabilities, older adults, people experiencing chronic homelessness, and immigrant communities. As referenced in R1.1, the forthcoming Performance Measurement Plan (PMP) related to the citywide Home by the Bay plan will be published in fall 2023. This PMP will inform the outcomes and measures that are tracked for the groups above. Broadly speaking, the goal is to ensure all relevant subpopulations are identifiable in HIMS data so that any metrics calculated can be analyzed at a subpopulation level. Most of these populations are already identifiable in HIMS data. Certain populations, including people who are justice-involved, people with behavioral health care needs, and immigrant communities, are new areas of focus for HSH. These populations already have potential identifiers in the ONE system, but may need additional definition as HSH works to develop tailored strategies for each subpopulation.</p>
<p>Hitting the Performance Bullseye: Contracting for Better Outcomes in Homelessness Services [June 28, 2023]</p>	R2 [for F2]	By the end of FY24, HSH, working with the Controller's office, should develop standards for program and contract monitoring designed to increase on-site program monitoring; improve evaluation of, collaboration with, and support for CBOs; and minimize burdens on CBOs by consolidating overall contract and program monitoring visits from multiple agencies to the extent possible.	Office of Contract Administration [August 27, 2023]	Has not yet been implemented but will be implemented in the future	<p>OCA has no operational role in the administration or monitoring of HSH contracts or grants.</p> <p>In FY 2022-23, HSH developed the departmental policy described in the response to Finding 2 that outlines standards for program and fiscal monitoring and addresses this recommendation. These expectations will be implemented by the end of FY 2023-24. HSH's processes already attempt to minimize the burden on non-profit providers: for example, fiscal monitoring is a joint visit that covers multiple City departments/agreements, and HSH has consolidated site visits for program monitoring for housing sites that receive funding from various sources. The Department will continue to evaluate opportunities to minimize the monitoring burden on HSH's non-profit partners.</p>



DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

Hitting the Performance Bullseye: Contracting for Better Outcomes in Homelessness Services

Government Audit and Oversight Committee | December 7, 2023



Overview: Response to Civil Grand Jury Report

HSH is generally in agreement with findings and recommendations in the report.

Past + present inconsistencies in approaches to contracts and grants.

Significant work underway to address shortcomings.

Looking ahead: continued improvements in line with CGJ recommendations + guided by *Home by the Bay plan*.

Finding #1: Inconsistent metrics impair ability to evaluate providers and programs.

- **Agree:** consistent metrics is a priority.

2016: Department created. Inherited varied contracts. No centralized database.

Looking forward: With data structures in place, focus on consistent metrics.

2016 – 2023: Focus on data infrastructure. Robust database now allows flexible analysis.

Recommendation #1.1:

HSH should develop a set of performance outcomes linked to the strategic plan that should be applied across all agreements.

Status: In Process

- FY 2023-24: developing **Performance Measurement Plan** for *Home by the Bay*, which will include:
 - Core metrics for program reporting
 - Process for reflecting and monitoring core metrics in all agreements.
- Incorporate into agreements on a rolling basis.
 - Specific targets and metrics will vary.

Recommendation #1.2

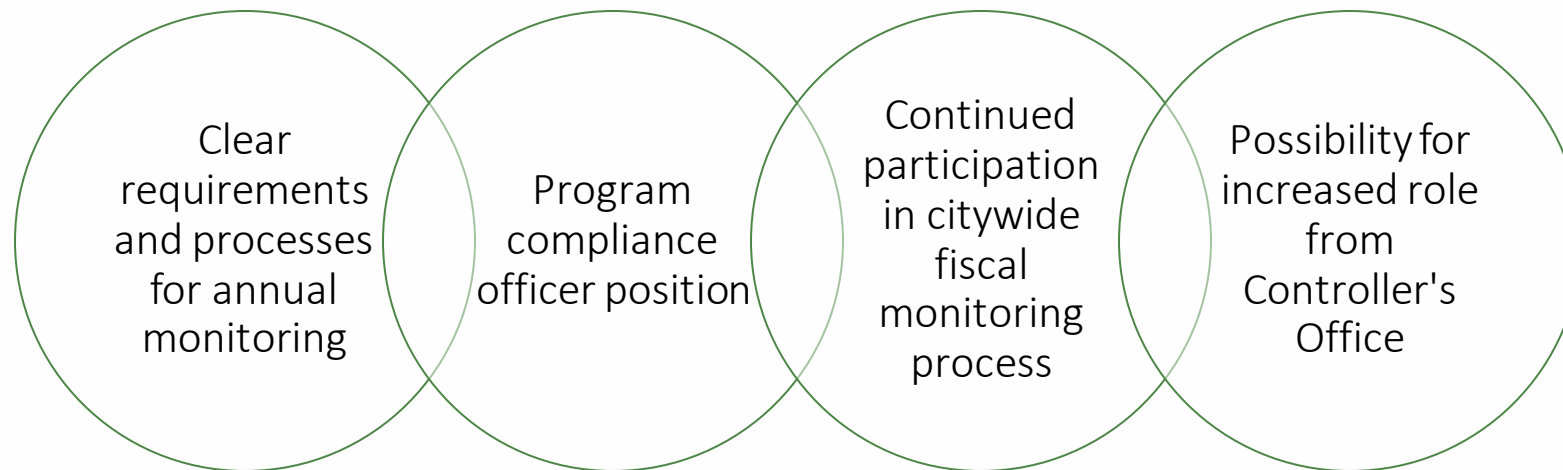
Include measures in all agreements to track outcomes for all Home by the Bay subpopulations.

Status: Completed

- All provider agreements include **requirements about data standards and data entry**.
- Data infrastructure allows **analysis of subpopulations served** when client data is input.
 - Some subpopulations may need additional definition to make this possible.

Finding #2: Insufficient on-site program monitoring limits ability to evaluate providers.

- **Agree:** New policies in FY23-24 to improve monitoring.
- **Recommendation #2:** Develop standards for program monitoring to improve it and minimize burdens on CBOs.
- **Status: In Progress**



Finding #3: City performance scorecard does not adequately report on subpopulations in the Strategic Plan.

- **Wholly disagree:** The City scorecard is not the right place for this reporting.
- **Recommendation #3:** Change the city performance scorecard to include all the Home by the Bay subpopulations.
- ***Status: Needs further discussion***

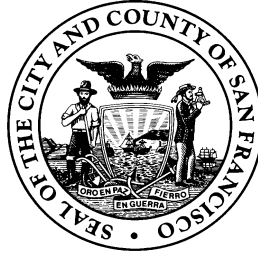
-
- HSH will develop public reporting about the goals of ***Home by the Bay*** in our **data hub on the HSH website**.
 - City performance scorecards are for **long-term** reporting on **high-level goals** – not appropriate for five-year reporting on 11 subpopulations.



DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

Questions?

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

MEMORANDUM

TO: Tom Paulino, Liaison to the Board of Supervisors, Office of the Mayor
Ben Rosenfield, City Controller, Office of the Controller
Shireen McSpadden, Executive Director, Department of Homelessness and Supportive Housing
Sailaja Kurella, Director and Purchaser, Office of Contract Administration
Carmen Chu, City Administrator, Office of the City Administrator

FROM: Stephanie Cabrera, Assistant Clerk, Government Audit and Oversight Committee, Board of Supervisors

DATE: June 30, 2023

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 28, 2023, entitled: "Hitting the Performance Bullseye: Contracting for Better Outcomes in 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 27, 2023.

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 department to submit responses:

- Office of the Mayor

Invited responses:

- Office of the Controller
- Department of Homelessness and Supportive Housing
 - San Francisco Homelessness Oversight Commission
- Office of the City Administrator

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: Stephanie.Cabrera@sfgov.org.

cc: Melissa Hernandez, Office of Chair Preston
Andres Power, Office of the Mayor
Todd Rydstrom, Office of the Controller
Dylan Schneider, Department of Homelessness and Supportive Housing
Emily Cohen, Department of Homelessness and Supportive Housing
Bridget Badasow, Department of Homelessness and Supportive Housing
Taraneh Moayed, Office of Contract Administration
Rachel Cukierman, Office of Contract Administration
Sophie Hayward, Office of the City Administrator
Vivian Po, Office of the City Administrator
Angela Yip, Office of the City Administrator