

**A PROGRESS REPORT ABOUT  
THE SAN FRANCISCO  
DEPARTMENT OF  
HOMELESSNESS AND  
SUPPORTIVE HOUSING**

June 30, 2022



**City and County of San Francisco  
Civil Grand Jury  
2021-2022**

## About the Civil Grand Jury

The Civil Grand Jury is a government oversight panel of volunteers who serve for a period of one year. It makes findings and recommendations based on its investigations. Reports of the Civil Grand Jury do not disclose the identity of individuals interviewed during the investigation, and any such disclosure is prohibited. (California Penal Code, Section 929.)<sup>1</sup>

### 2021-2022 Jurors

Michael N. Hofman, Foreperson

Will McCaa, Foreperson Pro Tem

Sara Miles, Corresponding Secretary

Charles Lai, Recording Secretary

Mark Seielstad, Parliamentarian

Tony An

Rick Crane

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Phyllis V. Deets

Jason Golz

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Jeanine Jue

Tim Novacic

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<sup>1</sup> This report is issued by the Grand Jury with the exception of two jurors who were recused because of a current or recent connection with organizations that are or have been involved with homelessness in San Francisco. These grand jurors were excluded from all parts of the investigation, discussion, and deliberations related to this report, and from the writing and approval of the report.

## Summary

The San Francisco Civil Grand Jury investigated the operational performance of San Francisco's Department of Homelessness and Supportive Housing (HSH, or the Department), the lead agency coordinating San Francisco's response to homelessness. Although understanding the context in which HSH does its work is of course important, the Jury did not conduct an in-depth review of the City's entire multi-departmental and cross-jurisdictional Homeless Response System due to limitations of time and resources.

HSH was formed in 2016 to monitor and coordinate government and non-profit sector service delivery and to implement the Mayor's policy objectives with regard to the City's unhoused population. While HSH has made progress on its five-year policy goals and objectives (2017-22), administratively and organizationally, the Department had a number of deficiencies in executing its mandated functions, according to a performance audit completed by the City's Budget and Legislative Analyst (BLA) in 2020.<sup>2</sup> Performance of those mandated functions is our focus.

Using the BLA report as a starting point in our analysis, we found that HSH has strengthened its administrative and organizational infrastructure, resolved severe staffing shortages, and continues to develop systems and capacity for conducting mandated functions, e.g., monitoring contractor compliance and performance.

Our report highlights that, two years later, major issues nonetheless remain in several areas that BLA targeted, including data management and Department oversight and decision-making. Our findings and recommendations thus address key issues of infrastructure and organizational effectiveness: Departmental communications, community engagement, Departmental oversight, and the aging of the homeless population. They are offered respectfully to enable the Department to continue improving its performance in carrying out its mandate. The Jury's legal constraint prohibits recommendations with any policy implications.

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<sup>2</sup> cf [Performance Audit of the Department of Homelessness & Supportive Housing](#), in *References* . .

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## Background

Homelessness is a local and nationwide problem that persists in recent decades despite the best efforts of thought leaders, policymakers, organizers, and politicians. San Francisco has developed a system to address the needs of people experiencing homelessness in the city. It comprises a complicated array of multiple City departments, nonprofit organizations, community members, philanthropic and religious organizations, the business community, and private sector actors. A previous Civil Grand Jury report on the issue, published in 2016, recommended that the City establish a department solely devoted to serving those people who are unhoused, pulling together several disparate efforts across several departments within City government, to create a central structure and focal point in this Homeless Response System.<sup>3</sup> Coincidentally, Mayor Ed Lee's administration created the Department of Homelessness and Supportive Housing (HSH, or the Department) to support unhoused people in San Francisco that same year.

HSH has grown significantly during the Breed Administration, with an annual budget of \$668 million and more than 150 staff positions identified and largely filled this last fiscal year.<sup>4</sup> City analysts have prepared 2 reports on HSH's performance. The first came from the City Controller's office in 2017 and the second from the BLA in 2020. These reports both looked at the operations and management of a new and growing City department. Both reports contained constructive criticism. As noted, the BLA report, in particular, made several findings and recommendations which we have incorporated into our analysis.

HSH has been following a Housing First policy since its inception, organizing its efforts around the basic notion that moving into permanent supportive housing (PSH) is the best way to exit homelessness. Housing First is federal policy, promulgated years ago, that has been adopted in various forms by city and county governments across the country. The Mayor's Homelessness Recovery Plan follows convention to center housing as its primary response to the issue. But PSH—housing affordable to very low income people with wraparound services—is costly and difficult to develop at a scale sufficient to meet the need. Furthermore, the Department must also coordinate several other services for those yet to be placed in housing—provision of shelter, casework ranging from mental health services, drug use intervention and management, domestic abuse response, benefits advocacy, etc.—services that must be sustained in most cases over considerable timespans.

Since HSH started tracking data consistently, beginning in July 2017, more than 10,000 people have been housed as a result of their programs, with 6,183 households placed into new or existing PSH and 2,033 housed by its Homeward Bound program. To demonstrate the scope of services HSH administers, the cost of these programs can range from \$700,000 to build and

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<sup>3</sup>[https://civilgrandjury.sfgov.org/2015\\_2016/2015-16\\_CGJ\\_Final\\_Report\\_SF\\_Homeless\\_Health\\_and\\_Housing\\_7\\_12\\_16.pdf](https://civilgrandjury.sfgov.org/2015_2016/2015-16_CGJ_Final_Report_SF_Homeless_Health_and_Housing_7_12_16.pdf), in *References*

<sup>4</sup> Director's Report, and Mayor's Five Year Plan, in *References*

\$25,000 annually to support one dwelling unit of PSH, to simply a one-time expense of about \$200 for a bus ticket home.

But despite this commitment and expenditure, the problem plainly persists. Encountering homeless people on the streets of San Francisco likely will remain part of the urban experience in the city for years to come. Although thousands of homeless people have been housed by the City, what some would define as progress given the circumstances of city government, the work of HSH remains an uphill battle, fighting against crushing real estate market dynamics as well as an often incorrect public perception of its efforts. This is important to bear in mind when evaluating the work of the Department.

## **Methodology**

The Jury conducted an investigation of HSH's operations, systems, and infrastructure, offering recommendations to improve departmental efficiency and effectiveness, based on our findings. By State law, we could not make recommendations that would require the implementation of new policy. Our inquiry, as noted, is also focused solely on HSH. We did not attempt to conduct an investigation of the Homeless Response System in general.

The Jury conducted more than two dozen interviews with representatives of key stakeholder groups in the Homeless Response System, ranging from various departmental leadership, appointed and elected officials, homeless service providers, advisory board members, and subject matter experts and representatives of the community, government, and academia.

In addition, we reviewed and analyzed publicly available documents and data, departmental budgets, financial reports, and contract agreements. Lastly, we also relied on information in published articles, local press reporting, research studies and reports, and other literature related to homelessness.

## **Discussion**

While HSH and other partners in the City's Homeless Response System are reducing the number of people in the City who are unhoused, absent a massive change in federal policy, there is not yet an end to homelessness in sight. We conclude nonetheless, based on our inquiries, that the recently established HSH management team, working to place people in permanent supportive housing and to provide care and service for the City's unhoused population in general, has made significant strides since the inception of the Department. HSH is aware of continuing weaknesses, particularly around staffing, and the management team appears to have the energy and focus to address them.

## Who Are the Homeless?

Understanding who are the people experiencing homelessness is essential to understanding how a department like HSH can be effective.<sup>5</sup> Based on its most recent federally mandated Point in Time count (PIT), San Francisco estimates that there are 7,754 people sleeping on floors, in cars, tents, shelters, or in doorways on any given night.<sup>6</sup> Yet what the public generally observes as “the homeless” is that part of the population on our streets that suffers from chronic unsheltered homelessness. Depending on the data source, this subpopulation represents only about a third of the total homeless population. But in the public perception, this part often ends up representing the whole.

In the most recent PIT, completed at the end of February 2022, the average age of an individual experiencing homelessness in San Francisco is 50 years old. While the African-American population of San Francisco is about 5% of the total, almost 40% of people experiencing homelessness in the City are African-American. And while additional data from this year’s study will not be available until after this report must be published, in the PIT completed in 2019, many people experiencing homelessness report that they are employed, with about a third reporting that they are drug users, and likewise, about a third that they are living with mental illness, some dual-diagnosed. Almost all report having health challenges of some kind.<sup>7</sup>

Despite a wide range of contributing factors, from substance use disorder to less than living wage employment, the extreme lack of affordability in California housing markets remains the primary factor contributing to homelessness in the state and our region; thus the Housing First approach. In the midst of a statewide crisis, the gap between need and supply of affordable housing is over 20,000 units in San Francisco alone. Homelessness is a housing problem.<sup>8</sup>

## What Does HSH Do?

The City serves homeless and formerly homeless people through various programs, ranging from outreach and case management targeted to those living rough on the streets, to rental subsidies, to helping to manage actual development of housing, to other services for individuals or households living in City-sponsored PSH.

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<sup>5</sup> Homelessness, as per the HUD standard, includes: individuals and families living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements; or with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground. The City expands the definition to include individuals who are “doubled up” in the homes of family or friends, staying in jails, hospitals, and rehabilitation facilities, as well as families living in single room occupancy (SRO) units.

<sup>6</sup> PIT report, in *References*

<sup>7</sup> *ibid.*

<sup>8</sup> cf Colburn and Aldern, *Homelessness is a Housing Problem*, in *References*

The provision of services for the homeless has grown significantly in recent decades. What began primarily as an effort of charity to ensure that people on the street did not starve or freeze has grown into a full-fledged system of support, bringing together actors and entities throughout the political economy. The City now provides numerous direct services for the unhoused through a Homeless Response System that includes not only HSH but also its Human Services Administration (HSA), Department of Public Health (DPH), and the Department of Emergency Management (DEM), as well as the police and fire departments. HSH, the primary subject of our inquiry, does not generally provide direct services. Instead it coordinates, manages, and contracts out the work mostly to community-based nonprofit organizations, as well as other City departments.

HSH has an approved FY21–22 budget of \$667.8 million and has requested a budget of \$597.6 million for FY22–23. As directed by the Mayor’s Office, in its Homelessness Recovery Plan, priorities to the end of FY22–23 include: adding up to 4,000 new housing placements, preventing homelessness and eviction for over 8,000 households, supporting two new safe parking sites, continuing to fund a new 40 bed emergency shelter for families, and capping all PSH rents in the city’s PSH portfolio at 30% of the tenant’s income.

HSH manages over \$424 million in contracts with 66 separate nonprofit community-based organizations, who actually provide staff and resources on the front line of service delivery, managing shelters and street crews, caseworkers, health professionals, housing managers, and other organizations in the citywide system delivering services for the unhoused. City staff at HSH typically manage the contracts for compliance and performance.<sup>9</sup> They also oversee data collection and its management, oversee public communication about the Department’s work and the population it serves, and report regularly to the Mayor’s Office and the Board of Supervisors regarding progress under the Mayor’s Homelessness Strategic Plan.

## How Is HSH Funded?

HSH has two funding sources that comprise about three quarters of its budget. These funds pay for services provided, the numerous contracts that constitute its operating model, extensive capital costs of housing production, and departmental staff and overhead.

- Proposition C funds (from a ballot measure passed in November 2018), organized under the program name of Our City Our Home (OCOH), finally approved in the past fiscal year after almost three years of a protracted legal battle, provides about \$250 million of the current HSH annual operating budget. Half of these funds are spent on housing production, either in new construction or acquisition or in rental subsidy, and the other

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<sup>9</sup> The Department’s business model of depending on third-party vendors could merit a report in itself. Relatively low pay of contractor staff, for instance, is a concern about which we heard frequently in our inquiry. The City Controller’s office recently completed a study on this very issue. See “Findings and Recommendations for Addressing Nonprofit Wage Pressures”, in *References*

half are split more or less equally among shelter services, prevention services, and mental health services. This allocation is required by the original legislation; the OCOH advisory committee works with HSH staff to ensure that outlays are consistent with the law.

- The City also provides a bit less than \$250 million to fund HSH through its General Fund. It is the most fungible part of the Department’s budget, paying for many uses, particularly staff, not covered by other sources. Uses of funds range from hard capital expenditures to case management, harm reduction, shelter provision, rehousing, and homelessness prevention.

The remaining quarter of the current fiscal year's \$668 million budget comes from a diverse group of federal, state, and local funders, and changes yearly. None of it is as certain as Prop C or the General Fund.

## Outcomes and Lessons from the Pandemic

The pandemic exacerbated an already precarious health situation for people experiencing homelessness. It also had profound effects on both national and local economies with serendipitous consequences. Hotel operators who would normally not have let homeless people in their property in San Francisco had a sudden interest in negotiating with the City as master lessor, if not as buyer, providing a source of revenue for a suddenly stagnant hospitality industry. A combination of unfortunate circumstances created a market opportunity. HSH, working with other departments, especially the Mayor’s Office of Housing and Community Development (MOHCD) moved quickly to get people off the streets and out of communal shelters.

The first Shelter in Place (SIP) hotel sites opened in April 2020 to provide temporary non-congregant shelter for people experiencing homelessness who were most vulnerable to COVID-19. At its highest capacity, San Francisco’s SIP hotel program provided 2,288 rooms across 25 sites. The program has served over 3,700 guests, including adults, families, and transitional age youth, ages 18 to 24. The hotel rooms leased by HSH were converted into the SIP hotel units through the state’s RoomKey program. 987 units were subsequently purchased, mostly through local Prop C funds with support from the state HomeKey program.

New leadership and a near total departmental focus on getting people at least sheltered in conditions appropriate to the pandemic, despite major staff shortages, showed results. As the BLA reports, HSH performance in this moment was notable, even if it came at the expense of other best practices, as identified in their findings; the crisis of the pandemic required near-total staff focus on the one task of getting people appropriately housed or sheltered.<sup>10</sup> Finally assembled in the midst of the pandemic, the new management team acted both to shelter the

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<sup>10</sup> As Conor Dougherty writes in the preface to the paperback edition of his book, *Golden Gates*, “... nobody is going to remember 2020 as the year of housing. The year did, however, affirm the thesis of this book, which is that a growing affordable housing crisis sits at the center of every major American problem.” See *References*

needy and recognize opportunity, since the pandemic brought funding as well as contagion. We learned that under emergency mandate and with adequate funding, the Department was able to protect many people from COVID-19 related deaths and illnesses by securing and then moving them into SIP units quickly, with expedited actions enabled by a shared sense of urgency.

The combination of a steady source of capital such as Prop C and HomeKey money and a governmentwide sense of urgency can be directly attributed to the increase in available shelter and the decrease in chronic homelessness as shown in the latest PIT. Acquisitions of buildings for conversion to PSH were completed at half to two-thirds the cost required to build new PSH projects and in far less time than new construction. Programs were necessarily streamlined in ways that will continue to benefit both clients and service providers, with faster turnaround times to identify appropriate provision of services, or easier programmatic qualifying criteria—though even that was not without its stumbles. As recently recounted in the press, transitioning clients from SIP hotels to PSH has been difficult; many clients have not wanted to move. The program nonetheless shows promise, and HSH, as one of the most significant users of the program in the state, working with other cities and the state Department of Housing and Community Development (HCD), has taken advantage of the state’s significant budget surplus this year to secure commitments that will continue funding the important HomeKey capital source after the federal money funding the program is spent, significantly supplementing the Department’s existing funding.

## Areas of Inquiries That Led to Actionable Findings

As our research and investigation of HSH progressed, with an understanding of both the Department and its place in the Homeless Response System, we found a few additional matters of concern, notably the following:

- Are the data points the Department collects sufficient and of a quality necessary to support its mission?
- How does the Department manage presentation of data?
- How does the Department engage with the community to enable its work?
- How does Departmental oversight and decision making occur? Is the current model responsive to public concern? Is the Department held accountable to its internally established goals and objectives?
- And finally, should the Department’s provision of housing and services specifically address unhoused older adults?

In the sections that follow, we discuss facts and findings surfaced by our inquiry on these issues.

## Data

Systems for data collection, analysis, reporting, and data management are critical components of the Department's infrastructure. Reliable, valid, and accurate data is essential to demonstrate how well and effectively the Department operates. Good data is required for planning and decision-making, for reporting purposes to federal, state, and philanthropic funders, and for oversight of contractors (service providers). It also helps to inform HSH's numerous stakeholders, including the media and the general public.

### Database Development and Management

In its 2020 Performance Audit, the BLA identified major challenges with HSH's newly developed Online Navigation and Entry (ONE) system. Although originally intended to serve as the federally mandated Homeless Management Information System (HMIS) to collect and report on all individuals receiving services, the ONE system is also serving as the data repository of the City's housing inventory, as well as the database for the matching of clients who have completed Coordinated Entry (CE) with the services that HSH has available.

Coordinated Entry is also a relatively new intake system. Designed to meet the City's own needs, again in response to a federally established standard, it is the first contact a person experiencing homelessness will have with the bureaucracy of the Homeless Response System. A type of sorting system, CE attempts to match the needs of individuals with services the City has available.

We encountered a range of opinions regarding the efficacy of ONE and CE, but there is agreement that staffing shortages and the functional limitations of the systems have hampered their usefulness. HSH is aware of the situation and has been making improvements, including the hiring of additional data staff this current fiscal year to provide leadership addressing the many challenges of the ONE and CE systems.

### Mismatch between Data Source and Its Use

The most elementary of questions regarding the issue of homelessness is "how many unhoused people are there?" In 2009, the Department of Housing and Urban Development (HUD) mandated that all communities receiving Homeless Federal Continuum of Care funds conduct a one day survey every two years in February, recording and documenting the number of people who are homeless, the so-called Point In Time (PIT) survey. Typically, a city issues a report (generally in late spring) to the federal government and the public identifying the total number of unhoused individuals in the city on one day, including key demographic data describing who the homeless are. As described in the background section of this report, the number of homeless people in San Francisco, according to the most recent PIT, is 7,754 persons.

The Department and City rely on the results from the Point in Time survey as a proxy for the total number of people who are homeless. It is used widely by Federal, state, and local government officials, the media, and the public. The PIT survey serves as the key baseline of data affecting Federal funding, as well as basic information for policy and program planning and decision making.

Ironically, according to Department leadership, the actual number who experience homelessness at some point during a year is likely as much as three times that of the one night on which the PIT count is based. While there is no hard data to document this anecdotal assertion, it plainly demonstrates that, despite its usefulness, the PIT underestimates and may in fact misrepresent the actual scale of homelessness in San Francisco.

There are several other metrics and datasets that help to quantify the extent of homelessness. They include the (Department of) Public Health Case Management System, the Healthy Streets Operations Center (HSOC) data system maintained by the Department of Emergency Management, and the soon to be operational HSH Client Level Data System (MIS). Each dataset, however, like the PIT, reflects only a portion of the entire picture and has its limitations.

That is not to say these other data sets are not useful, especially since the Department needs to select data that best characterize the homeless population. Good data better informs policy, strategy, resource allocation and decision making. It also can enhance stakeholder understanding, including the media and the public, of the size and complexity of homelessness in the city and the work that HSH is doing.

## **Communications and Community Engagement**

### **What Is Communicated, and How**

The Department has created many dashboards of summarized data, with metrics and graphics that address the needs of numerous stakeholders. To its credit, the Department's website, in its "Data Hub" section, provides links to the other data reports describing various components of the Homeless Response System.<sup>11</sup> Nonetheless, for a person looking for basic information about homelessness and what the City is doing about it, such information is neither easy to find—it's scattered across several department websites—nor, for many people, is it presented in easily understood formats. To find basic data regarding homelessness in San Francisco, one has to search numerous dashboards and websites to piece together a data-driven picture of homelessness in San Francisco.

To demonstrate this, we posed three key questions:

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<sup>11</sup> [Homelessness Response System Data](#)

- How many homeless people are there and who are they?
- How many people have exited homelessness this year?
- What are the City’s major initiatives, goals, and objectives, and how well is the City achieving its plan?

Recounting the experience of trying to answer one of these questions is illustrative.

Regarding initiatives, goals, and objectives, we found that the Director’s Monthly Report is the best snapshot and summary of a wide range of topics and aspects of the homeless response by the Department and the City. However, finding such a report and other key data, metrics, and information located either on the HSH website or on several other sites (Controller, Department of Emergency Management, Department of Public Health) is difficult and challenging. Key data and metrics are not provided in an accessible, user-friendly fashion—especially for a general public audience.

For example,

- When an elementary query is posted in the search engine such as “How many homeless are there?”, the search engine response is “sorry, no content matched your criteria.”
- To its credit, the Department’s homepage has a link to a “data hub”, which has a list of dashboards and reports. However, the user must review the contents of each dashboard to find its information and then link to it, rather than identifying the information needed and having the navigation system link to the precise location.

As a best practice, websites are designed to be user friendly, with prompts that direct users to the location where the requested information is housed. This can be achieved through a search engine or features like “Frequently Asked Questions.”

Rather than post what the Department “thinks” the public wants to know, the Department might more productively conduct focus groups and listening sessions with members of the public to find out what the public actually wants to know. HSH could also review its Sunshine Ordinance requests to see if there are basic types of requested information that could be posted on the Department’s website.

The Department has numerous channels to communicate with its stakeholders, but as a communications strategy, the Department might want to position its website as the place to go: trusted and reliable, an online resource for information on the Homeless Response System and homelessness policy, as well as the place to learn of progress and success achieved by City government. Making this information easily accessible strengthens the Department’s transparency and increases its accountability.

Regardless of how many unhoused people are placed in housing, the optics of tents and unhoused people on the streets reinforce an impression that the City government is failing to

address homelessness. In coordination with the Mayor’s Office and the other departments and organizations in the Homeless Response System, it is in the interest of the Department to frame the facts and the narrative aggressively with consistent messaging of accomplishments and progress—success in placing more people in permanent housing—and taking advantage of all of the communication channels at its disposal.

Strong media management and vigilant engagement with public misinformation, with immediate corrective responses, are elements of a strategy that can help to build reliable media coverage. We recommend that the Department focus on external communications as part of the planning process currently underway. At present, despite regular posts on Twitter advertising recent events or accomplishments by HSH, there appears to be no overall strategic media plan maintained by the Department, nor is there a basic “press packet” of information and messaging available upon request.

### Community Engagement, or Why Optics Matter

San Francisco has tried to locate homeless services in neighborhoods outside the Central City (Tenderloin and South of Market) and the Mission districts. Yet many projects proposed by HSH to expand facilities for the unhoused, including navigation centers, permanent supportive housing, temporary shelter, and other programs with on-site services, have been rejected outright by community members in other neighborhoods.

While a number of neighborhood projects have been blocked based on community concerns, the siting and establishment of the Embarcadero Navigation Center was an exception. Due to concerted efforts by the Department staff, importantly in coordination with both the Mayor’s Office and the Port, to educate, inform, and engage residents in the neighborhood where it was proposed to be located, it was successfully established. We found broad consensus in our inquiry that HSH can be more effective and impactful with a stronger focus on building community and public support through its communications, as well as efforts directly to engage community members. HSH also confirms that the Embarcadero experience was extraordinary; that maintaining a similar level of engagement on all possible projects would require a larger staff complement devoted to this type of work.

### Department Oversight and Decision-Making Structure

In 2016, when the late Mayor Ed Lee established HSH, he put into place a decision making and governance structure by which the Department was directly accountable to the Mayor and to the Board of Supervisors (BOS). In practice,

- The Mayor sets plans, policies, policy goals, and budgets in consultation with the HSH Executive Director and staff.

- The HSH Executive Director reports directly to the Mayor and is accountable for departmental performance, budget management, and implementation of the Mayor’s adopted Plan and stated goals.
- The Board of Supervisors has approval authority for contracts in excess of \$10 million, leases, and property acquisition.

In addition to the oversight provided by the Mayor and the Board of Supervisors, there are two bodies with advisory and oversight duties over different aspects of the Department’s work.

- The Local Homeless Coordinating Board (LHCB), established in 2016, provides oversight of federal homeless funds and the federal “Continuum of Care” (CoC) in accordance with federal (HUD) mandate. As defined in the City Administrative Code,<sup>12</sup> it is an advisory board to the Department on homeless policy and budget recommendations for contracts, as well as uses of federal homeless funds (estimated at \$60 million this fiscal year). The nine member LHCB has been the primary forum for the public to hear monthly from the Director and other HSH leadership as well as to discuss homeless policy and its implementation in a public forum.
- The Our City Our Home (OCOH) Oversight Committee, established upon the formal implementation of Proposition C, makes budget recommendations for use of Prop. C funds, approximately \$250 million annually. 2021-22 is its first full fiscal year. HSH leadership and OCOH work closely together. In the last budget year there was a 95% alignment between OCOH recommendations and the final departmental budget. The OCOH committee is nonetheless purely advisory. It has no formal authority in oversight and control of HSH and its activities.

The Jury is not alone in its concern that the city's eighth largest government department lacks comprehensive outside governance. The recent BLA report, for instance, notes that there is no formal oversight of the Department. Since the Department was created in 2016, policy and operational decisions have been made solely by the Executive Director in consultation with the Mayor, with input and guidance from Focus Strategies, a consulting firm with expertise in homeless system response nationally.<sup>13</sup>

To address the problem of incomplete formal oversight, the BLA issued a recommendation that the Mayor’s 2019 Working Group (created by the Mayor to consider the Commission question) be “incorporated as a committee into the LHCB to provide more consistent and effective opportunity to provide feedback on policy and operations related to homeless services, and to ensure that the Department would be subject to more transparent oversight.”<sup>14</sup> But this did not get addressed by the Board of Supervisors. The 2019 Working Group was disbanded and the issue of formal oversight by one body was dropped. There remains no single authority to provide oversight for all of Department activity and policy.

<sup>12</sup> *City Administrative Code*, Chapter XXXI, Section 5.31

<sup>13</sup> Executive Summary, pg vi, 2020 BLA Performance Audit (BLA)

<sup>14</sup> BLA, pg. vi,

## Rationale for citizen oversight of HSH

San Francisco has long had a City/County government model of participatory democracy, whereby citizens are involved in citizen advisory boards, special task forces, and Commissions which oversee departmental policies and operations. The Commissions serve as part of a “troika” with the Mayor and the Board of Supervisors, providing a third, non-elected, piece in the process of review.

City Commissions are established according to the City Charter and are composed of citizens who are either appointed by the Mayor, or in some cases a mixed system of appointments between the Mayor and the Board. They are neither elected officials nor civil servants. Commission meetings are public, providing a forum for wider public participation and greater transparency and accountability of City departments in their implementation of policy and spending.

The Commission is the prevailing appointed, non-elected, governance and oversight structure for more than 50 City Departments, including the City’s largest and most complex. In this fiscal year, HSH has the 8th largest operating budget of all departments but has no formal commission overseeing its activity.

There is no consensus about the desirability of establishing a Commission for HSH. Proponents argue that the Commission model is a hallmark of participatory democracy and maximizing transparency and accountability. Opponents argue that the Commission would be another bureaucratic layer slowing down the speed in which things get done. Based on the factors described above, the Jury is inclined to believe that, for this still new department, additional oversight—with real authority—would be beneficial. We recommend the establishment of a Commission for HSH.

Should the Board of Supervisors have interest in rethinking the Department’s current decision making and oversight structure, the discussion could also be well served by an independent assessment of the current system, which the Board could task either the BLA or the Controller to complete. Such a study should include an analysis of the overall feasibility, benefits, and costs of a Commission or an alternative, and propose how the two existing advisory boards could be integrated into a new model.

## Older Adults and Homelessness

In 2017, the Department and the City adopted the policies and priorities established by the Federal Strategic Plan to Prevent and End Homelessness,<sup>15</sup> which identified certain populations on which to focus: chronically homeless, veterans; families with children; and transitional age youth. These became the prioritized populations adopted by the City and HSH for the five year

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<sup>15</sup> [USICH Opening Doors - Federal Strategic Plan to Prevent and End Homelessness - HUD Exchange.](#)

period of 2017-22. The Federal methodology clustered all other individuals 18 years and older who did not fall into any of the four prioritized sub populations as “adults” without distinguishing older adults as a separate category. HSH has adhered strictly to this framework, with consequent goals, metrics, and reportable indicators to measure impact on these subpopulations.

Federal policy and its key target sub-populations were not consistent with conclusions from demographic trends and data-driven analysis. As early as 2006, a group of UCSF researchers concluded a 14-year study of homelessness in the city with findings that the growth of older adults among the homeless population constitutes an “emerging crisis” that would require unique strategies for outreach and engagement, treatments and prevention.<sup>16</sup>

In the ten years between the publication of the UCSF research and establishment of HSH, numerous City departments targeted resources specifically for aging and homeless older adults as part of the Older Adult Safety Net system. In addition, Dr. Margot Kushel (UCSF) continued to publish research documenting the increasing aging of the homeless population in the city.

Half of the city's homeless population is over 50 years of age, while according to the Department of Disability and Aging Services, only 30% of San Francisco’s total population is at least 50 years old. The fastest growing age group of homeless people in general, as well as those entering homelessness for the first time, is now 65 years and older. Yet there is rarely any mention of aging in an HSH document, work plan, or agenda. Searching as far back as 2017, less than a year after the establishment of the department, we can find only one example.<sup>17</sup> The current methodology of consolidating all adults over 18 years of age and older, without differentiating and carving out older adults from the total, masks the particular impact of aging on the homeless population.

Older adult people experiencing homelessness are sicker, more frail, have a higher degree of mental health problems and substance use disorders, and are more vulnerable to experiencing violence and attacks to their health and safety than those members of the population who are younger. Furthermore, older adults are disproportionately impacted by homelessness.<sup>18</sup>

The aging of the homeless population observed here is occurring statewide and in many communities nationwide. There is an emergence of new policy to support older adults as a major subsection of the homeless population.

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<sup>16</sup> Hahn, Kushel, et al (UCSF) *Journal of General Internal Medicine* 2006Jul;(7) 775-78

<sup>17</sup> “In the 2017 Point-in-Time (PIT) count 12% of survey respondents were over 60 years old and another 22% were between 51-60. Respondents in these two age groups have doubled since 2009. The homeless population at large is aging, and requires special attention to address their age-related health concerns and connect them to City services for older adults.” Department of Homelessness and Supportive Housing, *Five Year Strategic Framework*, October 2017, page 26

<sup>18</sup> Kushel and Prendileve, “More and more Californians are old, sick and on the streets.” *San Francisco Chronicle*, Opinion Editorial Page, July 28, 2019

- The Mayor’s Long Term Care Coordinating Committee (LTCCC), which advises the Mayor on policy, programmatic, and budgetary issues impacting older adults and people with disabilities, in 2021-22 urged that older adults be a priority population for housing and additional services. The LTCCC will focus on unhoused homeless adults as part of its 2022-23 policy agenda.
- The State of California’s 2021 Master Plan on Aging recommends that ending homelessness for older adults become a stated goal Statewide and in local communities.<sup>19</sup>

Both of these examples make it clear that State and City governments recognize older adults as a distinct sub-population of people experiencing homelessness in the city. San Francisco has a long history of providing services targeting older adults, and its adoption by HSH would bring the Department in accord with existing practice across City government as well as respond to the demographic imperatives of homelessness in San Francisco.

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<sup>19</sup> State of California, Department of Aging, Master Plan for Aging; First Annual Report. Goal 5: End Homelessness for Older Adults

## Findings and Recommendations

The following findings and recommendations are intended for the Department to move forward on organizational development, expanding its vision and provision of solutions to reduce homelessness in San Francisco.

Finding	Recommendation
<p><b>F.1:</b> The PIT data do not capture the total number of homeless people living in San Francisco over the course of a year. Use of this metric results in an inaccurate determination of the actual size of the population of homeless people in the city, which is key information for HSH's strategic planning and program design.</p>	<p><b>R.1:</b> The jury recommends that by December 15, 2022, the Department (HSH) develop strategies and methods, including using other existing data sets to better quantify and profile the population of people who are homeless.</p>
<p><b>F.2:</b> Key data and metrics about homelessness are not easily accessible on the HSH website. Data is scattered across numerous dashboards and websites.</p>	<p><b>R.2:</b> The jury recommends that by March 15, 2023, the Department create a user-friendly portal and navigation system.</p>
<p><b>F.3:</b> Engaging City residents neighboring those sites where HSH plans to locate new shelters, drop-in centers, navigation centers, or safe sleeping sites early on in the development and siting process could promote more community acceptance and endorsement of establishing those facilities, a prerequisite for all development, especially projects serving homeless people.</p>	<p><b>R.3:</b> The jury recommends that HSH both communicate and collaborate with residents in those San Francisco neighborhoods where it intends to establish facilities serving the unhoused. HSH should expand its staff and administrative capacities focused on community outreach and engagement to meet this recommendation.</p>
<p><b>F.4a:</b> As the 8th largest Department in City government, HSH lacks independent oversight, unlike at least 50 other City departments, oversight which can help assure greater transparency, accountability, and public input into its decision making.</p> <p><b>F.4b:</b> The current configuration of multiple, uncoordinated, advisory groups empowered only to "review, recommend, and comment" is inefficient and ineffective.</p>	<p><b>R.4:</b> The jury recommends that by October 15, 2022, the Board of Supervisors consider establishing a Commission for the Department of Homelessness and Supportive Housing.</p>
<p><b>F.5:</b> Despite compelling data showing that homelessness poses special challenges for older adults, HSH has failed to recognize older adults as a unique sub-population in its work to date.</p>	<p><b>R.5a:</b> The jury recommends that by September 30, 2022, the Department incorporate age-specific information into its baseline dataset of homeless demographic characteristics from the PIT, identifying that portion of the population that is over 50 years of age in particular.</p> <p><b>R.5b:</b> The jury recommends that, beyond simply portraying data accurately, by September 30, 2022, the Department declaratively include older adults, as a separate and unique group, as part of its ongoing agenda and scope of work.</p>

## Required and Invited Responses

### Required Responses

Pursuant to California Penal Code §933 and §933.05, the Jury requests the following response from this City governing entity.

#### **From the Board of Supervisors within 90 days:**

Finding 4a, 4b  
Recommendation 4

### Invited Responses

The Jury invites response from the following other entities within 60 days.

#### **From the Office of the Mayor:**

Findings 1, 2, 3, 4a, 4b, 5  
Recommendations 1, 2, 3, 4, 5a, 5b

#### **From the San Francisco Department of Homelessness and Supportive Housing:**

Findings 1, 2, 3, 5  
Recommendations 1, 2, 3, 5a, 5b

#### **From the Controller's Office:**

Finding 4a, 4b  
Recommendation 4

#### **From the Local Homeless Coordinating Board:**

Findings 1, 2, 3, 4a, 4b, 5  
Recommendations 1, 2, 3, 4, 5a, 5b

#### **From the Our City, Our Home Oversight Committee:**

Findings 1, 2, 3, 4a, 4b, 5  
Recommendations 1, 2, 3, 4, 5a, 5b

## References

Following is a selection of material that was helpful to us in our investigation.

### Glossary of Acronyms

- BLA - Budget and Legislative Analyst
- BOS - Board of Supervisors
- CE - Coordinated Entry
- COC - Continuum of Care
- DEM - Department of Emergency Management
- DPH - Department of Public Health
- HCD - Department of Housing and Community Development
- HMIS - Homeless Management Information System
- HSA - Human Services Administration
- HSH - Department of Homelessness and Supportive Housing
- HSOC - Healthy Streets Operations Center
- HUD - Department of Housing and Urban Development
- LHCB - Local Homeless Coordinating Board
- LTCCC - Long Term Care Coordinating Committee
- MIS - Client Level Data System
- MOHCD - Mayor's Office of Housing and Community Development
- OCOH - Our City Our Home
- ONE - Online Navigation and Entry
- PIT - Point In Time
- PSH - permanent supportive housing
- SIP - shelter in place
- TAY - transitional age youth
- UCSF - University of California at San Francisco

### Websites

- HSH, Director's Report  
[Director's Report](#)
- SF Mayors Homelessness Recovery Plan  
[Homelessness Recovery Plan | San Francisco](#)
- Homeless Response System  
[Homelessness Response System Data](#)

- Homeless Shelter System: Recovery and Expansion  
[Homeless shelter system: recovery and expansion | San Francisco](#)
- Homelessness Benchmarking  
[Homelessness Benchmarking | City Performance Scorecards](#)
- SF Citywide Performance Data  
[SF Citywide Performance Data](#)

## Reports

- “SAN FRANCISCO HOMELESS HEALTH & HOUSING: A CRISIS UNFOLDING ON OUR STREETS”, July 2016, San Francisco Civil Grand Jury  
[https://civilgrandjury.sfgov.org/2015\\_2016/2015-16\\_CGJ\\_Final\\_Report\\_SF\\_Homeless\\_Health\\_and\\_Housing\\_7\\_12\\_16.pdf](https://civilgrandjury.sfgov.org/2015_2016/2015-16_CGJ_Final_Report_SF_Homeless_Health_and_Housing_7_12_16.pdf)
- “HOMELESSNESS AND SUPPORTIVE HOUSING: Increased Oversight, Fiscal Sponsorship Controls, and Accountability Are Needed to Improve the United Council of Human Services’ Operations”, August 2017, Office of the Controller  
[Homelessness and Supportive Housing: Increased Oversight, Fiscal Sponsorship Controls, and Accountability Are Needed to Improve](#)
- “PERFORMANCE AUDIT OF THE DEPARTMENT OF HOMELESSNESS & SUPPORTIVE SERVICES”, August 2020, Budget and Legislative Analyst  
[Performance Audit of the Department of Homelessness & Supportive Housing](#)
- “Review of the Healthy Streets Operations Center<sup>4</sup>”, March 2019, Office of the SF Controller  
[Review of the Healthy Streets Operations Center](#)
- “Understanding Rapid Re-housing”, April 2018, Office of HUD  
[Understanding Rapid Re-housing: Supplemental Analysis of Data from the Family Options Study](#)
- “Permanent Supportive Housing: Evaluating the Evidence for Improving Health Outcomes Among People Experiencing Chronic Homelessness”, National Academies of Sciences, Engineering, and Medicine, 2018. Washington, DC: The National Academies Press  
[Permanent Supportive Housing: Evaluating the Evidence for Improving Health Outcomes Among People Experiencing Chronic Homelessness](#)
- Office of the Controller, “Findings and Recommendations for Addressing Nonprofit Wage Pressures”

<https://sfcontroller.org/sites/default/files/Documents/Auditing/Memo%20-%20Nonprofit%20Wage%20Analysis%20-%20FINAL%205.4.22.pdf>

## Books

- Gregg Colburn and Clayton Page Aldern. *Homelessness is a Housing Problem: How Structural Factors Explain US Patterns*, University of California Press, 2022.
- Conor Dougherty. *Golden Gates: the Housing Crisis and a Reckoning for the American Dream*, Penguin Press, 2020, 2021
- Jenny Schuetz. *Fixer-Upper: How to Repair America's Broken Housing Systems*, The Brookings Institution, 2022.
- Michael Shellenberger. *San Fransicko: Why Progressives Ruin Cities*, Harper, 2021
- Marybeth Shinn and Jill Khadduri. *In the Midst of Plenty: Homelessness and What To Do About It*, Wiley Blackwell, 2020