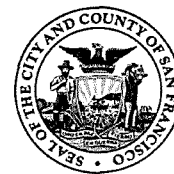


File # 190619, 190620
Received in Committee
6/12/19



FY 2019-20 & FY 2020-21 Mayor's Proposed Budget

June 2019



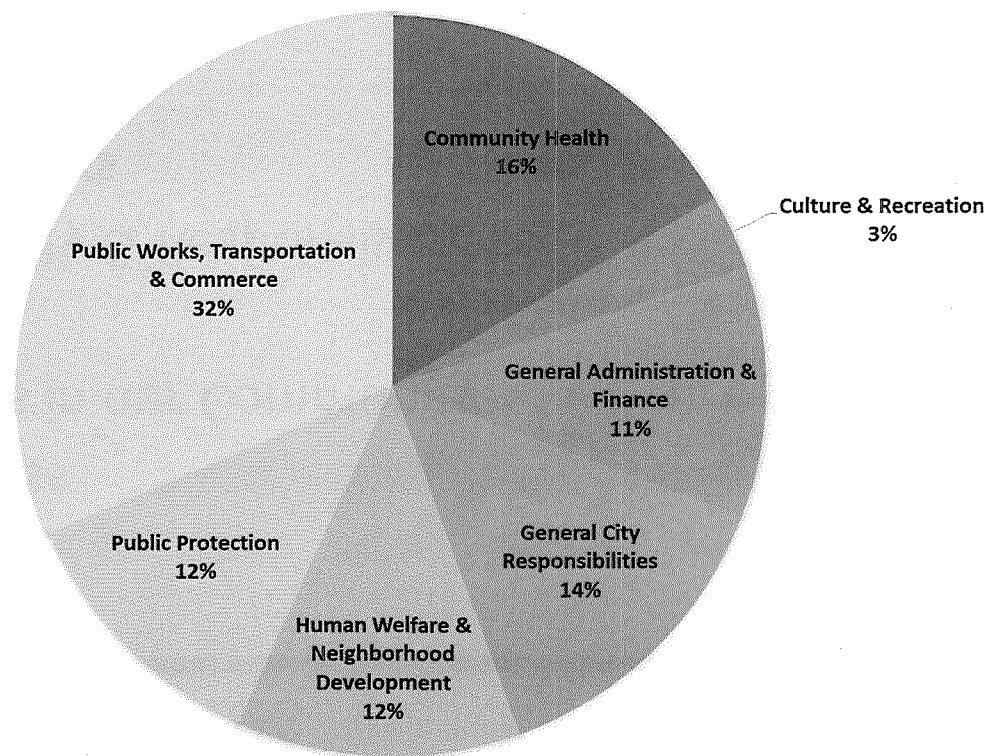
Outline

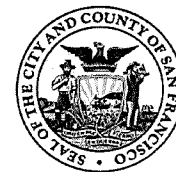
- Budget Overview
- Budget Balancing
- Other Highlights from the Budget
- Looking Forward



Budget Overview

- Budget approximately \$12 billion in each year
- \$6 billion Non-General Fund
- \$6 billion General Fund (GF)
 - \$2.8 billion non-discretionary GF
 - \$3.2 billion discretionary GF





Budget Overview – Key Themes

- Addressing Housing Affordability
- Preventing & Reducing Homelessness
- Responding to Critical Health Needs in our Community
- Making our Streets Cleaner & Safer
- Improving Public Safety Accountability & Responsiveness
- Supporting Small Businesses & Workers
- Strengthening the Social Safety Net
- Creating Equitable Opportunities
- Making Government More Accountable to Residents



Budget Balancing - Solutions

- Revenue
 - On-going revenue and onetime savings – business tax & transfer tax
 - State cost offset: In-Home Supportive Services
- Constraining departmental cost growth
 - Reprioritizing existing resources
 - Absorbing cost increases to preserve discretionary revenue choices
 - Meeting requested target reductions



Budget Balancing – Expenditures

- Negotiated Labor Increases
- Key Service Investments
 - Homelessness and behavioral health
 - Small business and nonprofit support
 - Street safety and cleanliness
 - Accountability and responsiveness in public safety
 - Equity and youth services
- Strategic Long-term Investments
 - Fully fund the Capital Plan recommended levels



ERAF in the Budget

	FY 2019-20 (\$ millions)
Discretionary Excess ERAF Sources	
FY 2016-17 Excess ERAF	104.0
FY 2019-20 Excess ERAF	142.3
Subtotal Sources	246.3
Discretionary Excess ERAF Investments	
Affordable Housing Preservation, Production, and Subsidies	173.9
Homelessness and Behavioral Health Services and Facilities	35.1
Childcare Facilities, SFUSD Educator Stipends, and City College	30.8
Vision Zero and Emergency Response Equipment	6.5
Subtotal Investments	246.3



Addressing Housing Affordability

Designated \$1.0 billion in new funding for the production and preservation of affordable housing. Key investments include:

- Over \$118 million in new funding for land acquisition, predevelopment, and production of affordable housing
- \$28 million in new funding for the acquisition and rehabilitation of existing rental housing in order to preserve those units as permanently affordable
- \$12.5 million in new rental subsidies to help vulnerable residents remain housed and prevent displacement and possible homelessness
- \$1.6 million for emergency rental assistance for tenants in danger of eviction
- Funding to assist with the transition of San Francisco Housing Authority, stabilizing over 12,000 low income households



Preventing & Reducing Homelessness

Over \$100 million dedicated over two years to support new homeless services across the continuum of care, including funding to meet the Mayor's goal of opening 1,000 shelter beds. Key investments include:

- \$5 million new investment in problem-solving interventions to help prevent homelessness.
- Expanding emergency shelter
 - Meeting the 1,000 shelter beds goal and adding shelter support services
- Increasing permanent exits through housing
 - Over 800 permanent supportive housing units
 - New funding for acquisition and rehab of masterlease and scattered sites



Responding to Community Health Needs

\$50 million over the upcoming two years to support the expansion of behavioral health and other health services. Key investments include:

- Expanding behavioral health beds
 - Adding 100 new behavioral health treatment and recovery beds and provide continued support for the 100 beds added in FY 2018-19
- Investing in Other Critical Health Services
 - Expanding the EMS6 Unit
 - Supporting intensive behavioral health outreach, through a state grant
 - Increasing resources for Shelter Health Services



Making our Streets Cleaner & Safer

Additional funds to expand services to address cleanliness, targeted neighborhood-based needs, and improve public safety.

- \$11.9 million over two years to address cleanliness and targeted neighborhood-based needs
 - Seven new Pit Stop public toilets
 - 80 new BigBelly trash cans through the City
 - Enhance targeted street cleaning in highly-trafficked neighborhoods
- Adding police officers to improve visibility and increase foot beats
- Improving public safety accountability and responsiveness



Other Highlights from the Budget

- CBO COLA – 3% in FY 2019-20; 2.5% in FY 2020-21
- MCO for IHSS workers and to support non-profit workers
- Nonprofit Sustainability Initiative - \$8 million over the next two years
- \$9 million in new small business support
 - SF Shines expansion
 - Revolving Loan Fund
 - Small Business Fee Assistance
 - Community Cornerstones



Other Highlights from the Budget

- Increased funding and staff to support CalFresh eligibility expansion and San Francisco's County Adult Assistance Programs (CAAP) assistance payment increases
- Equity Investments
 - Opportunities for All
 - Office of Racial Equity & Office of Equity, Inclusion, and Belonging
 - SFUSD Teacher Retention Stipends
 - Free City College
 - LGBT and Trans Services
- Fully fund the Capital Plan recommended levels - \$325 million



Looking Forward

Three main areas to monitor:

- Structural budget deficits
 - Fund balance
- State and Federal budgets
 - ERAF
 - Federal budget
- Timing of economic cycle / risks

Three City Financial Offices will update the forward looking projections in December 2019



Questions?