

File No. 201328

Committee Item No. 20

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date December 9, 2020

Board of Supervisors Meeting

Date _____

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- San Francisco Shelter Grievance Policy
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Completed by: Linda Wong

Date December 4, 2020

Completed by: Linda Wong

Date _____

1 [Emergency Ordinance - Limiting COVID-19 Impacts by Not Moving People Experiencing
2 Homelessness Currently Placed in Shelter-in-Place Hotel Rooms]

3 **Emergency ordinance to prohibit the City from requiring people experiencing**
4 **homelessness currently housed in approximately 2,300 Shelter-in-Place (SIP) Hotel**
5 **rooms to move from those rooms until Federal Emergency Management Agency**
6 **(FEMA) provides written notification that FEMA funding available for SIP Hotel rooms is**
7 **terminated or modified in a way that no longer reimburses any costs of these rooms, or**
8 **people experiencing homeless housed in SIP Hotel rooms obtain a stable housing**
9 **placement; these 2,300 SIP Hotel rooms shall continue to be available as they are**
10 **vacated to shelter people experiencing homelessness at risk of COVID-19 infection,**
11 **until the County Health Officer's Stay Safer At Home Order is rescinded or expires; and**
12 **requiring the Department of Homelessness and Supportive Housing to prepare publicly**
13 **available reports on the progress of placements from SIP Hotels into stable housing.**

14
15 **NOTE:** **Unchanged Code text and uncodified text** are in plain Arial font.
16 **Additions to Codes** are in *single-underline italics Times New Roman font*.
17 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
18 **Board amendment additions** are in double-underlined Arial font.
19 **Board amendment deletions** are in ~~strikethrough Arial font~~.
20 **Asterisks (* * * *)** indicate the omission of unchanged Code
21 subsections or parts of tables.

22 Be it ordained by the People of the City and County of San Francisco:

23 Section 1. Declaration of Emergency under Charter Section 2.107.

24 (a) Charter Section 2.107 authorizes passage of an emergency ordinance in cases of
25 public emergency affecting life, health, or property, or for the uninterrupted operation of any
City or County department or office required to comply with time limitations established by

1 law. The Board of Supervisors hereby finds and declares that an actual emergency exists
2 that requires the passage of this emergency ordinance.

3 (b) On February 25, 2020, Mayor London Breed proclaimed a state of emergency in
4 response to the COVID-19 pandemic. On March 3, 2020, the Board of Supervisors concurred
5 in the February 25th Proclamation and in the actions taken by the Mayor to meet the
6 emergency.

7 (c) On March 13, 2020, the Mayor issued a Second Supplement to the February 25th
8 Proclamation, making findings that “it is in the public interest to take steps to ensure that
9 people remain housed during this public health emergency” and that “there is a severe
10 shortage of affordable rental housing in the City, people who are evicted are at a risk of
11 homelessness, and homeless individuals are less equipped to mitigate risks related to
12 COVID-19.”

13 (d) On March 16, 2020, the County Health Officer issued Order No. C19-07, replaced
14 by Order No. C19-07b on March 31, 2020, directing San Franciscans to stay in their homes
15 and follow social distancing requirements when outside their residence (“Stay Safer At Home
16 Order”). This Order has been revised and updated during the intervening months to address
17 changing conditions, and the current Order No. 19-07o, issued November 28, 2020, continues
18 to exempt individuals experiencing homelessness from these requirements, and urges such
19 individuals to obtain shelter. The Order strongly urges, but does not require, governmental
20 entities to make shelter available and provide handwashing or hand sanitation facilities to
21 persons who continue experiencing homelessness.

22 (e) Due to the economic pressures related to COVID-19 and uncertainty of Federal
23 Emergency Management Agency (“FEMA”) reimbursements for emergency housing,
24 hundreds of rooms made available by the City to unsheltered individuals 24 hours a day are at
25 risk of closing, which would leave a growing number of San Franciscans experiencing

1 homelessness at imminent risk of returning to congregate shelters or to sleeping unsheltered
2 on the streets, and thereby facing a greater risk of contracting COVID-19.

3 (f) This emergency ordinance is necessary to reduce the spread of COVID-19 by
4 enhancing the ability of people experiencing homelessness to comply with social distancing
5 protocols.

6
7 Section 2. Background and Findings.

8 (a) Despite relatively low rates of COVID-19 prevalence in the City and County of San
9 Francisco, as compared to many other areas in California and across the country, the
10 occurrence of the virus is rapidly increasing in the City and throughout the Bay Area.

11 (b) Following the first wave of the coronavirus and a major outbreak at a congregate
12 shelter, on April 24, 2020, following unanimous passage by the Board of Supervisors, the City
13 enacted Ordinance No. 69-20, "Emergency Ordinance - Limiting COVID-19 Impacts through
14 Safe Shelter Options." This ordinance required the City to secure 8,250 private rooms
15 through service agreements with hotels and motels for use as temporary quarantine facilities
16 for people currently experiencing homelessness. As a result, the City entered into leases with
17 29 hotels, and as of November 15, 2020, was providing temporary housing in approximately
18 2,359 rooms to individuals or families in Shelter-In-Place ("SIP") Hotels.

19 (c) In Resolution No. 330-20 adopted in July 2020, the Board of Supervisors
20 expressed its intent that no person experiencing homelessness who has been brought into the
21 COVID-19 Response System, which includes City or privately-funded hotel rooms,
22 congregate shelters, or Recreational Vehicles, be discharged to the streets, and that all
23 people in the COVID-19 Response System receive a "Coordinated Entry Assessment" for
24 appropriate housing matches. In Resolution No. 330-20, the Board also urged the
25 Department of Homelessness and Supportive Housing (HSH) to release a comprehensive

1 plan that outlines anticipated steps to prevent people in SIP hotels or other COVID-19
2 Response System housing options from being discharged to the streets.

3 (d) In July 2020, HSH announced that the SIP Hotels would be discontinued in June
4 2021. No details were released in conjunction with the timeline.

5 (e) In August 2020, the Board of Supervisors approved a \$178 million budget to
6 expand and maintain the Shelter-In-Place Program for Fiscal Year 2020-2021, 98% of which
7 is to be reimbursed by assumed FEMA (Federal Emergency Management Agency) revenue
8 and various state emergency and homeless prevention funds. As COVID-19 rates increase
9 across California, the state government continues to make additional funds available for non-
10 congregate shelter operations.

11 (f) During the last week of October 2020, HSH released a new timeline for all clients in
12 SIP Hotels to be “rehoused” and for the hotels to be shut down, beginning in December 2020,
13 through June 2021.

14 (g) Despite a stated commitment from HSH to provide every SIP Hotel client with
15 stable housing, as of December 1, 2020, fewer than 320 permanent housing options have
16 been identified for the single adults, families, and youth staying in more than 2,300 rooms in
17 the SIP Hotels.

18 (h) Due to the current surge in COVID-19 cases, on November 28, 2020, the Health
19 Officer suspended or restricted many indoor businesses and activities, such as dining, movie
20 theaters, museums, gyms, and services at houses of worship, and required most retail stores
21 and shopping centers, except stand-alone grocery stores, to reduce their capacity from 50%
22 to 25%. However, the HSH plan to close SIP Hotels remains in place on a rapid timeline. This
23 places those persons experiencing homeless who are housed in SIP hotels at a much greater
24 risk of being exposed to the coronavirus and contracting COVID-19.

1 (i) There is, therefore, a compelling and immediate need to maintain SIP Hotel
2 operations in order to avoid COVID-19 exposure for these vulnerable Clients of the SIP
3 Hotels.

4
5 Section 3. Definitions.

6 As used in this ordinance, the following terms shall have the following meanings:

7 "By-Name List" means the list of all people temporarily residing in the SIP Hotels. It
8 provides a single source of data that can be shared across agencies.

9 "City" means the City and County of San Francisco.

10 "Client" means any individual or family staying in a SIP Hotel at any point during the
11 Stay Safer At Home Order, and subsequent revisions and updates, issued by the Health
12 Officer.

13 "Coordinated Entry Assessment" means the Department's mechanism to organize the
14 homelessness response system and a tool for matching people experiencing homelessness
15 to the most appropriate housing resource. A Coordinated Entry Assessment helps determine
16 for which services a household is eligible, based on length of time in which an individual or
17 family has resided in a place not meant for human habitation, a safe haven, or an emergency
18 shelter, and the severity of the individual's or family's service needs.

19 "Department" means the Department of Homelessness and Supportive Housing.

20 "Homeward Bound" means the Department's program designed to help reunite people
21 experiencing homelessness in San Francisco with family and friends elsewhere who are
22 willing and able to offer ongoing support to end the cycle of homelessness. Through the
23 Homeward Bound Program, the Department can provide Clients with a bus ticket home if
24 they: 1) are homeless/low income and living in San Francisco; and 2) have family or friends at
25 the destination that Homeward Bound staff can verify as willing and able to provide a place to

1 stay and ongoing support; and 3) are medically stable enough to travel unassisted to the
2 destination; and 4) are sober and able to abstain from alcohol or using other substances en
3 route.

4 "Housing Referral Status" means that according to the Department's Coordinated Entry
5 Assessment, Clients are matched and referred to housing resources according to a priority
6 designation. Housing Referral Status Clients are eligible to be offered Rapid Rehousing,
7 transitional housing or Permanent Supportive Housing. Criteria used to determine a Client's
8 priority status include length of time in which the Client has stayed in a place not meant for
9 human habitation, a safe haven, or an emergency shelter, as well as the severity of the
10 Client's service needs.

11 "Permanent Supporting Housing" means housing units for Clients that include onsite
12 supportive services, including, without limitation, intake and assessment of Clients' needs,
13 outreach to Clients to assist them with health or social needs, management of the health or
14 social needs of Clients, mediation of disputes with the property management, and referrals for
15 services to the Clients, as defined in Administrative Code Section 20.54.2. "Permanent
16 Supportive Housing" shall not include any shelter or site that offers temporary overnight
17 sleeping space on a short-term basis provided by the City on City-owned or City-leased
18 property or through a contractual arrangement.

19 "Problem Solving" means the Department's approach to identify possible indoor
20 solutions to a Client's homelessness apart from the City's homelessness response system.
21 Those solutions include, but are not limited to, connection to Homeward Bound, housing
22 location assistance, mediation and conflict resolution, or short-term financial assistance to
23 cover specific costs that will assist the Client to stay in a safe, indoor place. A Problem
24 Solving resolution may not include a lease or written agreement.

25

1 “Problem Solving Screening” means a conversation between the Department and the
2 Client to explore and identify flexible, cost-effective real-time solutions to a Client’s housing
3 crisis outside of the City’s homelessness response system, even if only temporarily, with
4 limited or no financial support from the City.

5 “Rapid Rehousing” means a housing program that assists Clients to move quickly into
6 permanent housing, usually in the private market, by offering housing search assistance, time-
7 limited and targeted services, and short-term rental assistance. Rapid Rehousing may be
8 used for permanent housing in San Francisco or in another community, if the Client chooses.

9 “Short-Term Rental Assistance” means rent payments to individual Client households,
10 rather than subsidizing particular rental projects. The rent payment stays with the Client, and if
11 the Client no longer wishes to rent a particular unit, the Client may move to another rental
12 property with this rent payment.

13 “Stay Safer At Home Order” means the series of County Health Officer Orders,
14 beginning with No. C19-07, issued On March 16, 2020, directing San Franciscans to stay in
15 their homes and follow social distancing requirements when outside their residence, which
16 have been revised and updated during the intervening months to address changing
17 conditions. Order No. 19-07o, issued November 28, 2020, continues to exempt individuals
18 experiencing homelessness from these requirements, and urges such individuals to obtain
19 shelter.

20
21 Section 4. Restriction on Moving People Experiencing Homelessness Out of Their SIP
22 Hotel Rooms.

23 (a) Subject to the budgetary and fiscal provisions of the Charter, the City shall not
24 move the Clients who, as of November 15, 2020, or thereafter for new Clients, are housed in
25 the approximately 2,300 SIP Hotel rooms currently under service agreements as of November

1 15, 2020, until FEMA provides the City with written notification that FEMA funding available for
2 the SIP Hotel rooms is terminated, or is modified in a way that no longer reimburses any costs
3 of these rooms.

4 (b) The Clients housed in the approximately 2300 SIP Hotel rooms as of November 15,
5 2020, or thereafter for new Clients, shall not be moved from their placements by the City until:
6 1) the Client obtains, and moves into, a stable permanent housing placement; or 2) the Client
7 obtains, and moves into, an appropriate stable housing placement, as the City determines in
8 writing, and with which the Client concurs is appropriate. Clients shall not be required to
9 move from their SIP Hotel placement for any other purpose, unless: 1) the Client chooses to
10 move; or 2) the Client is placed in an alternative SIP Hotel room due to health needs or
11 habitability conditions; or 3) after the conclusion of the appeal process for violation of a rule
12 covered in the San Francisco Shelter Grievance Policy, adopted by the Human Services
13 Commission on April 23, 1992, as revised August 25, 2016, administered by the Department,
14 a copy of which is on file with the Clerk of the Board of Supervisors in File No. 201328, as
15 may be amended from time to time.

16 (c) Until the Stay Safer At Home Order is rescinded or expires, the City shall continue
17 to keep these approximately 2,300 SIP Hotel rooms available as they are vacated, for
18 temporary use to meet the needs of people in San Francisco experiencing homelessness at
19 risk of COVID-19 infection, including: (1) people residing in a City shelter or navigation center;
20 (2) people who are unsheltered; (3) unhoused people released from jails; and (4) unhoused
21 people released from hospitals or isolation and quarantine rooms. Priority within this
22 vulnerable population of people experiencing homelessness shall be given to members of
23 especially vulnerable groups, as defined by the Centers for Disease Control and Prevention
24 (“CDC”), which are, as of December 1, 2020, older adults, and people of all ages with certain
25

1 underlying medical conditions, but which shall change if CDC's definition of especially
2 vulnerable groups is modified from time to time.

3

4 Section 5. Reporting and Transparency.

5 (a) No later than one week after the effective date of this ordinance, the Department
6 shall prepare a public report that is updated at least once per week, and includes the following
7 information ("Dashboard"):

8 (1) Client Status. The number of clients in each of the following categories in
9 total and disaggregated by race in de-identified summary form:

- 10 (A) Clients on the By-Name List
- 11 (B) Clients who received a Problem Solving Screening
- 12 (C) Clients who matched with a Problem Solving resolution
- 13 (D) Clients who received a Coordinated Entry Assessment
- 14 (E) Clients deemed Housing Referral Status

15 (2) Exit Report. The number of clients exited to each of the following categories
16 in total and disaggregated by month and race in de-identified summary form:

- 17 (A) Long-Term
 - 18 (i) Permanent Supporting Housing - City Subsidized Housing
 - 19 (ii) Permanent Supportive Housing - Flexible Housing Pool
 - 20 (iii) Permanent Supportive Housing - Other
- 21 (B) Medium-Term
 - 22 (i) Skilled Nursing Facility/Board and Care/Residential Care
23 Facility/ Treatment
 - 24 (ii) Rapid Rehousing
- 25 (C) Short-Term

1 (i) Short-Term Rental Assistance

2 (ii) Homeward Bound

3 (iii) Other

4 (3) Available Exits. The number of available exit resources that are currently
5 available and planned shall be listed:

6 (A) Long-Term

7 (i) Permanent Supporting Housing - City Subsidized Housing

8 (ii) Permanent Supportive Housing - Flexible Housing Pool

9 (iii) Permanent Supportive Housing - Other

10 (B) Medium-Term

11 (i) Skilled Nursing Facility/Board and Care/Residential Care

12 Facility/ Treatment

13 (ii) Rapid Rehousing

14 (C) Short-Term

15 (i) Short-Term Rental Assistance

16 (ii) Homeward Bound

17 (iii) Other

18 (b) The report shall include a glossary of the terms used above or other terms the
19 Department chooses to employ.

20 (c) The report shall contain distinct data sets for Adults, Veterans, Transitional
21 Aged Youth, and Families.

22 (d) If the Department is unable to produce a public Dashboard one week after the
23 effective date of this ordinance, the Department shall submit a weekly written report no later
24 than one week after the effective date of this Ordinance No._____, to the Board of
25

1 Supervisors and every week thereafter, that shall also be incorporated in this Board File
2 No. 201328, until a public Dashboard is produced.

3
4 Section 6. Implementation.

5 The Mayor, as the City's Chief Executive Officer, is authorized to designate one or
6 more City agencies to develop rules, regulations, guidance, forms, and procedures as
7 necessary and appropriate to effectuate the purposes of this emergency ordinance.

8
9 Section 7. Undertaking for the General Welfare.

10 In enacting and implementing this emergency ordinance, the City is assuming an
11 undertaking only to promote the general welfare. It is not assuming, nor is it imposing on its
12 officers and employees, an obligation for breach of which it is liable in money damages to any
13 person who claims that such breach proximately caused injury.

14
15 Section 8. Severability. If any section, subsection, sentence, clause, phrase, or word
16 of this emergency ordinance, or any application thereof to any person or circumstance, is held
17 to be invalid or unconstitutional by a decision of a court of competent jurisdiction, such
18 decision shall not affect the validity of the remaining portions or applications of the ordinance.
19 The Board of Supervisors hereby declares that it would have passed this ordinance and each
20 and every section, subsection, sentence, clause, phrase, and word not declared invalid or
21 unconstitutional without regard to whether any other portion of this ordinance or application
22 thereof would be subsequently declared invalid or unconstitutional.

23
24 Section 9. Effective Date; Expiration.

1 Consistent with Charter Section 2.107, this emergency ordinance shall become
2 effective immediately upon enactment. Enactment occurs when the Mayor signs the
3 ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within
4 ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the
5 ordinance. Once enacted, it shall remain in effect for 60 days, unless reenacted as provided
6 by Section 2.107. If not reenacted, it shall expire on the 61st day after enactment.
7

8 Section 10. Supermajority Vote Required. In accordance with Charter Section 2.107,
9 passage of this emergency ordinance by the Board of Supervisors requires an affirmative vote
10 of two-thirds of the Board of Supervisors.
11

12 APPROVED AS TO FORM:
13 DENNIS J. HERRERA, City Attorney

14 By: /s/ Virginia Dario Elizondo
15 Virginia Dario Elizondo
16 Deputy City Attorney

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LEGISLATIVE DIGEST

[Emergency Ordinance - Limiting COVID-19 Impacts by Not Moving People Experiencing Homelessness Currently Placed in Shelter-in-Place Hotel Rooms]

Emergency ordinance to prohibit the City from requiring people experiencing homelessness currently housed in approximately 2,300 Shelter-in-Place (SIP) Hotel rooms to move from those rooms until Federal Emergency Management Agency (FEMA) provides written notification that FEMA funding available for SIP Hotel rooms is terminated or modified in a way that no longer reimburses any costs of these rooms, or people experiencing homeless housed in SIP Hotel rooms obtain a stable housing placement; these 2,300 SIP Hotel rooms shall continue to be available as they are vacated to shelter people experiencing homelessness at risk of COVID-19 infection, until the County Health Officer's Stay Safer At Home Order is rescinded or expires; and requiring the Department of Homelessness and Supportive Housing to prepare publicly available reports on the progress of placements from SIP Hotels into stable housing.

Existing Law

This is a new emergency ordinance.

Amendments to Current Law

This emergency ordinance will prohibit the City from moving people experiencing homelessness out of their Shelter in Place (SIP) Hotel rooms until FEMA provides the City with written notification that FEMA funding available for SIP Hotel rooms is terminated, or modified in a way that no longer reimburses any costs of these rooms. The people experiencing homelessness currently housed in SIP Hotel rooms shall not be moved until the individual or household: 1) obtains, and moves into, a stable permanent housing placement; or 2) obtains, and moves into, an appropriate stable housing placement; or 3) chooses to move; or 4) is placed in an alternative SIP Hotel room due to health needs or habitability conditions; or 5) after the conclusion of the appeal process for violation of a rule covered in the San Francisco Shelter Grievance Policy.

Until the Stay Safer At Home Order is rescinded or expires, the City shall keep these 2,300 SIP Hotel rooms available as they are vacated, for temporary use to meet the needs of people in San Francisco presently experiencing homelessness at risk of COVID-19 infection, including: (1) people currently residing in a City shelter or navigation center; (2) people who are currently unsheltered; (3) unhoused people released from jails; and (4) unhoused people released from hospitals or isolation and quarantine rooms.

The Department of Homelessness Supportive Housing will be required to post a weekly report (Dashboard) with information including: (1) client status, and (2) type of placement, disaggregated by month and race in de-identified summary form.

Background Information

Despite relatively low rates of COVID-19 prevalence in the City and County of San Francisco, the occurrence of the virus is rapidly increasing in the City and throughout the Bay Area.

Currently, the City leases 29 hotels, and as of November 15, 2020, is currently providing temporary housing to approximately 2,359 individuals and families in Shelter-In-Place (“SIP”) Hotels. In Resolution 330-20 adopted in July 2020, the Board of Supervisors expressed their intent that no person experiencing homelessness brought into the COVID-19 Response System, which includes City or privately-funded hotel rooms, congregate shelters, or Recreational Vehicles would be discharged to the streets, and that all people in the COVID-19 Response System receive a “Coordinated Entry Assessment” for appropriate housing matches.

In August 2020, the Board of Supervisors approved a \$178 million budget to expand and maintain the Shelter-In-Place Program for Fiscal Year 2020-2021, 98% of which will be reimbursed by assumed FEMA revenue and various state emergency and homeless prevention funds. As COVID-19 rates increase across California, the state government continues to make additional funds available for non-congregate shelter operations.

During the last week of October 2020, HSH released a new timeline for all clients in SIP Hotels to be “reoused” and for the hotels to be shut down beginning in December 2020, through June 2021. Despite a stated commitment from HSH to provide every SIP Hotel client with stable housing, fewer than 320 permanent housing options have been identified for the 2,300 single adults, families, and youth staying in the SIP Hotels.

Due to the current surge in COVID-19 cases, on November 28, 2020, the Health Officer suspended or restricted certain activities. However, the plan to close SIP Hotels remains in place on a rapid timeline. There is a need for continued SIP Hotel operations in order to avoid COVID-19 exposure for the vulnerable guests of the SIP Hotels.

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<p>Item 20 File 20-1328</p>	<p>Department: Homelessness & Supportive Housing Human Services Agency</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> • The proposed emergency ordinance would require that the City maintain approximately 2,300 SIP hotel rooms until the Federal Emergency Management Agency (FEMA) provides written notification that it will no longer reimburse program costs or until County Health Officer’s Stay Safer at Home Order is rescinded or expires. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • The City’s Shelter in Place (SIP) program provides hotel rooms for individuals experiencing homelessness to reduce their risk of contracting COVID-19. • The total cost of the SIP hotel program is \$199.2 million in FY 2020-21. The projected cost assumes a phased demobilization of the program to be completed during the fiscal year. Total projected sources for the SIP hotel program in FY 2020-21 amount to \$198.1, leaving \$1.1 million in projected expenses for which a funding source has not yet been identified. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • The demobilization plan provides for the phased-in closure of hotel rooms, with the first phase resulting in the closure of 567 rooms in December 2020 and January 2021, and the closure of all 2,500 hotel rooms by June 2021. Delaying the phased-in closure of hotel rooms by 60 days (the term of the emergency ordinance) would result in additional estimated costs of \$35 million in FY 2020-21 and \$29.2 million in FY 2021-22. Delaying the phased-in closure of hotel rooms until July 2021 would result in additional estimated costs of \$53.4 million in FY 2020-21 and \$119.4 million in FY 2021-22. • These costs could be offset by ongoing FEMA reimbursements, so long as FEMA continues to reimburse for this type of emergency expense, which is authorized on a monthly basis. FEMA will reimburse for individuals aged 65 or older or who have a medical condition that would make them vulnerable to complications from COVID-19 <p style="text-align: center;">Policy Consideration</p> <ul style="list-style-type: none"> • Continuation of the Shelter in Place hotel program is not currently budgeted. A potential funding source could be Our City, Our Home funds, for which a hearing to consider releasing from Budget & Finance Committee reserve is tentatively scheduled for December 16, 2020. Our City, Our Home funds have expenditure categories and caps that constrain the flexibility of the uses that could impact its ability to support the Shelter in Place Hotel program. <p style="text-align: center;">Recommendation</p> <ul style="list-style-type: none"> • Because this is an extension of an existing program that would require identification of a new funding source, we consider approval to be a policy matter for the Board of Supervisors. 	

MANDATE STATEMENT

City Charter Section 2.107 states that the Board of Supervisors may pass emergency ordinances on their first reading with a 2/3 affirmative vote. Emergency ordinances become effective upon approval by the Mayor, the expiration of the ten-day period for the Mayor to approve or veto, or the Board of Supervisors’ override of the Mayor’s veto. Emergency ordinances expire sixty days after their passage.

BACKGROUND

Health Order

In March 2020, the County Health Officer ordered San Francisco residents to shelter in place in order to control the spread of COVID 19. The intent of the order was for individuals to self-isolate as much as possible to prevent infection from the virus. The Health Order was subsequently amended several times, including most recently in November 2020, to urge individuals to stay at home. The order specifically exempted homeless individuals but urged the City to take steps to provide shelter for these individuals.

Alternative Housing Programs

The City has implemented three housing programs in response to COVID-19: (1) the Isolation & Quarantine program, which provides space to individuals who cannot self-isolate after testing positive for COVID-19 or while awaiting test results following a documented exposure, (2) the Shelter in Place program, which provides congregate shelter or hotel rooms to individuals who have recovered from COVID-19 or whose COVID-19 status is negative or unknown, and (3) the Front Line Worker program, which provides hotel rooms to first responders and City employees who are exposed to COVID-19 but cannot self-isolate. In April 2020, the Board of Supervisors passed an emergency ordinance requiring the City to secure the use of 8,250 hotel rooms to use as temporary quarantine facilities (File 20-0363), however, the City did not meet the requirements of that legislation during the period the emergency ordinance was in effect or afterwards.¹

The Human Services Branch of the City’s COVID Command Center manages the City’s Shelter in Place (SIP) program, which provides hotel rooms and congregate shelters for individuals experiencing homelessness to reduce their risk of contracting COVID-19. For the SIP hotel rooms, priority is given to individuals who are age 60 and older and/or have health conditions that increase their risk of complications if infected with COVID-19. Individuals not meeting either criteria are referred to congregate shelters. Table 1 below shows the current status of SIP program by housing type.

¹ For example, according to the Human Services Agency, the City procured 2,614 hotel rooms as of August 7, 2020 (see File 20-0819, a resolution approving an agreement with a hotel at 1231 Market Street).

Table 1: SIP Program Status

	Sites	Units	Occupied Units	Percent Occupancy
Hotel	25	2,503	1,934	77%
Congregate Shelter	9	808	590	73%
Recreation Vehicle	1	120	115	96%
Total	35	3,431	2,639	77%

Source: Human Service Agency data, as of November 25, 2020

As shown above, as of November 25, 2020, the City had 2,503 SIP hotel rooms, of which 1,934 were occupied. SIP hotel rooms are located among twenty-five sites. Our Office reviewed the City's agreements with SIP hotel and determined the expiration dates, summarized in Table 2 below.

Table 2: SIP Hotel Agreement Expiration Dates

Expiration Date	Hotels
December 2020	1
March 2021	5
April 2021	9
May 2021	5
June 2021	2
July 2021	1
August 2021	1
None	1
Total	25

Source: BLA Review of SIP Hotel Agreements

As shown above, of the twenty-three SIP hotel agreements reviewed, one would expire during the sixty-day period of the proposed emergency ordinance. That hotel has a capacity of fifty rooms.

Projected Costs and Revenues for SIP Hotel Program

Table 3 below shows the projected cost of the SIP hotel program and the projected revenues allocated for the program.

Table 3: Projected Costs & Revenues for SIP Hotel Program

Uses	FY 2020-21
Total Uses	199,264,145
Sources	
FEMA Reimbursement*	23,334,690
CARES Community Development Block Grant	,000,000
CARES Emergency Solutions Grant 1	2,825,000
CARES Emergency Solutions Grant 2	43,605,003
Homeless Housing Assistance and Prevention	2,676,459
Whole Person Care	4,200,000
Project Roomkey**	10,055,604
General Fund	3,479,208
Total Sources	198,175,964
Unbudgeted	(1,088,181)

Source: HSH and HSA

* FEMA reimbursements assume 85% of clients meet FEMA criteria for reimbursement, which require persons be at least 65 years old or have a medical condition that would make them vulnerable to complications from COVID-19.

** Project Roomkey funds have not yet been appropriated.

As shown above, the total cost of the SIP hotel program is \$199.2 million in FY 2020-21. The projected cost assumes a phased demobilization of the program to be completed during the fiscal year, discussed below.

The SIP hotel program is funded by the General Fund. However, these costs are partially offset by the state and federal revenues. The largest source of revenue is ongoing reimbursement from the Federal Emergency Management Agency (FEMA), which provides reimbursement for 75 percent of eligible costs for clients aged 65 or older or who have a medical condition that would make them vulnerable to complications from COVID-19 and is assumed to be available for the remainder of the fiscal year. FEMA's authorization for non-congregate shelter was authorized in March 2020 but must be renewed on a monthly basis. In addition, the Coronavirus Aid, Relief, and Economic Security (CARES) Act expanded Community Development Block Grants and Emergency Solutions Grants, which are both one-time sources. The State has also expanded Homeless Housing Assistance and Prevention funding during FY 2020-21, but it is not known whether that expansion will continue in FY 2021-22. Finally, the State announced additional one-time Project Roomkey funding for San Francisco for non-congregate shelter in late November, pending Board of Supervisors appropriation approval. With the exception of FEMA, which is reimbursement based, the other state and federal sources are capped and do not increase as costs increase leaving any remaining costs to be funded local sources.

Total projected sources for the SIP hotel program in FY 2020-21 amount to \$198.1, leaving \$1.1 million in projected expenses for which a funding source has not yet been identified.

Demobilization Plan

On November 10, 2020 HSH presented a Rehousing and Demobilization Plan for the Shelter in Place Program to the Board of Supervisors. The plan to end the program is to occur in four phases

over FY 2020-21, with operations ceasing by the end of the fiscal year. Table 4 below shows the monthly savings associated with each demobilization phase.

Table 4: Monthly Demobilization Savings

Phase	Start Date	End Date	# Rooms	Monthly Savings	Local Share
Phase 1	12/2/2020	1/21/2021	567	\$4,421,362	\$1,602,744
Phase 2	1/4/2021	2/22/2021	661	\$5,700,041	\$2,066,265
Phase 3	3/1/2021	4/19/2021	552	\$4,681,468	\$1,697,032
Phase 4	5/3/2021	6/21/2021	742	\$6,639,001	\$2,406,638

Source: HSH

Note: Local Share refers to the expected reduction of monthly General Fund costs for each phase. Reduced costs due to ramp down were anticipated in the FY 2020-21 budget development.

The monthly savings shown above pertains to each phase. For example, by the end of phase two, SIP hotel program monthly costs will be \$10.1 million less (\$4.4 million + \$5.7 million) than prior to the demobilization.

DETAILS OF PROPOSED LEGISLATION

The proposed emergency ordinance would require that the City maintain approximately 2,300 SIP hotel rooms until FEMA provides written notification that it will no longer reimburse program costs or until County Health Officer's Stay Safer At Home Order is rescinded or expires.

The proposed emergency ordinance limits client exits from SIP hotels to the following conditions:

1. the client moves to permanent supportive housing or other housing placement that client agrees is appropriate
2. the client is placed in an alternative SIP Hotel room due to health needs or habitability conditions
3. the client is found to have violated program rules, as determined by an appeal process pursuant to the City's Shelter Grievance Policy

Accounting for the flow of existing SIP hotel clients exiting to housing, the proposed ordinance requires the City to continue to make SIP hotel rooms available to persons experiencing homelessness at risk of COVID-19 infection, including those exiting jail or from quarantine rooms.

Reporting

The proposed emergency ordinance requires weekly reporting on SIP hotel room clients' housing need assessments by HSH and housing outcomes after exiting the program.

FISCAL IMPACT

Table 5 shows the cost of implementing the proposed emergency ordinance.

Table 5: Cost of Delaying SIP Hotel Demobilization

	FY 2020-21	Unbudgeted	Local Share
Cost of Existing Demobilization Plan	199,264,145	1,088,181	1,088,181
Emergency Ordinance (Effective 60 Days)	233,137,485	34,961,521	12,673,551
Delay of Demobilization Until FY 2021-22	251,526,254	53,350,290	19,339,480

Source: HSH

Under the Department’s current plan for phased closure of hotel rooms (shown in Table 4 above), the total FY 2020-21 costs are \$199.3 million. Under the proposed ordinance, hotel rooms scheduled for closure would remain open for additional months. If the phased closure of hotel rooms were delayed by 60 days, the FY 2020-21 hotel costs would increase by approximately \$35 million for total FY 2020-21 costs of \$233.1 million, as shown in Table 5 above. The 60-day delay in the phased-in closure would result in costs in FY 2021-22 of \$29.2 million. If the phased closure of hotel rooms were delayed to July 1, 2021, the FY 2020-21 hotel costs would increase by approximately \$53.3 million for total FY 2020-21 costs of \$251.5 million, as shown in Table 5 above. The delay in phased in closure to July 1, 2021 would result in costs in FY 2021-22 of \$119.4 million.

These costs could be offset by ongoing FEMA reimbursements. The Local Share shown in Table 5 above assumes FEMA continues to reimburse for this type of emergency expense and that 85 percent of clients meet FEMA reimbursement criteria. According to HSH, a 5 percent reduction in the number of clients eligible for FEMA reimbursement would result in a loss of \$737,438 revenue loss per month.²

POLICY CONSIDERATION

Funding Source

According to the Controller's Office FY 2020-21 Three-Month Budget Status Report dated November 10, 2020, General Fund revenues are estimated to be \$115.9 million less than budgeted for FY 2020-21. Revenue projections will be updated mid-year, as part of the Joint Report prepared by the Controller, Mayor's Office of Public Policy and Finance, and our Office, which will also project revenues and expenditures for subsequent fiscal years. In a presentation to the Budget & Appropriations Committee on November 19, 2020, the Mayor's Acting Budget Director stated that the Mayor has requested departments to prepare proposals to reduce

² 5% of 2,300 SIP Hotel Rooms = 115. 115 guests * \$285 per person per 30 nights = \$983,250. If FEMA eligible, 75% of \$983,250 = \$737,438 reimbursement.

spending in order to accommodate the projected decrease in General Fund revenues. The Mayor's plan to rebalance the FY 2020-21 budget is expected to be finalized in January.

As noted above, continuation of the Shelter in Place hotel program is not budgeted and therefore would likely require General Fund resources. An additional funding source could be Our City, Our Home funds, for which a hearing to consider releasing from Budget & Finance Committee reserve is tentatively scheduled for December 16, 2020. Per the authorizing legislation, the Our City, Our Home funds have expenditure categories and caps that constrain the flexibility of the uses that could impact its ability to support the Shelter in Place Hotel program.

Because this is an extension of an existing program that would require identification of a new funding source, we consider approval to be a policy matter for the Board of Supervisors.

RECOMMENDATION

Approval of the proposed emergency ordinance is a policy matter for the Board of Supervisors.

Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor inquiries"
- 5. City Attorney Request.
- 6. Call File No. from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Topic submitted for Mayoral Appearance before the BOS on

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.

Sponsor(s):

Subject:

The text is listed:

Signature of Sponsoring Supervisor: