



April 30, 2022

President Shamann Walton
Board of Supervisors, City and County of San Francisco

Supervisor Hillary Ronen
Chair, Budget and Finance Committee
Board of Supervisors, City and County of San Francisco

Re: Mayor's Priorities for the FY 2022-23 and FY 2023-24 Budget

Dear President Walton, Chair Ronen, and Members of the Board of Supervisors,

In accordance with Administrative Code section 3.3 (g), I would like to submit my priorities for the upcoming FY 2022-23 and FY 2023-24 budget.

We have come a long way since the start of COVID in March 2020, weathering the last two budget cycles without any layoffs or major service reductions, all while making critical investments that support the recovery of our City. This would not have been possible without making fiscally responsible choices, and it is because of this fiscal responsibility that we are actually projecting a budget surplus for the upcoming two-year budget, with modest shortfalls in future years. Despite the improved financial news, we must continue to make responsible choices as we exit this pandemic.

When I issued my budget instructions in December, I highlighted the need for the City to get back to basics. After two years of responding to emergencies, the City is in a position to rebuild and focus on delivering the best services for the residents of San Francisco. With that in mind, I intend to advance the following priorities in my upcoming budget:

1. Recognizing and rebuilding our workforce.

All during COVID, our public employees stepped up to serve the public. There's no question that our swift action early in the pandemic and the work of so many frontline City staff is the reason why San Francisco fared well relative to many other parts of the country. Now more than ever is the time to recognize the work of City staff, and my budget will prioritize recognizing their work through fair and robust compensation.

In addition to prioritizing our existing public employees, we know there is work to do to rebuild our workforce. The effort required to respond to the day-to-day needs of COVID and the financial uncertainty brought on by the pandemic caused our City to significantly contract, resulting in positions being held vacant or going unfilled. Undoubtedly, these staffing shortages have an impact on the delivery of City services. I have directed the Director of Human Resources, the City Controller, and the City Administrator to develop recommendations and solutions to expedite hiring, and I intend to support those efforts in my upcoming budget.

2. Promoting public safety through staffing.

COVID impacted our City in many unforeseen ways, one of which was the impact it had on staffing levels in our public safety departments. These frontline workers experienced high rates of leave during the pandemic, requiring our public safety departments to rely heavily on overtime. In this fiscal year alone, we are projected to spend nearly \$150 million on overtime in our main public safety departments, more than double budgeted levels. This is both financially unsustainable and puts our public safety employees and residents at risk. At the same time, we know cities across the country and the Bay Area are experiencing severe staffing shortages in these already overworked departments. In the upcoming budget, I will make appropriate investments to recruit, retain, and restore staffing to levels that promote the safety of our employees and residents. We can and must do this while continuing to invest in reforms, alternatives to policing, and transformative programs like the Dream Keeper Initiative.

3. Restoring the vibrancy of downtown for residents, office workers, and tourists.

In this budget, I intend to continue the work we started last year to attract office workers, visitors, and conventions back to our City. Earlier this year, I visited New York City and Chicago to promote our City as a place for conventions. I also visited several European cities to highlight San Francisco as a destination for European travelers, encouraging airline traffic from Europe as we remain closed to most Asian markets. We need to deliver on the promise of San Francisco as a desirable place to visit, and that requires investments for Moscone Convention Center, downtown ambassadors, and other programs that make our City a welcoming, vibrant place for all. Doing so will bring needed revenue into our City that will further aid in our recovery.

4. Maintaining our investments in addressing challenges on our streets.

In the last two budgets with the help of funding from the state and Our City, Our Home, we made bold investments in homelessness and behavioral health. We are on track to exceed our goal of adding 1,500 units of permanent supportive housing, purchasing 1,513 units and leasing 1,032 units this year, in addition to adding 1,477 problem solving, targeted prevention, and rehousing placements. Six Street Crisis Response Teams are now in the field, with a seventh team expected to come on-line. The Street Wellness Response team launched in January 2022, with four additional teams expected to be up and running. These investments are making a difference, and we must maintain them.

In addition to maintaining support for our existing investments, we know we need more places for unhoused individuals. COVID put limitations on the number of available shelter spaces in our system. Despite that, we have been able to bring on additional shelter capacity, most notably through our Shelter in Place Hotel and Safe Sleep programs. While those emergency programs wind down, we must ensure we have options available for unhoused individuals on our streets. This budget will make investments to ensure we maintain capacity in our shelter system.

I recognize that there are many other pressing needs and priorities that need to be addressed, but these are a few key focuses of mine. I know many members of the Board share these priorities, and many have more of their own which I look forward to discussing in the coming months.

I look forward to a robust discussion with the Board of Supervisors during the month of June about our budget, and appreciate your partnership as we take on these challenges together.

Sincerely,

A handwritten signature in blue ink, reading "London Breed". The signature is fluid and cursive, with the first name "London" and last name "Breed" clearly distinguishable.

London N. Breed
Mayor