

Final Budget for Our City, Our Home Fiscal Years 2022-23 and 2023-24

The final budget for Our City, Our Home (OCOH) continues the investments approved in last year's budget with updates to reflect refined implementation plans and updated program costs. Despite a shortfall in OCOH revenues relative to original projections, no OCOH-funded services are cut in this budget, and one-time savings in the OCOH fund are used to both ensure program continuity and establish reserves for most program areas. These reserves will mitigate the risk of further revenue shortfalls in future years. Investments made in this budget are outlined by program area below.

General Housing

The final budget continues to fund investments started in the FY 2021-22 and FY 2022-23 budget. In addition to continuing initiatives, the OCOH budget invests in various new initiatives.

The final budget makes a new major investment in the City's legacy permanent supportive housing (PSH) sites. This budget allocates \$8.0 million in FY 2022-23 and \$8.2 million in FY 2023-24 of OCOH funding and \$3.9 million in FY 2022-23 and \$3.8 million in FY 2023-24 of General Fund dollars to reduce the case manager to client ratio in the adult PSH system to 1:25. This investment is imperative to ensure that clients in legacy PSH sites are receiving the same level of care as clients in newly acquired PSH. The budget invests approximately \$2.0 million in FY 2022-23 and \$1.0 million in FY 2023-24 in services for the newly received emergency housing vouchers. The final budget also invests \$0.6 million in FY 2022-23 and \$1.1 million in FY 2023-24 in Flex Pool housing subsidies in the Bayview, and \$21.9 million in FY 2022-23 and \$30.4 million in FY2023-24 in Flex Pool housing subsidies for adults, seniors, and COVID-vulnerable individuals, and \$4 million in FY 2022-23 for Flex Pool housing subsidies for cis gender women. The budget also increases rent subsidy levels to align with federal HUD subsidy rates.

The final budget expands investments in Permanent Supportive Housing operations to support 1,024 units by FY 2023-24, and continues investments in medium-term housing subsidies, workforce assistance, and PSH acquisition. The budget also fully funds rehabilitation and seismic upgrades for two PSH projects acquired with state Homekey funds.

The total General Housing investment is \$96.4 million in FY 2022-23, and \$89.8 million in FY 2023-24. Additional detail on allocations for individual program areas within General Housing is shown in the spending plan below.

Under 30 Housing

This budget's investments in the City's legacy PSH services are also included in the Under 30 Housing allocation, serving Transitional Age Youth. This budget allocates \$1 million in new funding in FY 2022-23 and \$1 million in FY 2023-24 to reduce the case

manager-to-client ratio in the TAY PSH system to 1:20. The final budget also invests \$0.5 million in Emergency Housing Voucher services in each year.

The final budget continues investments in the following: TAY Flex Pool Housing to increase subsidy levels to federal HUD subsidy rates; PSH Operations; TAY Rapid Rehousing Programs; pilot funds for a TAY Bridge Housing model; Additional funding for TAY PSH Acquisition.

The total Under 30 Housing allocation in this budget is \$31.0 million in FY 2022-23 and \$32.6 million in FY 2023-24. Additional detail on allocations for individual program areas within TAY Housing is shown in the spending plan below.

Family Housing

The Family Housing allocation in this budget, like other housing allocations, includes an investment in the City's legacy PSH services to increase case management staffing levels. The Family Housing portion of this funding is \$3.2 million in FY 2022-23 and \$3.3 million in FY 2023-24, and will lower case manager-to-client ratios to 1:20, better supporting the needs of families exiting homelessness. The budget also proposes a new \$8 million in one-time funding to build 40 PSH units for homeless families in partnership with the Mayor's Office of Housing and Community Development (MOHCD). Finally, the final budget includes a new investment of \$1.4 million in FY 2022-23 and \$4 million in FY 2023-24 to fund Housing Ladder placements for families who no longer need PSH, but continue to need some level of rental assistance and support.

The final budget continues the existing investment in MOHCD's program to serve families living doubled up in SROs, with \$2 million in FY 2022-23 and \$4.1 million in FY 2023-24 included for this program. The final budget extends Family Rapid Rehousing subsidies for an additional 24 months, with \$1.4 million allocated in FY 2022-23. This budget also continues to fund Family Flex Pool Housing at a higher subsidy level to align with federal HUD subsidy rates, invests in PSH Operations, and adds funding for Family PSH Acquisition.

The total Family Housing allocation in this budget is \$38.9 million in FY 2022-23 and \$40.8 million in FY 2023-24. Additional detail on allocations for individual program areas within Family Housing is shown in the spending plan below.

Prevention

The Prevention allocation of OCOH in the final budget continues all the programs approved last year, with some programs growing relative to the current fiscal year's budget. Shallow subsidies for legacy PSH tenants are growing to \$6.8 million in FY 2022-23, and homeless prevention financial assistance is growing to \$29.2 million in FY 2022-23.

The final budget also continues to fund mental health services for legacy PSH tenants, eviction prevention, and housing stabilization at current levels.

The total Prevention investment is \$55.6 million in FY 2022-23 and \$48.9 million in FY 2023-24. Additional detail on allocations for individual program areas within the Prevention category is shown in the spending plan below.

Shelter & Hygiene

The OCOH Shelter & Hygiene allocation of the Mayor's budget continues existing programs for two Safe Sleep sites and a cabins program, an RV Shelter site, and Navigation Center operations. The OCOH budget includes \$8.1 million for Safe Sleep and Cabin sites.

The final budget maintains Family shelter, and the Bayview Vehicle Triage Center at previously budgeted levels. The final budget increases funding hotel voucher programs for families and pregnant women, while maintaining previously budgeted levels for hotel vouchers for TAY, and DV survivors.

The total investment in Shelter & Hygiene programs is \$38.3 million in FY 2022-23 and \$32.6 million in FY 2023-24. Additional detail on allocations for individual program areas within the Shelter & Hygiene category is shown in the spending plan below.

Mental Health

The Mental Health programs funded through OCOH in the Department of Public Health in last year's budget are continued in this budget. Limited new ongoing programming is due to the revenue shortfall currently projected for OCOH revenues. The Department will focus on implementing these existing programs through an equity lens, and will spend some one-time savings in the OCOH fund on one-time expenditures that will further the goal of providing supportive services for people experiencing homelessness.

The final budget continues support of DPH's significant expansion of new residential care and treatment beds. Project costs have been updated to align bed and facility budgets with expected contracting and construction timelines, with \$25.7 million in FY 2022-23 and \$35.6 million in FY 2023-24 included for these facilities. DPH has opened 180 beds with the goal of opening 280 by the end of 2022. The final treatment bed budget includes \$1.3M in FY 2022-23 and \$2.5M in FY 2023-24 to fund dual-diagnosis transitional care for women in the Bayview.

Assertive outreach programs are also continued in this budget, with seven Street Crisis Response Teams and three Post Overdose Engagement Teams funded. The total amount budgeted for assertive outreach programs is \$28.8 million in FY 2022-23 and \$29.7 million in FY 2023-24.

Drop-in, case management, and care coordination services funded in the previous budget are continued in this budget. These allocations total \$25.7 million in FY 2022-23 and \$26.5 million in FY 2023-24. Additional detail on these categories is shown in the spending plan below.

Program implementation timelines have produced one-time savings in the Mental Health OCOH allocation, and this budget spends some of these one-time savings on

important services that will enhance the Departments capacity to implement OCOH priorities and preserve access to services for people experiencing homelessness. This budget includes \$23.8 million in new one-time uses, including \$10.6 million to continue operations at the Tenderloin Center through the end of the calendar year, \$6.9 million to help finance the acquisition of a new service center site, \$4 million to establish a facilities maintenance fund for new treatment bed facilities, and \$2.3 million for the Department to improve data and information system infrastructure. There is also \$122.2 million in existing one-time funds available for building acquisitions for new beds and facilities.

The total Mental Health allocation is \$110.9 million in FY 2022-23 and \$98.7 million in FY 2023-24. The allocation decreases due to the expiration of one-time spending. Additional detail on allocations for individual program areas within the Mental Health category is shown in the spending plan below.

Final Budget for OCOH - Fiscal Years 2022-23 and 2023-24

	2022-23 Approved	2023-24 Approved	Notes
General Housing			
Adult Flexible Housing Subsidy Pool	21,894,971	30,373,156	
Emergency Housing Vouchers Services	1,985,958	992,979	
Bayview Flexible Housing Subsidy Pool	596,559	1,069,526	
Seniors/COVID Vulnerable Flexible Housing Subsidy Pool	5,954,987	8,757,067	
50 Flexible Housing Subsidy Pool Units for cis-gender women.	4,000,000	-	
HSH Allocated Costs	4,125,000	4,425,000	
Adult Permanent Supportive Housing Operations	9,837,818	21,963,706	
2020 Homekey PSH Operations	-	-	
Medium-Term Housing Subsidies & Workforce Assistance	7,171,054	13,191,852	
2020 Homekey Acquisitions - Local Share	32,600,000	-	
Adult PSH Acquisition	195,063	774,899	
PSH Equity Services	8,000,000	8,240,000	
Total General Housing Spending	96,361,410	89,788,185	
Revenue - General Housing	85,720,063	89,788,185	
<i>(Shortfall)/Surplus</i>	<i>(10,641,347)</i>	-	
Funding of General Housing Reserve	(9,000,000)		
Use of Prior Year Fund Balance	19,641,347		
Under Age 30 Housing			
Transitional Age Youth (TAY) Flexible Housing Subsidy Pool	1,459,329	2,276,426	
TAY Permanent Supportive Housing Operations	5,378,400	7,439,752	
TAY Rapid Rehousing Program	6,228,333	5,274,492	
TAY Bridge Housing	1,000,000	-	
HSH Allocated Costs	1,500,000	1,545,000	
PSH Equity Services - TAY Housing	985,000	1,014,550	
TAY Emergency Housing Vouchers Services	524,745	524,745	
Under Age 30 PSH Acquisition	13,916,734	14,525,035	
Under Age 30 Housing - Unprogrammed	-	-	
Total Under 30 Housing Spending	30,992,541	32,600,000	
Revenue - Under 30 Housing	30,992,541	32,600,000	
<i>(Shortfall)/Surplus</i>	-	-	
Funding of TAY Housing Reserve	(3,100,000)		
Use of Prior Year Fund Balance	3,100,000		
Family Housing			
Family Flexible Housing Subsidy Pool	2,540,542	8,835,500	
Emergency Housing Voucher Services for Families	573,183	290,628	
Family PSH Operations	6,264,000	6,451,920	
SRO/Doubled Families - Housing Subsidies	2,060,000	4,121,800	Mayor's Office of Housing & Community Development (MOHCD) program
Family Housing Ladder	1,361,115	4,053,442	
Family Rapid Rehousing subsidies for an additional 24 months	1,380,000	-	
HSH Allocated Costs	1,875,000	1,931,250	
Family PSH Capital (New Construction)	8,000,000	-	
PSH Equity Services - Family Housing	3,200,000	3,296,000	
Family PSH Acquisition	11,621,160	11,769,460	
Family Housing - Unprogrammed	-	-	
Total Family Housing Spending	38,875,000	40,750,000	
Revenue - Family Housing	38,875,000	40,750,000	
<i>(Shortfall)/Surplus</i>	-	-	
Funding of Family Housing Reserve	(4,000,000)		
Use of Prior Year Fund Balance	4,000,000		
Prevention			
Mental Health Services for Legacy PSH Tenants	3,374,685	2,915,120	Department of Public Health (DPH) program
Eviction Prevention & Housing Stabilization	14,500,000	12,200,000	Mayor's Office of Housing & Community Development (MOHCD) program
Homeless Prevention Financial Assistance & Services	29,200,000	25,280,173	
HSH Allocated Costs	1,724,987	1,776,737	
Shallow Subsidies for Legacy PSH Tenants	6,752,000	6,752,000	
Total Prevention Spending	55,551,672	48,924,030	
Revenue - Prevention	46,676,282	48,924,030	
<i>(Shortfall)/Surplus</i>	<i>(8,875,390)</i>	-	
Funding of Prevention Reserve	(5,000,000)		
Use of Prior Year Fund Balance	13,875,390	-	

Shelter & Hygiene

Navigation Services for Justice-Involved Adults	944,521	970,830	Adult Probation Department program
Family Shelter	1,800,000	1,854,000	
Domestic Violence Survivors - Hotel Vouchers	-	300,000	
Families/Pregnant People - Hotel Vouchers	600,000	1,200,000	
TAY - Hotel Vouchers	-	600,000	
Vehicle Triage Center	3,000,000	3,107,390	
Safe Sleep Program	8,149,000	-	Mission and Bayview Safe Sleep site; Civic Center cabins pilot program
HSH Allocated Costs	2,210,924	2,400,000	
RV Shelter Site	7,460,000	7,683,800	Pier 94 site in Bayview
Navigation Centers Operating Costs	14,100,000	14,500,000	
Total Shelter & Hygiene Spending	38,264,445	32,616,020	
Revenue - Shelter & Hygiene	31,117,521	32,616,020	
(Shortfall)/Surplus	(7,146,924)	-	
Use of Prior Year Fund Balance	7,146,924	-	

Mental Health Services**Treatment Beds**

Drug Sobering	-	4,300,000	20 Beds - FY 22-23 services are funded by a one time State grant
Locked Subacute	4,700,000	4,900,000	31 Beds
Psych SNF	1,500,000	1,600,000	13 Beds
Board and Care	4,800,000	5,000,000	69 Beds
12-month Rehabilitative Board & Care (MH Residential)	2,200,000	-	30 Beds
TAY Residential Beds	-	700,000	10 Beds
Crisis Diversion/ Urgent Care	1,000,000	3,200,000	16 Beds
Managed Alcohol Program	4,000,000	4,300,000	20 Beds
Residential Step Down Units	1,100,000	3,800,000	70 Beds
Co-op Housing	100,000	100,000	6 Beds
Dual Diagnosis Transitional Care for Justice Involved Clients	4,700,000	4,900,000	75 Beds
Dual Diagnosis Transitional Care for Women in the Bayview	1,300,000	2,500,000	40 beds - new bed type
Transportation	300,000	300,000	
Treatment Beds	25,700,000	35,600,000	

Assertive Outreach

Overdose Prevention	8,100,000	8,500,000	
Street Overdose Response Team	5,900,000	6,000,000	Funds three teams
Street Crisis Response Team	12,300,000	12,600,000	Funds seven teams
Expanding BH Capacity in Street Medicine and Shelter Health	2,500,000	2,600,000	
Subtotal	28,800,000	29,700,000	

Case Management Services

Care Coordination and Case Management	9,500,000	9,800,000	
TAY Care Coordination	500,000	500,000	
Services for People Moving to Permanent Supportive Housing	3,400,000	2,900,000	Allocation between MH and Prevention has changed per funding eligibility requirements, but overall funding has not
Preventing Homelessness by Expanding Services in Existing Housing	4,500,000	5,700,000	
Subtotal	17,900,000	18,900,000	

Drop In Services

Drop In Shelter	2,100,000	2,100,000	
Mental Health Service Center and Behavioral Access	3,900,000	3,700,000	Reduced MHSC expansion
TAY Mental Health	800,000	800,000	
Transgender Mental Health	1,000,000	1,000,000	
Subtotal	7,800,000	7,600,000	

One-Time Uses

Facilities Maintenance Fund	4,000,000	-	
Data and Information Systems	2,300,000	-	
Tenderloin Center Operations	10,600,000	-	
Site Acquisition of Service Center	6,910,978	-	
Subtotal	23,810,978	-	

DPH Operating & Implementation

6,900,000	6,900,000	
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Total Mental Health Spending	110,910,978	98,700,000
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Revenue - Mental Health	77,800,000	81,500,000
Projected HSH Prevention Funding for PSH	3,400,000	2,900,000

Total Available Revenues	81,200,000	84,400,000
(Shortfall)/Surplus	(29,710,978)	(14,300,000)
Funding of Mental Health Reserve	(15,933,385)	
Use of Prior Year Fund Balance	45,644,363	14,300,000

Total Spending	370,956,046	343,378,235
Total Revenue	314,581,407	329,078,235
Total Shortfall	(56,374,639)	(14,300,000)
Reserve	(37,033,385)	-
Shortfall + Reserve	(93,408,024)	(14,300,000)
Use of Prior Year Fund Balance	93,408,024	14,300,000