

Memorandum

To: Our City, Our Home Oversight Committee

From: Department of Public Health and Department of Homelessness and Supportive Housing

Date: April 30, 2021

Re: Updated Proposals for the FY21-22 and FY22-23 OCOH Investment Plan

Background

Since the April 20, 2021 meeting of the Our City, Our Home (OCOH) Oversight Committee, the Department of Public Health (DPH) and the Department of Homelessness and Supportive Housing (HSH) have consulted with the Offices of the City Attorney and the Controller about the eligibility of certain services proposed to be funded by the OCOH Fund.

The Offices of the City Attorney and Controller have issued a separate statement advising on these funding eligibility questions. As such, DPH and HSH have adjusted their funding proposals to ensure alignment with the intentions of the voters in passing Proposition C.

See the attached revised proposal spreadsheet, which reflects the changes described in more detail below.

Reprogramming of Mental Health Category Funding

DPH originally proposed a robust overdose prevention model that included an expansion of services within primary care clinics. Because services in these settings must be designed specifically to target homeless individuals (to meet the expectations of the language of the measure), DPH reprogrammed \$3.0m from these previously proposed programs. Additionally, as detailed in the next section, \$5.3m in ongoing funding was reallocated from the Mental Health Services category by moving a portion of Permanent Supportive Housing (PSH) clinical services to the Housing category. Together, the \$8.3m is now proposed for the following initiatives to enhance street-based outreach and clinical services to people experiencing homelessness:

- A new Street Overdose Response Team (SORT), a collaboration between Street Medicine and EMS-6 to provide immediate response and medical and behavioral health interventions to people suffering a nonfatal overdose. In addition, this program based in Street Medicine will provide persistent outreach following the overdose, offering treatment services, medications for addiction treatment, and harm reduction resources. Surviving a non-fatal overdose puts people at highest risk of dying from an overdose, and this street-based response intervention capitalizes on the critical window of opportunity after an overdose to get into care and to prevent a subsequent overdose.
- Expanding the Street Medicine team to include complex case management and behavioral health clinicians, thus creating a street-based whole person clinical case management model for people experiencing homelessness. The model engages people on the street, provides a continuity relationship with a care team, and addresses the person's medical and behavioral health needs.
- Addition of one Street Crisis Response Team (SCRT) to enhance the citywide effort to address nonviolent behavioral health crises in public settings. The City is currently proliferating the successful SCRT pilot to more neighborhoods and expanding hours; this additional team will give

the City the ability to add a second team to specific neighborhoods or during particular hours when there is more demand than the teams can handle.

These changes ensure the interventions proposed by DPH achieve the goals of the OCOH measure by being designed for individuals experiencing homelessness.

Redistributing Allocations for New Clinical Services in Permanent Supportive Housing (PSH)

The Offices of the Controller and City Attorney have advised that the Mental Health category can be used to provide new, enhanced clinical services to the extent the services support only people who are currently homeless and transitioning into permanent housing. The Housing category can also be used to support this service, particularly for current PSH tenants. The City anticipates the number of new intakes into housing to grow over time given the large expansion of housing in the pipeline and proposed by the OCOH committee as well as annual turnover of PSH units. City staff estimate an average of 20% of the services will be delivered to new intakes into housing during FY21-22, growing to 42% in FY22-23. Therefore, the Mental Health category accounts for 20% of the cost of the new services in FY21-22 and 42% of the cost in the subsequent years.

HSH and DPH are collaborating on a program to bring enhanced clinical services to people in PSH to improve health outcomes and ensure tenants remain housed. PSH tenants require a higher level of clinical services than has been historically provided. Under Coordinated Entry, the City has prioritized PSH to the most vulnerable members of our community. As such, the acuity of PSH tenants has increased requiring a higher level of care on-site as well as linkages to the DPH system. Research shows that a prior experience of homelessness is the most reliable predictor of another episode of homelessness. To ensure full funding for this enhanced services model, HSH proposes reallocating up to 80% of the cost of the clinical services in PSH, or \$5.3m, to the Housing category in FY21-22 and 58% of the total cost (\$4.4m) in FY22-23 to the Housing category.

To free up ongoing funding within the Housing category to support the ongoing cost of clinical services for current tenants, HSH proposes to allocate the cost of service across the Adult, Family and TAY subcategories at 75%, 15% and 10% respectively in accordance with the City's PSH tenant population. To balance these additional costs in the Housing category, HSH proposes reducing the amount of OCOH funding used for one-time Homekey acquisition projects in the first two years of the budget. HSH will need to identify non-OCOH funding for that line item in the amount of \$9.7m; however, additional re-balancing may be necessary if other one-time sources cannot be identified to cover the total Homekey permanent housing acquisition and rehabilitation costs.

One-Time Prevention Funds Transfer to Housing

At the April 20, 2021 meeting, the Committee approved a recommendation to transfer the balance of the Prevention category to the Housing category. HSH continues to propose additional uses of the Prevention category that the committee did not recommend. As such, the balance in the HSH proposal for Prevention is \$19.1m. HSH proposes to apply the proportional allocation within each Housing sub-category (Adult, Family, Youth) to new PSH acquisition, and has adjusted the proposal accordingly. However, this transfer of one-time funds will not pay for the increased operating and services costs for these additional units. As such, additional balancing of the fund may be necessary at a future date to account for the ongoing costs of increasing housing acquisition by \$19.1 million.