DATA OFFICER REPORT

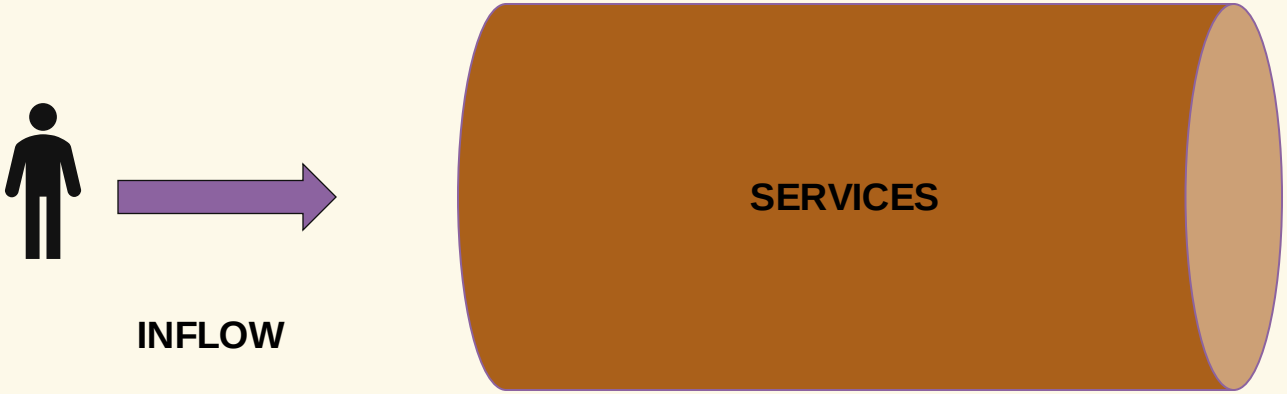
December, 2024

SYSTEM FLOW

To understand system flow it can be helpful to think of HSH services as a pipe.

SYSTEM FLOW

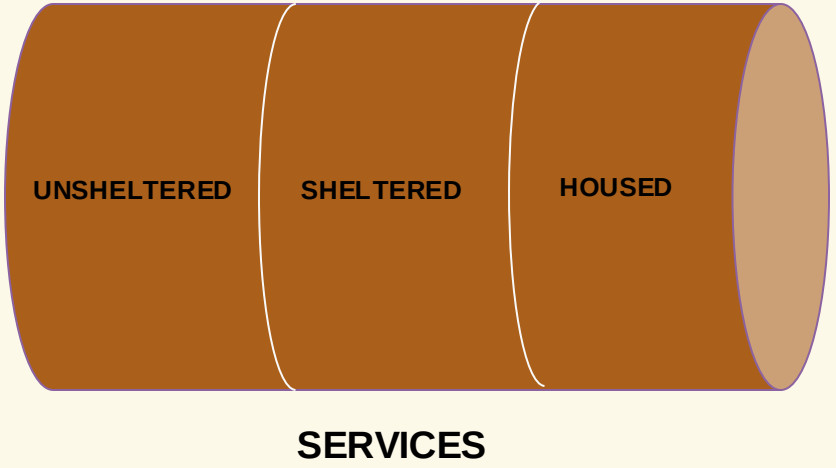
When a new person starts receiving services, we call this **inflow**.



SYSTEM FLOW

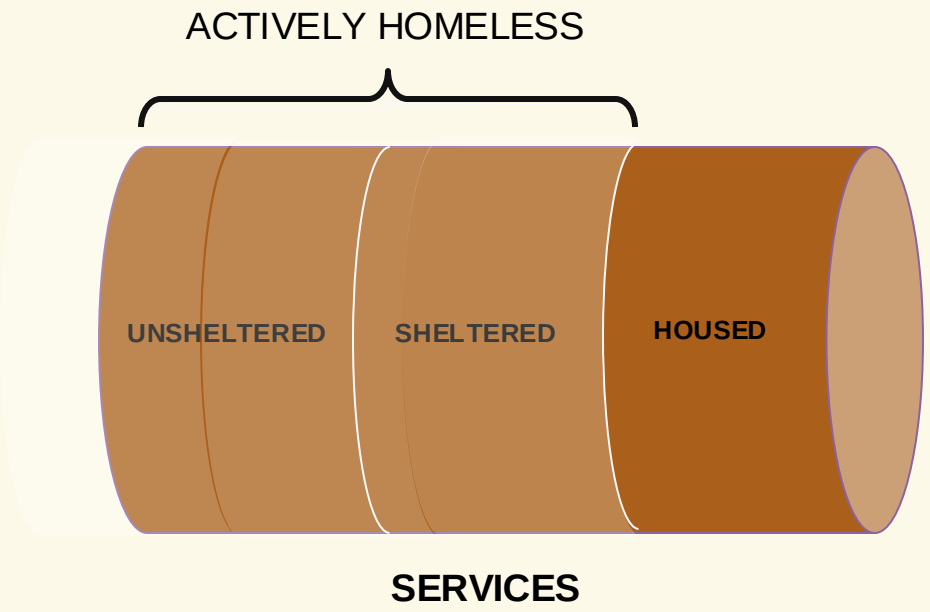
HSH provides services based on three levels of need.

- Unsheltered
- Sheltered
- Housed



SYSTEM FLOW

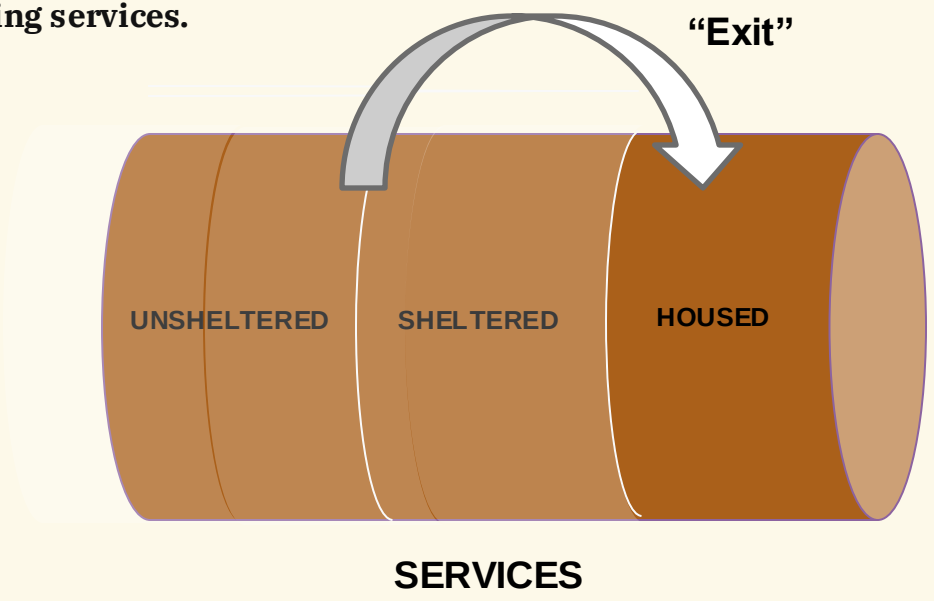
The first two levels are considered “Actively Homeless”



SYSTEM FLOW

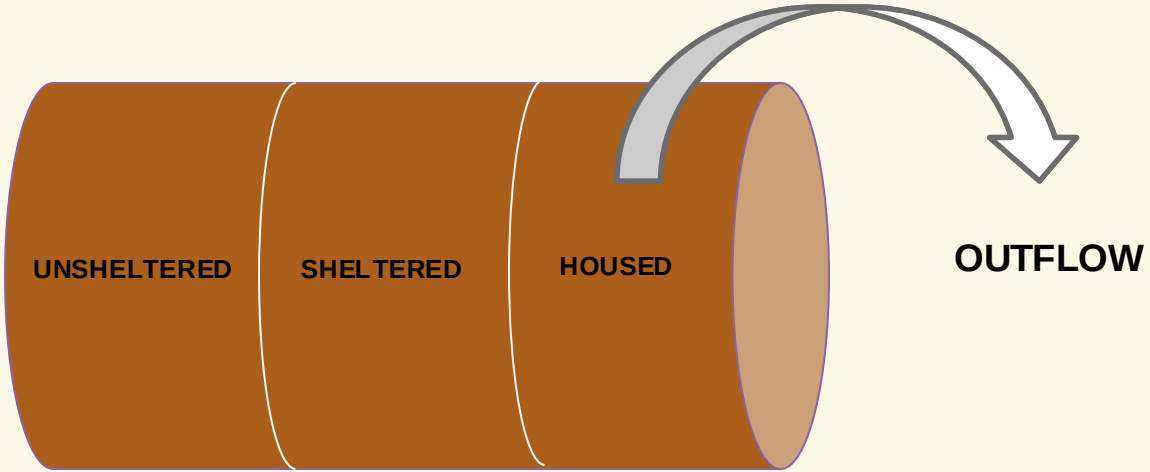
When someone moves from actively homeless to housed, that's called an "exit", because they have "exited" homelessness.

But they are still receiving services.



SYSTEM FLOW

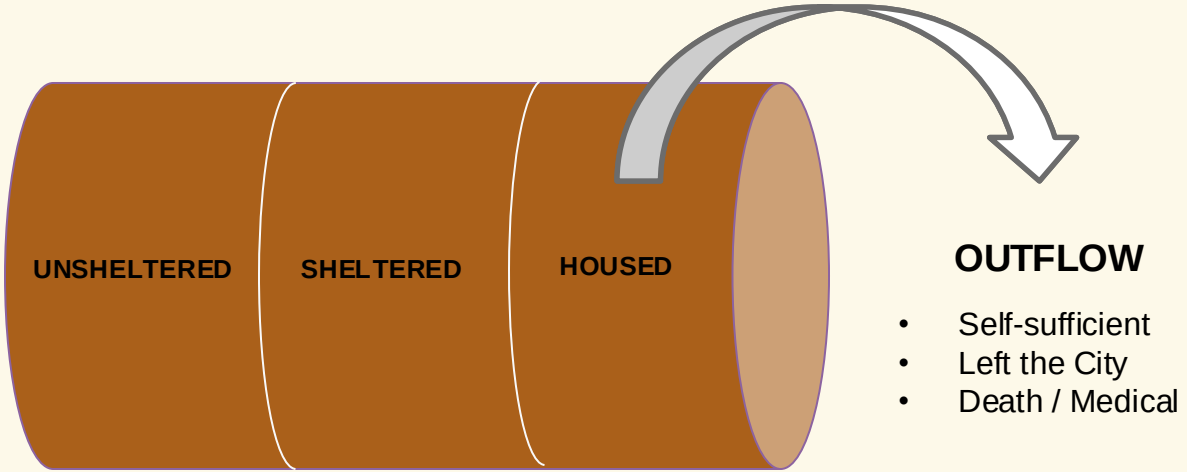
It is only when they have left the system completely that resources are freed up to help new incoming people. **This is called outflow.**



SYSTEM FLOW

There can be many different reasons why people stop receiving services.

We don't always know why.

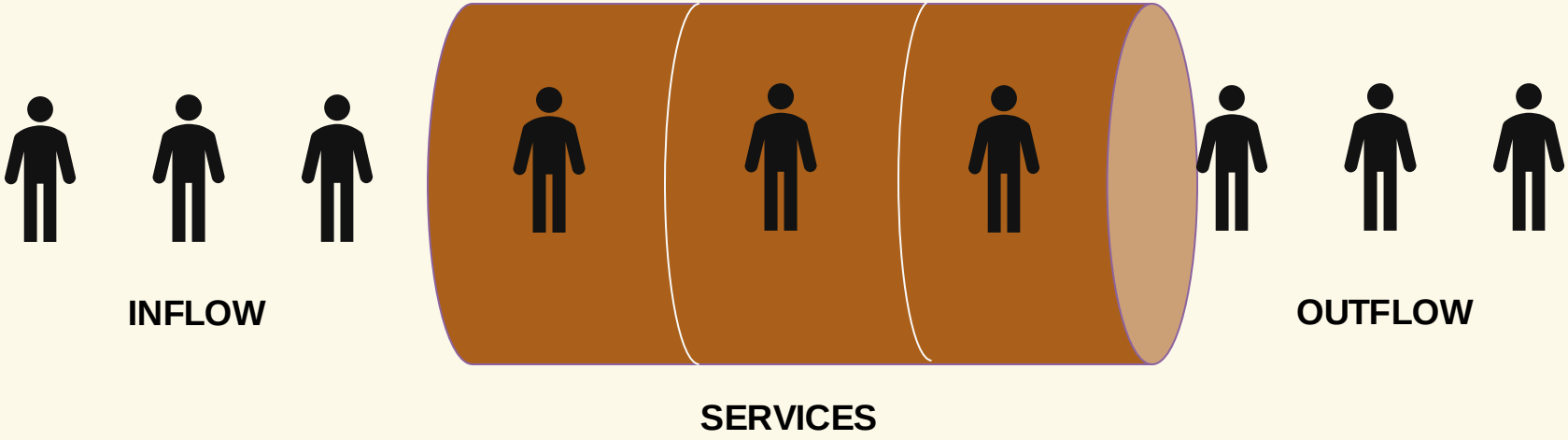


SYSTEM FLOW

While it may seem like the overall totals don't change much, the population is constantly changing.

New people constantly flow into the services we provide, while other people flow out.

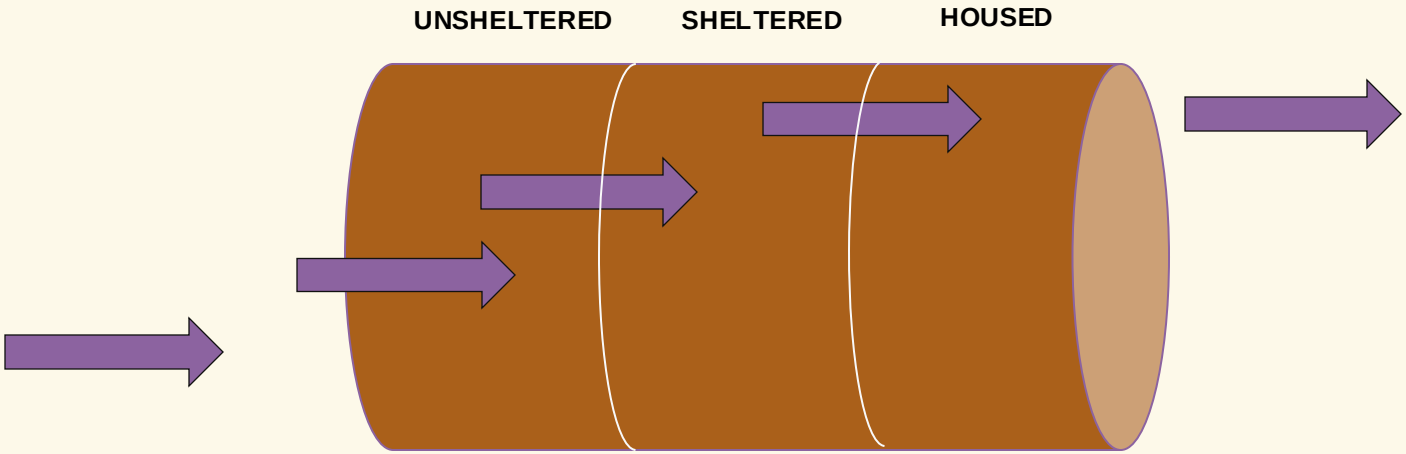
This is called churn.



SYSTEM FLOW

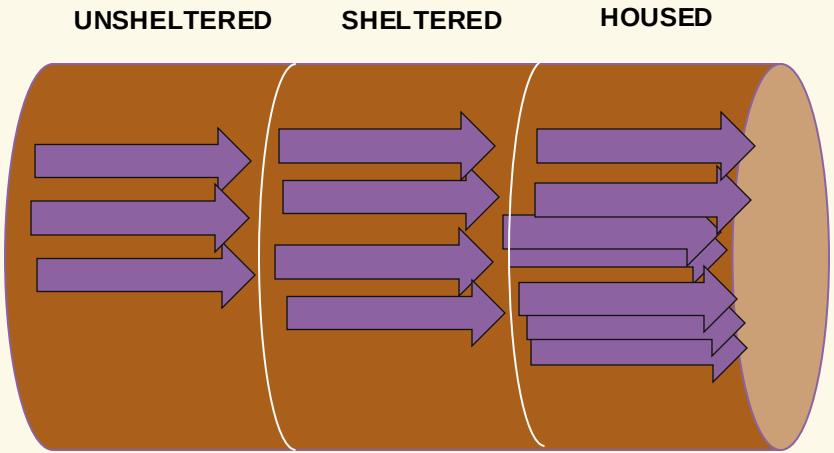
Churn is not steady.

Different people move through the system at different speeds.



SYSTEM FLOW

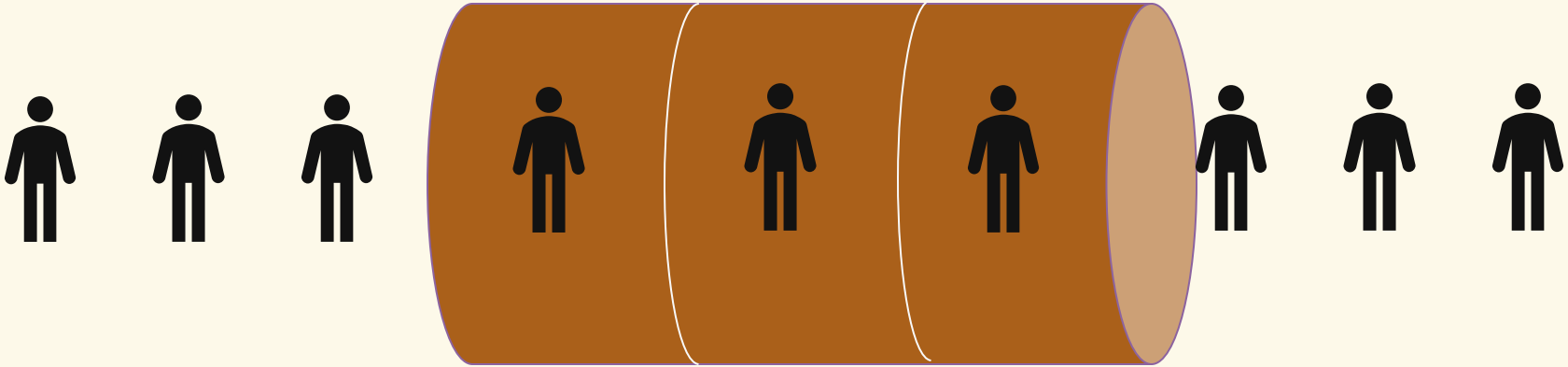
And not everyone moves all the way through the system.



SYSTEM FLOW

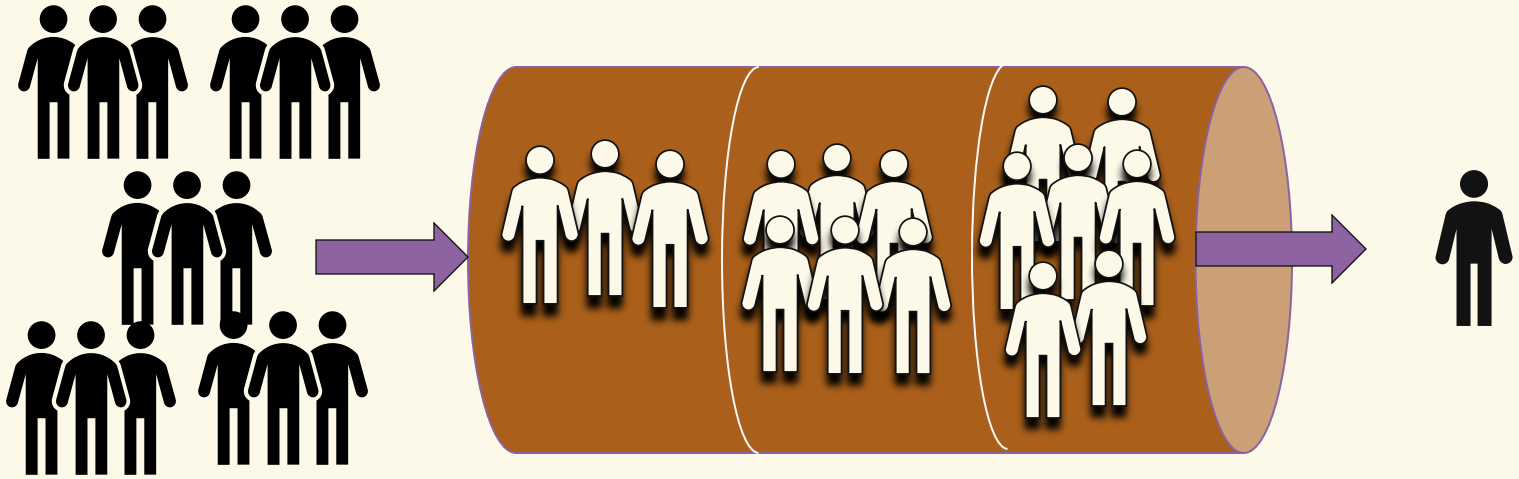
If the flow is stable, and the budget is stable, we're ok.

We can help everyone that needs help.



SYSTEM FLOW

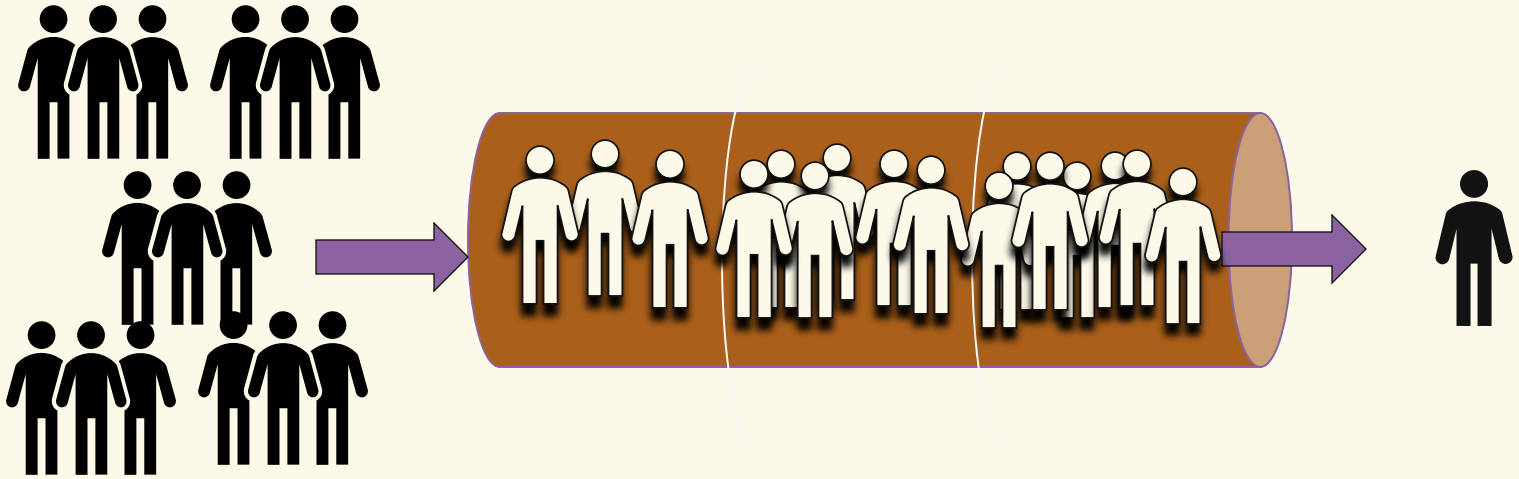
But if the inflow increases, and the outflow doesn't, the system starts getting crowded!



SYSTEM FLOW

And if the budget gets smaller too, it gets even harder to help people.

We have to turn people away.



SYSTEM FLOW

Keeping the system flowing means we can help more people.

Important questions:

- What is our flow rate?
- How is it changing over time?

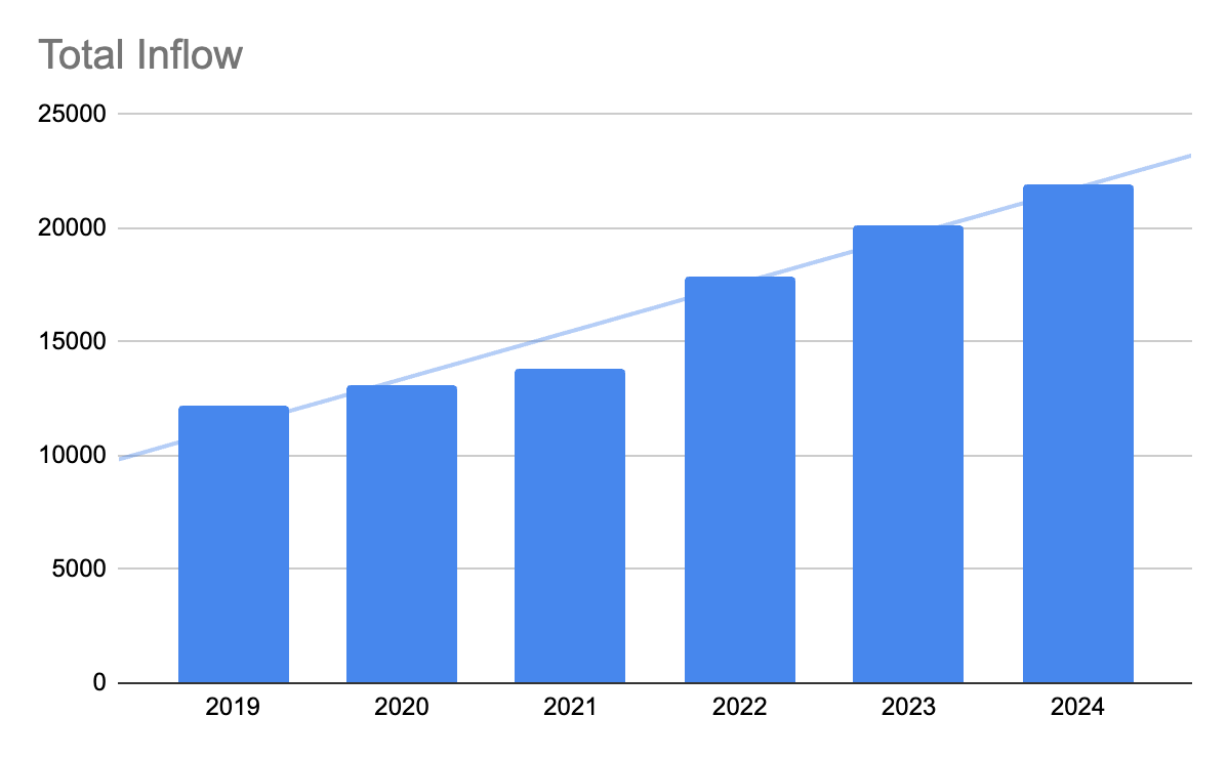
CAUTION:

- What I am going to show you is based on preliminary data.
- We are reasonably confident in the data, but it could change!
- I am using this preliminary data to illustrate important concepts.
- **Even if the data changes, the concepts will be the same**

SYSTEM FLOW

This is our inflow.

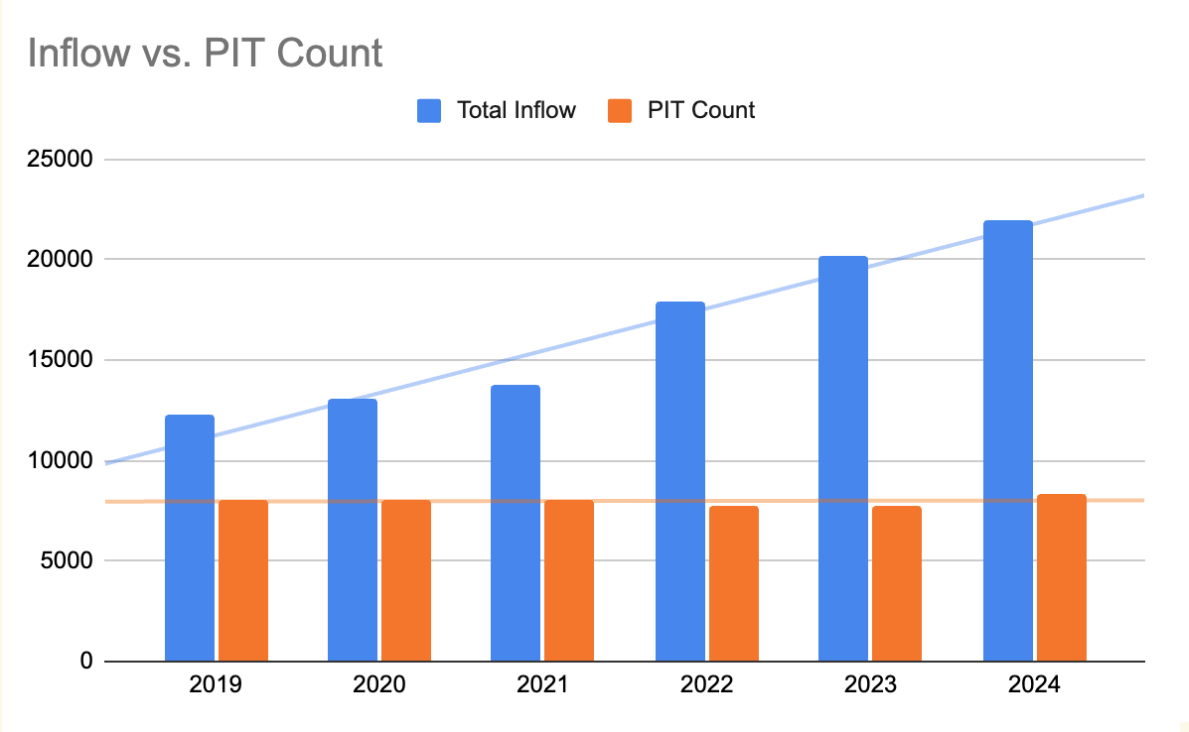
It has been steadily increasing.



SYSTEM FLOW

This is inflow compared to Point In Time Counts. Inflow has increased, but the PIT count has not.

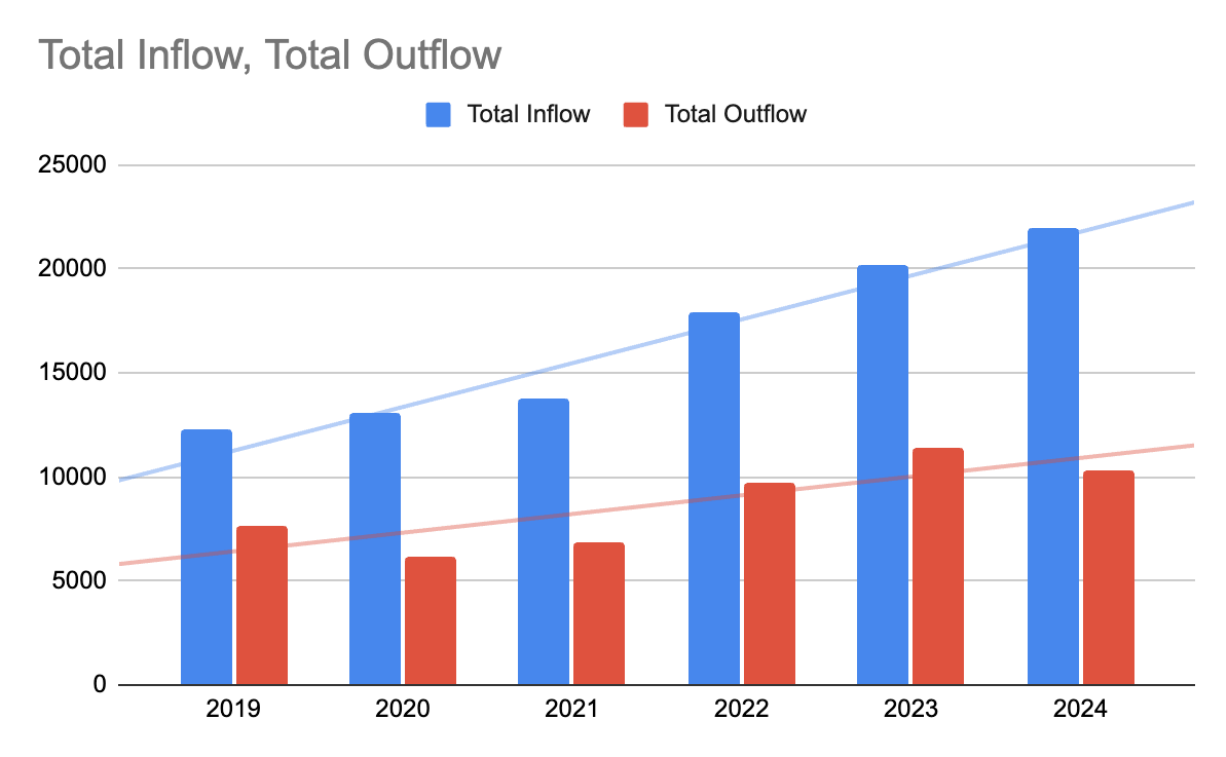
This is due to the work of HSH.



SYSTEM FLOW

This is outflow.

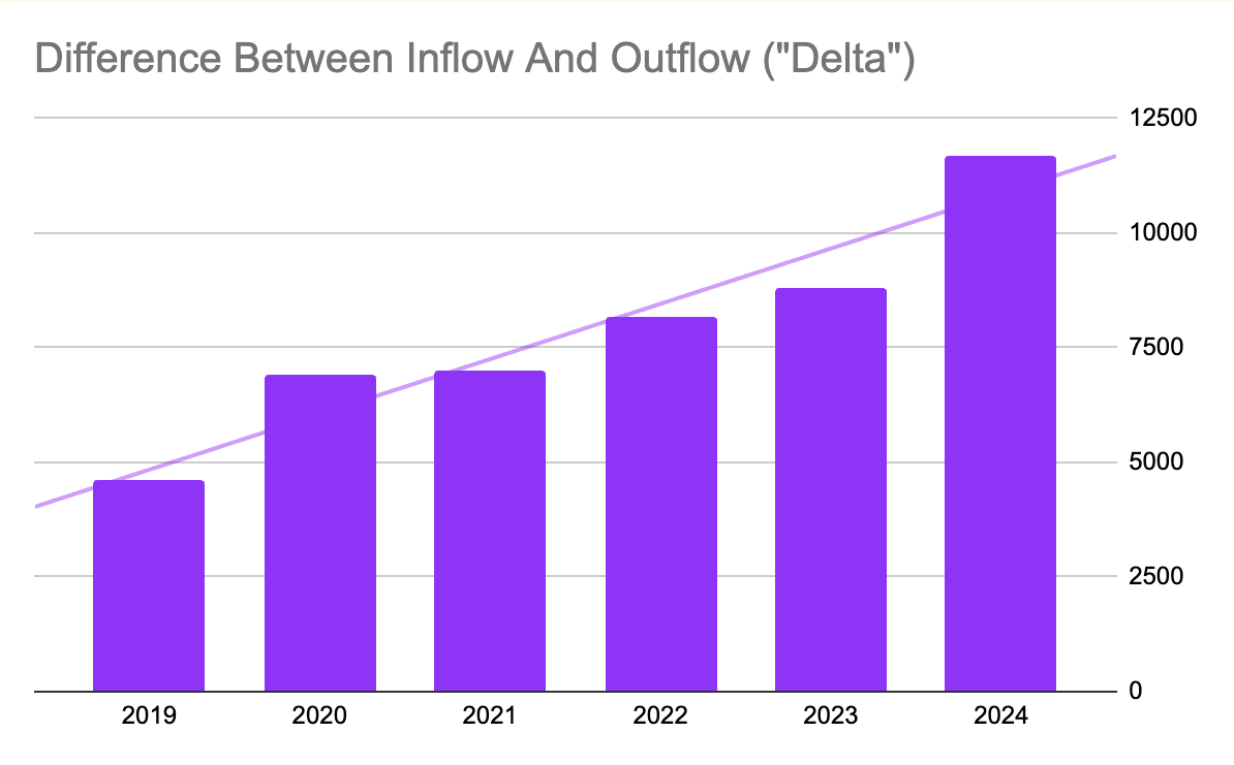
The inflow has been increasing faster than the outflow.



SYSTEM FLOW

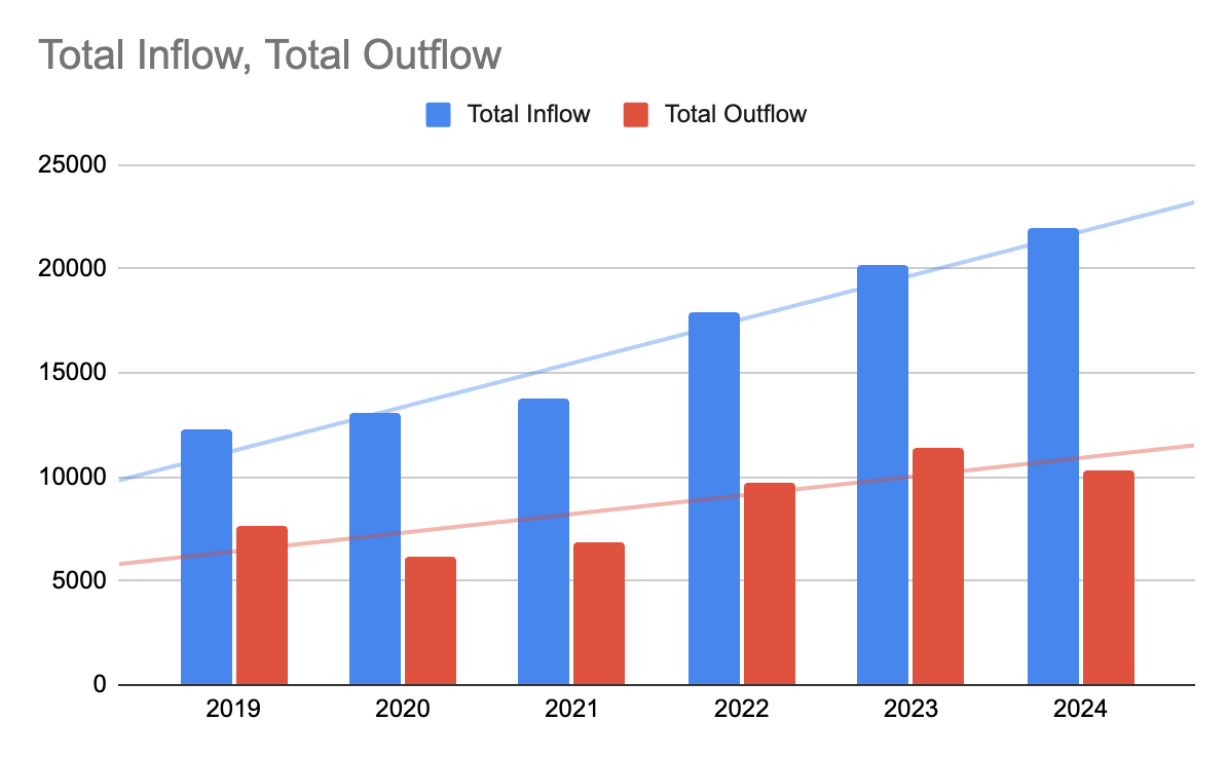
This is the difference between inflow and outflow.

The rate of change has been increasing.



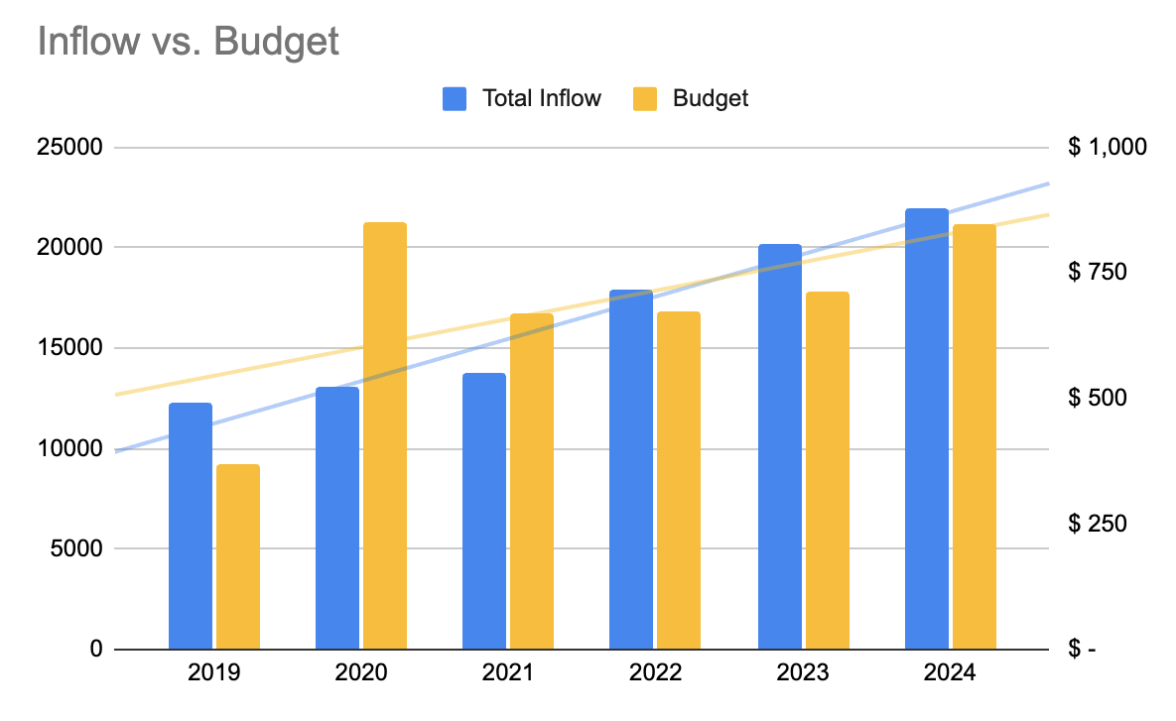
SYSTEM FLOW

Staying on this path is not sustainable over the long run.



BUDGET

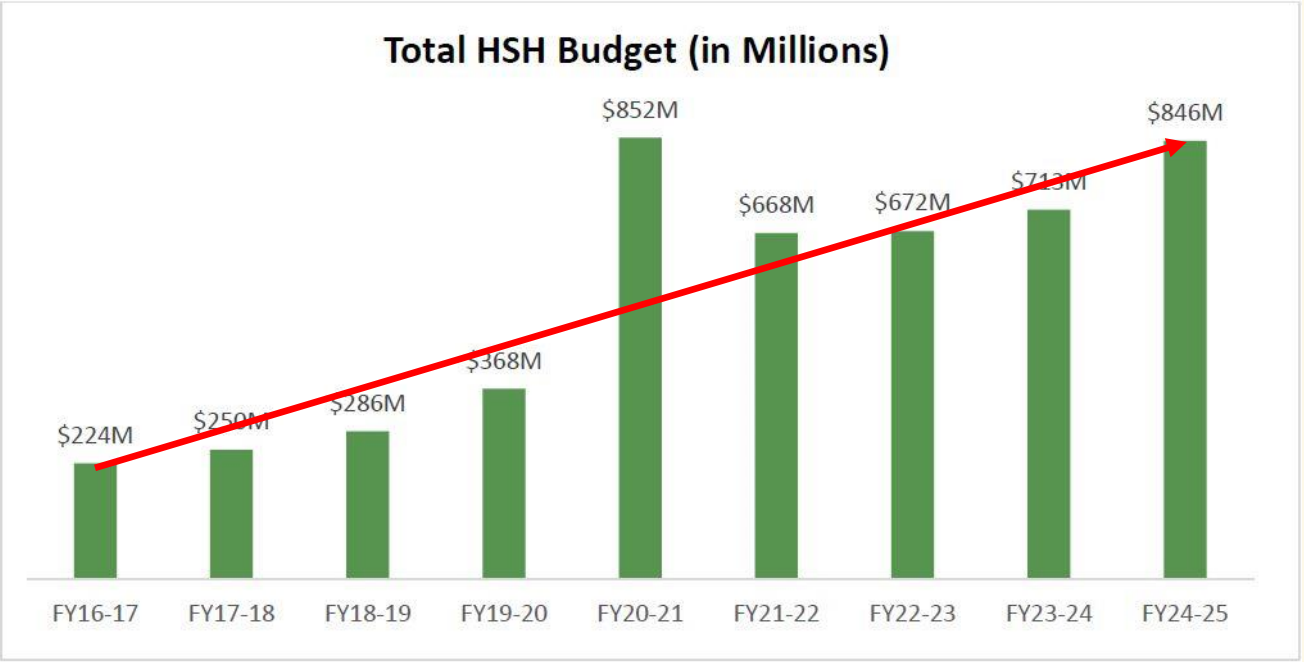
If you compare our budget with our inflow, there is a striking correlation.



SF HSH Department Website

BUDGET

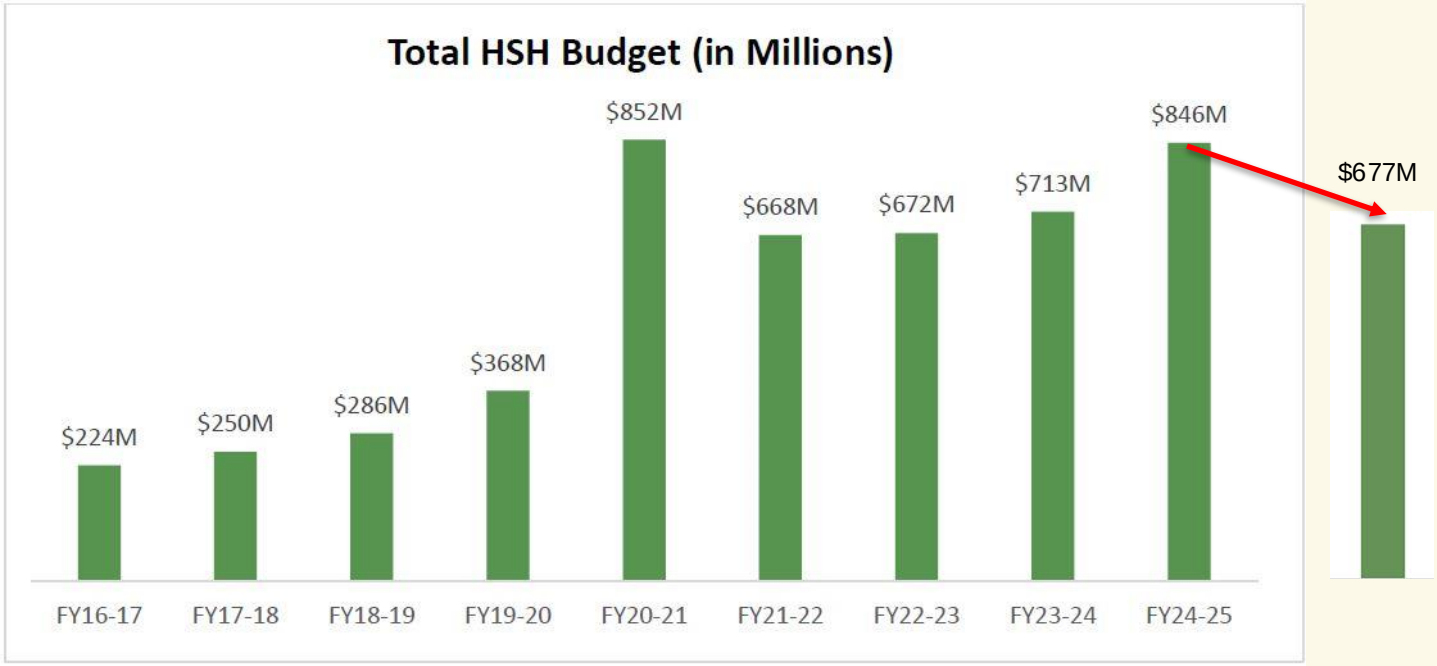
HSH budget has increased over the years



SF HSH Department Website

BUDGET

But our budget is projected to drop next year



SF HSH Department Website

BUDGET

It may be difficult to grow the budget in the coming years.

San Francisco Chronicle Play BONGO Account

BAY AREA // SAN FRANCISCO

Daniel Lurie stares down dire S.F. deficit: City now faces $876 million shortfall

By J.D. Morris, City Hall Reporter

Dec 3, 2024

BUDGET

Commercial vacancies and other economic factors are impacting tax revenue.

How much vacant office space is costing the Bay Area

Millions of square feet of vacant office space is costing the Bay Area billions.

Market	Vacant office space (sq. ft.)	Value	National rank
San Francisco	29,054,087	$2,011,123,870	4
San Jose	37,774,135	$2,003,162,373	5
Oakland/East Bay	17,683,580	$715,300,826	16
San Mateo County	7,508,360	$527,237,038	19
North Bay	2,911,152	$96,417,364	53

Source: Switch On Business, Cushman & Wakefield

BUDGET

Federal Covid Relief programs are expiring. Replacements do not appear likely in the new administration.

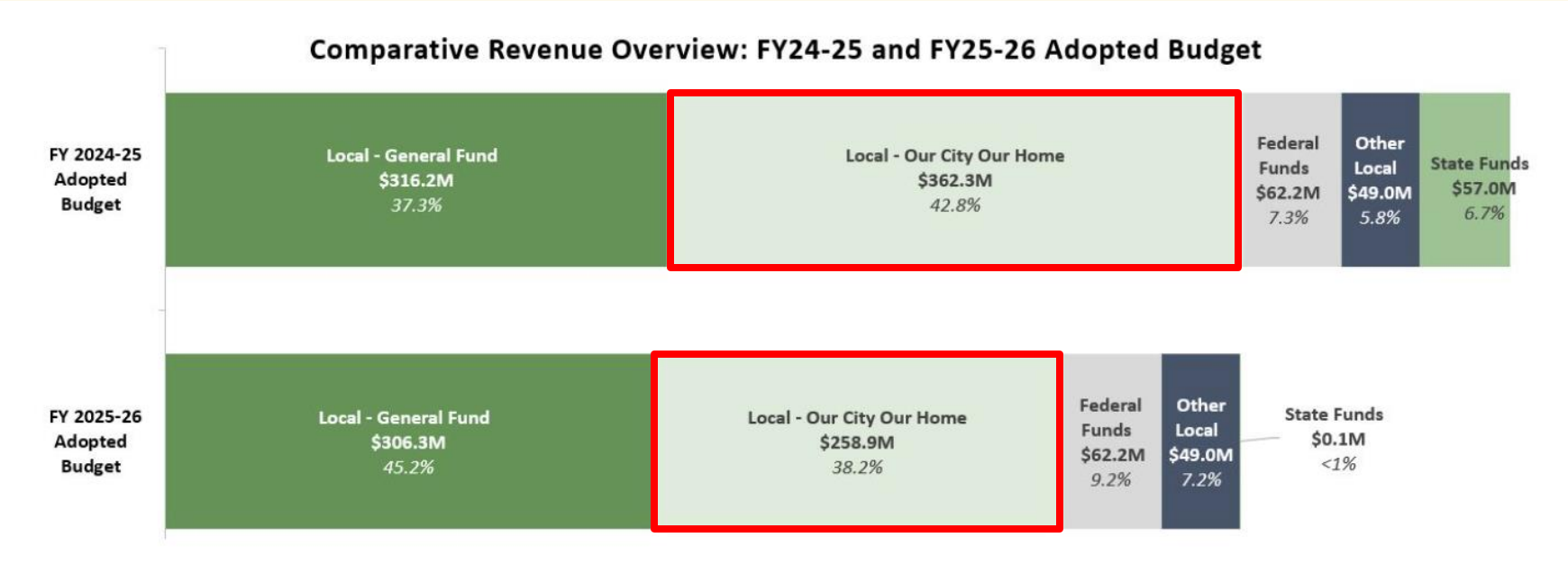
Sep 13, 2024 - Politics

SF advocates push to restore emergency rental assistance funds

- After federal COVID relief expired earlier this year, ERAP funding decreased by over 50%, even as thousands of tenants still owed back rent due to pandemic-related wage loss, Eviction Defense Collaborative (EDC) executive director Daniel Casanova told Axios.

BUDGET

The volatility in tax revenue makes it difficult to develop long-term programs.

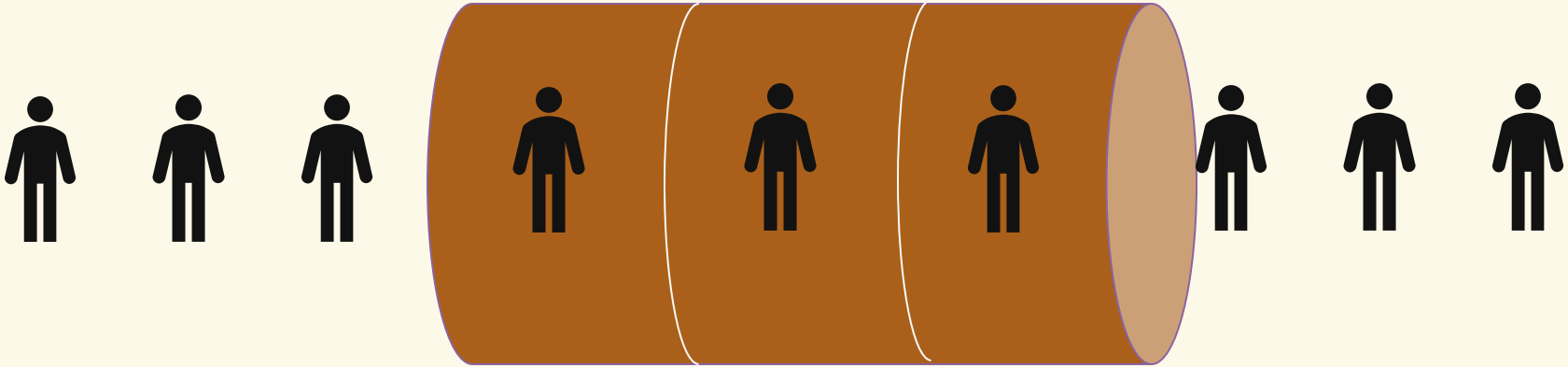


SF HSH Department Website

SYSTEM FLOW

We need to be thinking about system flow.

If we can improve our flow rates, we can help more people.



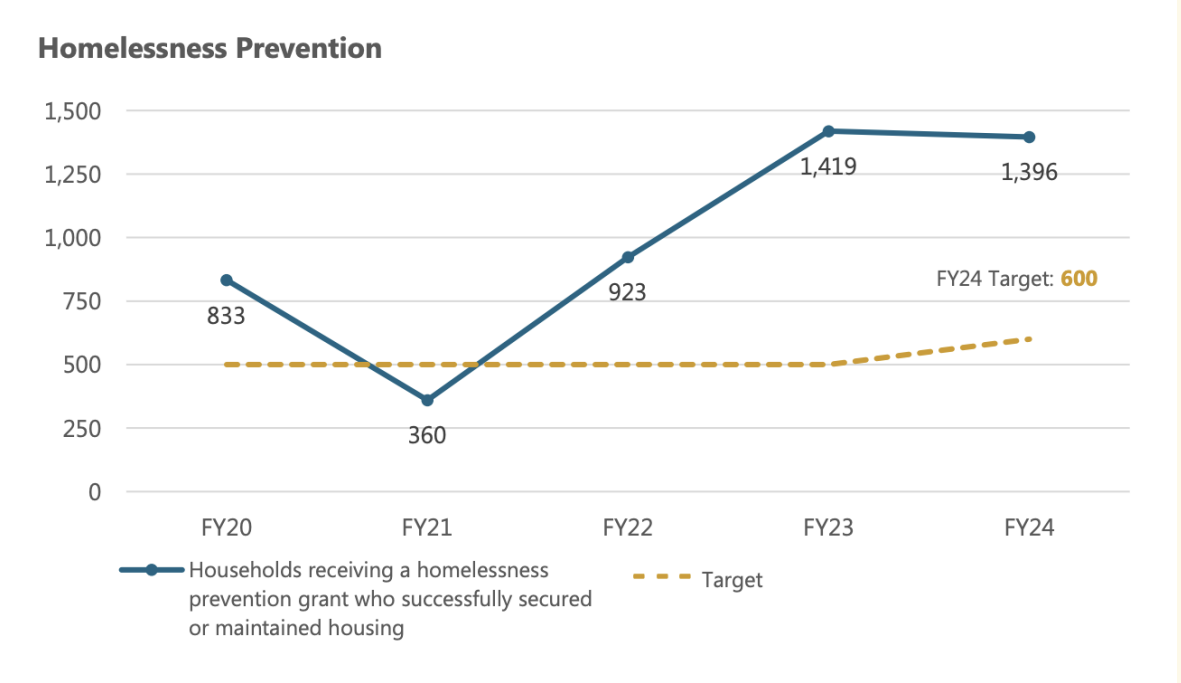
WHAT CAN WE DO?

- Reduce Inflow
- Increase Outflow

REDUCE INFLOW

Preventative programs reduce inflow. HSH funded 1,396 prevention grants in 2024. This was well above our target of 600.

The department's work to understand efficacy may allow us to scale up this program further.



INCREASE OUTFLOW

From 2019 to 2023 Permanent Supportive Housing has significantly increased in size, budget, and spend per unit.

	2019	2023
PSH Units	8,012	11,675
% Of HSH Budget	54%	60%
Total Spend	$195M	$508M
Spend Per Unit	$24,343	$43,492

INCREASE OUTFLOW

The annual churn rate of Permanent Supportive Housing is roughly estimated at 10%.
If accurate, this translates to an average length of stay of 10 years.

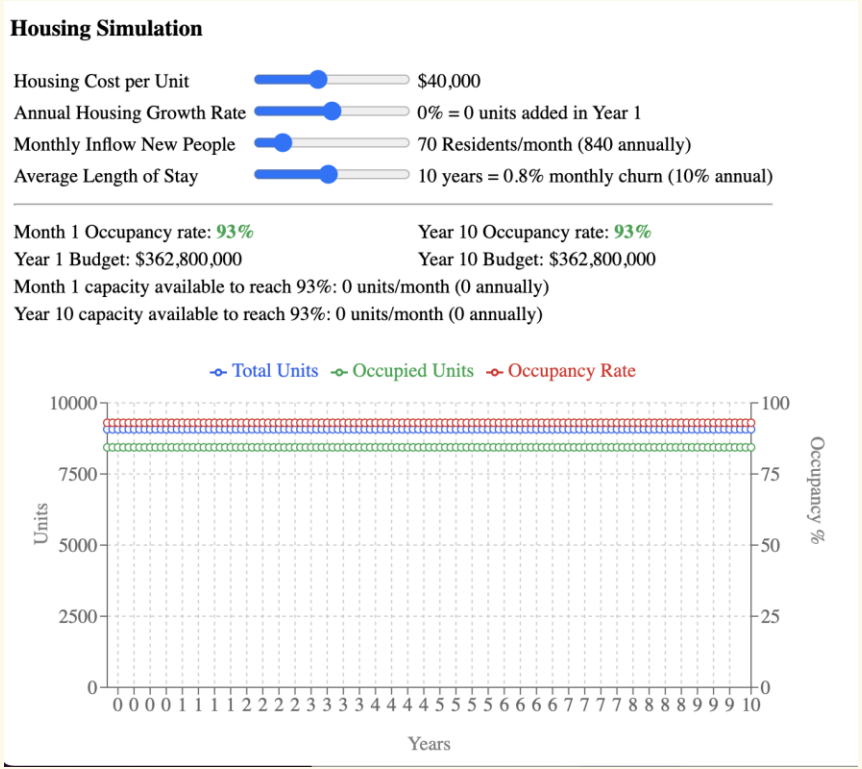
Not everyone is able to leave PSH (seniors, disabled, severe health issues, etc.). And to be clear the goal is POSITIVE exits to good outcomes. But if we can reduce the average length of stay in a positive way, this increases the number of people we can provide assistance to.

To help us better understand the impact of churn, and unit cost, I made an app that is free for anyone to use:

housing-sim.com

INCREASE OUTFLOW

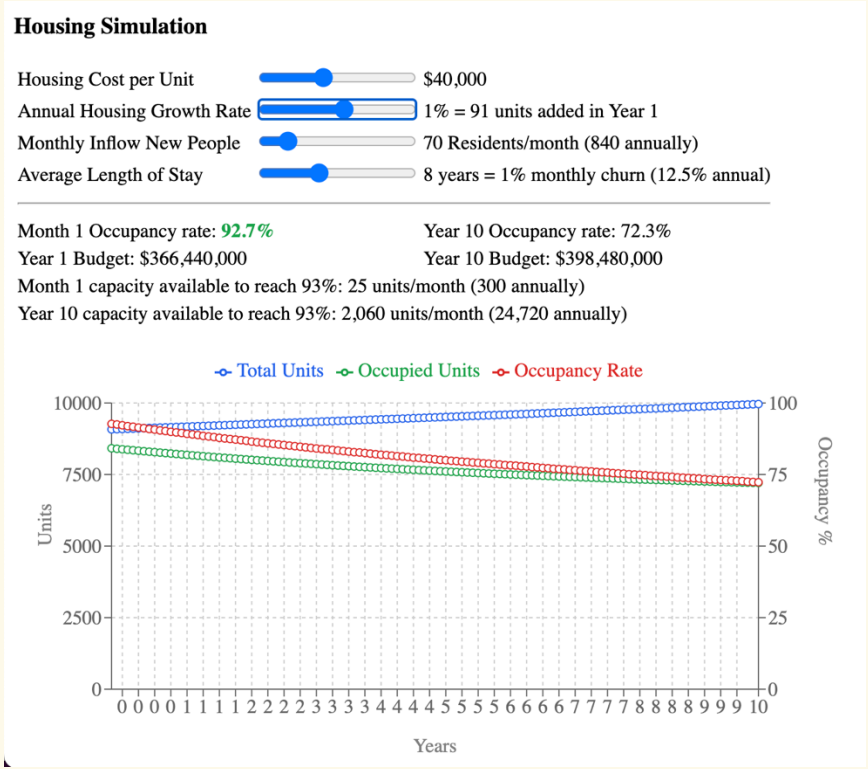
Default: With 10% churn, we can serve 840 new additional people annually.



INCREASE OUTFLOW

If we increase positive outcomes and reduce average length of stay to 8 years and simultaneously grow our PSH supply just 1% per year, we can serve 24,720 new people annually.

Increasing PSH does increase cost, but if we're effective at reducing inflow we can potentially free up the capital to make that possible.



SUMMARY

- Our inflow is increasing faster than our outflow
- This is not sustainable over the long run
- HSH staff have done a heroic job so far
- The future picture for budgeting looks tough
- **Measuring and improving flow rates will enable us to help more people**

THANK YOU