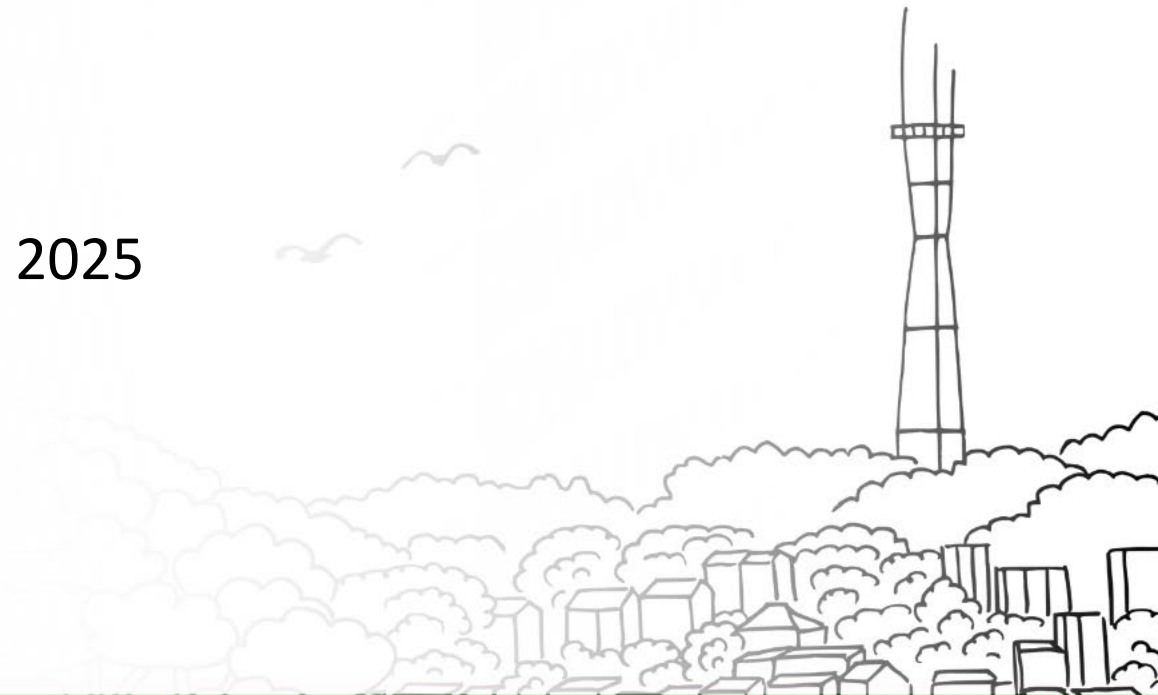




DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

FY2025-26 and FY2026-27 Budget Overview

Homelessness Oversight Commission – January 10, 2025





DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

Overview of HSH Budget

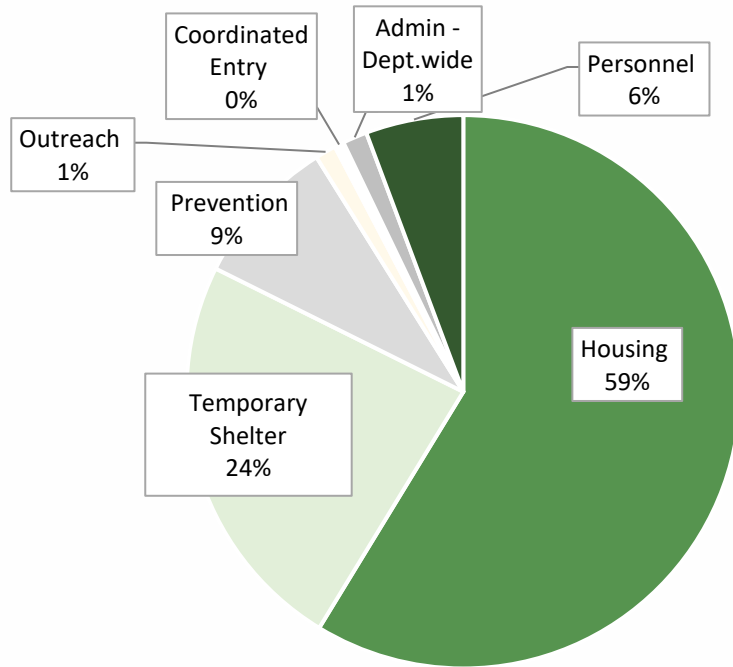
- FY24-26 HSH's Adopted Budget Summary
- FY25 Budget by Program Area and Service Type
- FY25 Budget by Population

Overview: HSH's Adopted FY24-26 Budget

<i>Dollars in millions</i>	FY23-24 Adopted	FY24-25 Adopted	Change from FY24	% Change from FY24	FY25-26 Adopted	Change from FY25	% Change from FY25
Total Budget	713.29	846.32	133.03	18.7%	676.94	(169.38)	-20.0%
<i>Revenue</i>	411.18	530.49	119.31	29.0%	370.74	(159.75)	-30.1%
<i>General Fund</i>	302.11	315.84	13.72	4.5%	306.21	(9.63)	-3.0%

Overview: FY24-25 HSH Program Budget

FY24-25 Budget by Service Area



Program/Service Area	General Fund and Other Local	Local – Our City, Our Home *	Federal and State Funds	Total in Millions
Housing	\$204.4	\$233.3	\$59.3	\$497.0
Shelter and Crisis Interventions	\$106.8	\$45.9	\$47.3	\$199.9
Homelessness Prevention	\$5.1	\$68.9	\$0.0	\$74.1
Outreach	\$9.3	\$0.0	\$1.0	\$10.3
Coordinated Entry	\$2.4	\$0.0	\$2.3	\$4.7
Admin - Dept. wide	\$5.5	\$0.0	\$6.6	\$12.1
Personnel (Salaries & Fringe Benefits)	\$31.4	\$14.2	\$2.7	\$48.3
Total Budget	\$364.8	\$362.3	\$119.2	\$846.3
% of Total	43%	43%	14%	

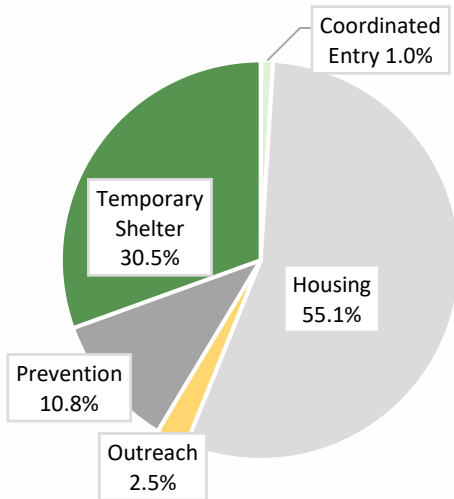
* FY24-25 OCOH Fund budget includes \$136 million of one-time funding

Overview: FY24-25 HSH Service Type Budget

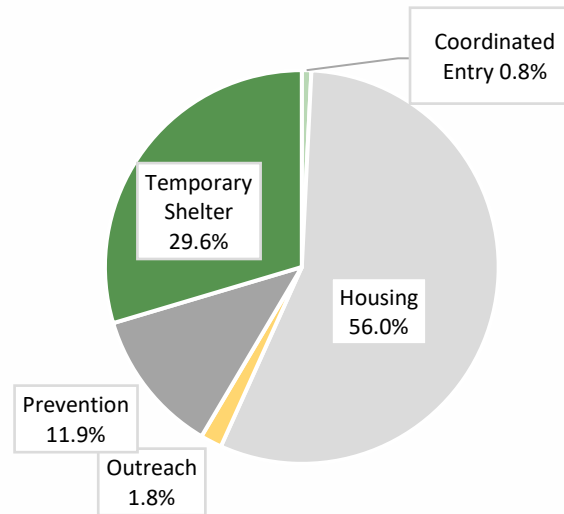
Budget by Service Type	FY 24-25 Budget (\$ in millions)	% of Total Budget	System Capacity
Coordinated Entry	\$4.65	<1%	10,000+ assessments
Housing	\$496.98	59%	13,407 units
<i>Housing - Permanent Supportive Hsg (PSH)</i>	\$330.35	39%	
<i>Housing - Flexible Housing Subsidy Pool</i>	\$58.64	7%	
<i>Housing - Rapid Rehousing</i>	\$86.02	10%	
<i>Housing - Emergency Housing Vouchers</i>	\$6.55	1%	
<i>Housing - Housing Ladder</i>	\$9.13	1%	
<i>Housing - Shallow Subsidies</i>	\$6.30	1%	
Outreach	\$10.29	1%	32,000 encounters
Prevention	\$74.07	9%	9,400 households
Temporary Shelter and Crisis Interventions	\$199.94	24%	4,256 beds
<i>Shelter - Congregate + Semi-Congregate</i>	\$42.17	5%	
<i>Shelter - Navigation Center</i>	\$60.94	7%	
<i>Shelter - Non-Congregate</i>	\$66.41	8%	
<i>Shelter - Temporary Shelter Services</i>	\$10.66	1%	
<i>Shelter - Transitional Housing</i>	\$16.44	2%	
<i>Shelter - Hotel Vouchers</i>	\$3.31	<1%	
HSH Personnel and Administrative Costs	\$60.4	7%	
Grand Total	\$846.32M	100%	

Overview: Adult/Mixed Population Budget

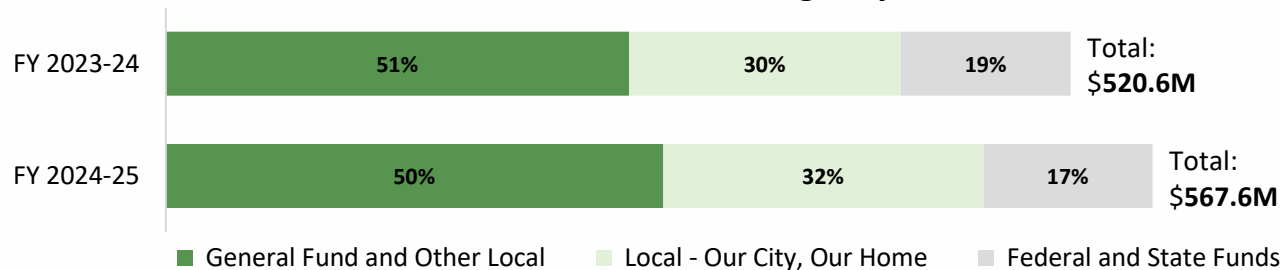
Adult/Mixed FY 2023-24 Budget by Program



Adult/Mixed FY 2024-25 Budget by Program



Adult/Mixed Budget by Fund Source



• FY 2024-25 Adult Budget: \$567.6M

• Adult Housing Units: 10,210

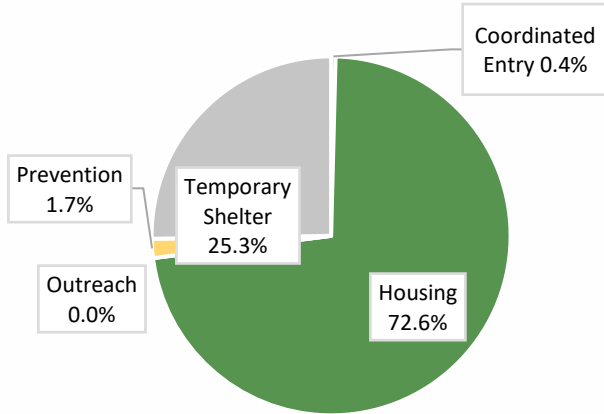
- Site-Based PSH: 7,937
- Scattered Site PSH: 1,627
- Rapid Rehousing: 354
- Housing Ladder: 292

• Adult Shelter & Crisis Intervention Beds: 2,866

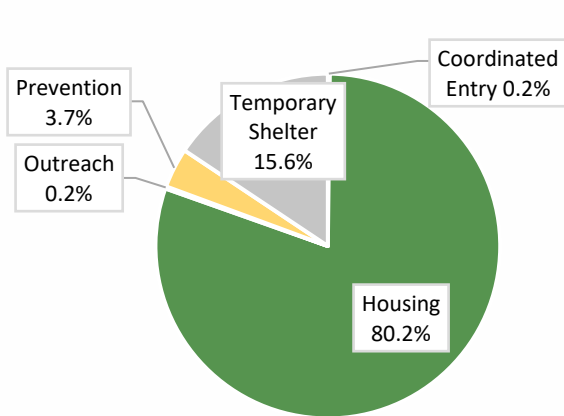
- Congregate: 1,847
- Semi-Congregate: 405
- Non-congregate: 576
- Crisis Interventions: 38

Overview: Youth Budget

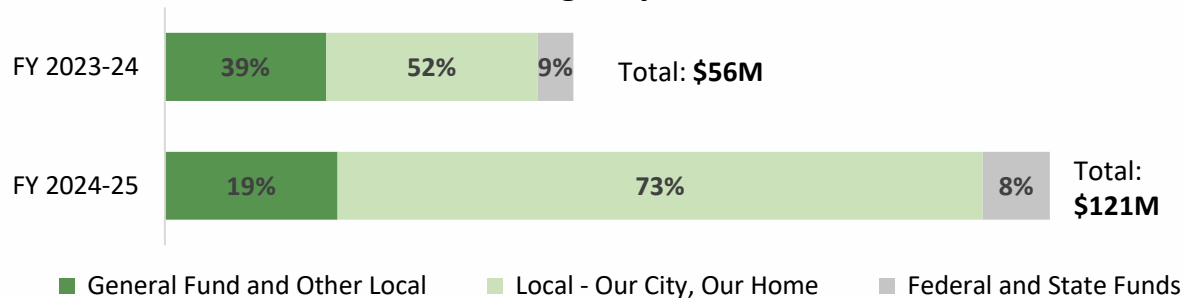
Youth FY 2023-24 Budget by Program



Youth FY 2024-25 Budget by Program



Youth Budget by Fund Source



• FY 2024-25 Youth Budget: \$121M

- \$66M one-time Prop C including \$30M for capital
- \$10M for parenting TAY (Safer Families initiative)

• Youth Housing Units: 759 (+335 Prop C pipeline)

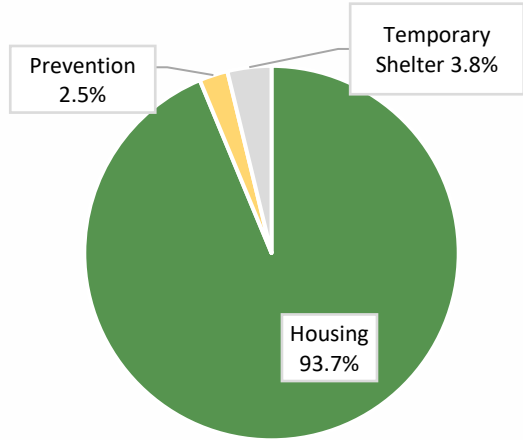
- Site-Based PSH: 291
- Scattered Site PSH: 244
- Rapid Re-housing: 224

• Youth Shelter Beds: 312

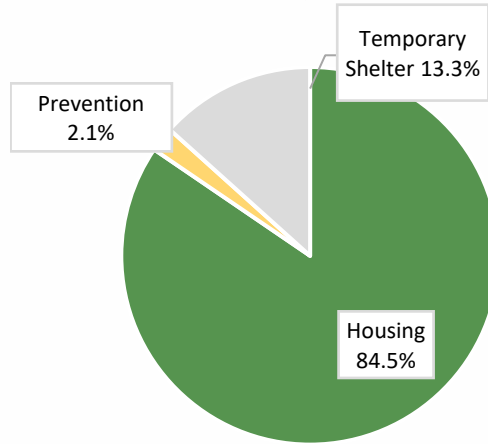
- Congregate: 126
- Semi-Congregate: 106
- Non-Congregate: 80

Overview: Family Budget

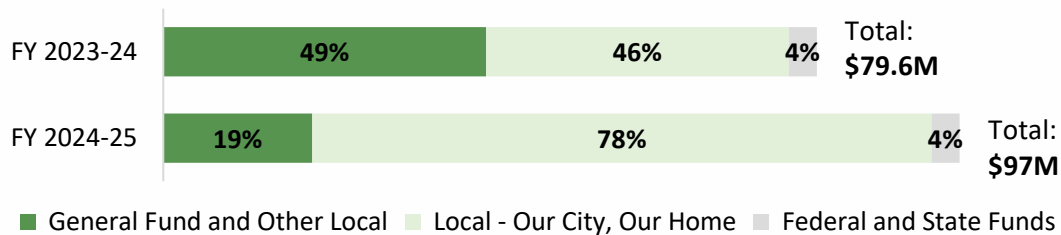
Family FY 2023-24 Budget by Program



Family FY 2024-25 Budget by Program



Family Budget by Fund Source



🔑 FY 2024-25 Family Programs Budget: \$97M

- \$40M one-time Prop C

🔑 Family Housing Units: 1,938 (+165 Prop C pipeline)

- Site-Based PSH: 872
- Scattered Site PSH: 551
- Rapid Re-housing: 445
- Housing Ladder: 70

🔑 Family Shelter Beds: 1,078

- Congregate: 124
- Non-Congregate: 954



DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

Mayor's Budget Instructions

- City Fiscal Outlook
- HSH Budget Issues
- Budget instructions
- Timeline

City Fiscal Outlook for FY26 and FY27

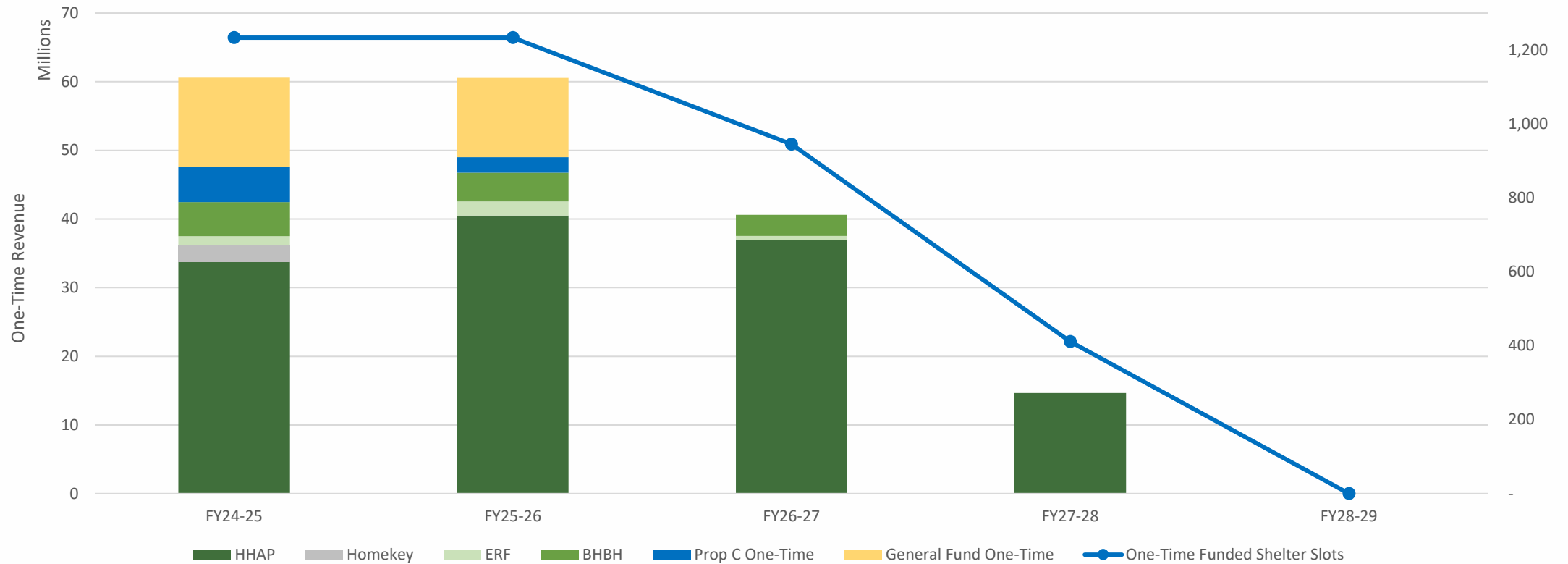
- The City projects a General Fund deficit of **\$876 million** for the upcoming two-year budget cycle (\$253M shortfall in FY2025-26, \$623M in FY2026-27)
- Key Drivers of Deficit:
 - Rate of expenditure growth far outpaces City's General Fund revenues
 - Expenditure growth of \$1.7 billion surpasses anticipated revenue growth of \$520 million over the next five years
 - Increased salary and fringe benefit costs for City employees (\$305M increase in FY27)
 - \$55M in assumed backfill of one-time funds for ongoing shelter and opioid programming
 - \$50M in increased costs for November 2024 ballot measure approvals

Current Year HSH Budget Issues

- HSH's General Fund allocation supports permanent housing, emergency shelter, outreach, and other critical services
- Costs to deliver services continue to increase (higher insurance costs, food, cost of housing subsidies)
- Shelter bed expansion funded with one-time state and local funds have created structural deficit in HSH's ongoing operating budget
- Our City, Our Home Fund (Proposition C's Homelessness Gross Receipts Tax Revenue) has been volatile. Revenue projections will be announced in January and HSH will have liaison meetings with the Committee to determine priorities for the fund. HSH will need to balance changes to the spending plan for FY2025-2027 in March and present in April.

HSH's Budget Relies on One-Time Funds

State grant funding and one-time General Fund support for shelter runs out by FY2028-29 leaving a \$60 million funding gap , representing 1,233 shelter slots



FY25-27 Mayor's Budget Priorities*

- Maintaining core city services, including public safety and clean streets
- Continue significant progress decreasing unsheltered homelessness; ensuring effective mental health treatment
- Propose opportunities to improve operational efficiency in service delivery and reporting across all areas of City services

*These reflect the priorities of Mayor London Breed and may change with the new administration

Mayor's Budget Instructions

- Permanently reduce General Fund spending by 15% beginning in FY25-26
- Assess CBO grant allocations for efficiency. Only fund community-based organizations that demonstrate strong outcomes and cost-effectiveness, focused on direct services to clients.
- Re-examine all contractual services and non-personnel expenditures
- Eliminate position vacancies, do not add new FTEs
- Consider hiring freezes and hire only core departmental functions.
- Year two only:
 - Reorganize to eliminate redundancy. Mayor's Office will work with departments to identify programs for FY27 consolidations
 - Revise nonprofit cost-of-doing business adjustment to reflect CPI. Revised downward from 3% to 2.4% for FY26-27

FY2025-2027 Budget Timeline



Upcoming Budget Meetings

- **Public Homeless Oversight Commission meetings**
 - January 10, 2025: Budget Instructions Overview
 - February 14, 2025: Approval of FY25-27 HSH Budget Proposal
- **Meetings with Stakeholders including:**
 - Strategic Framework Advisory Committee
 - Meetings with Provider and Advocacy Groups
 - Meeting with Youth Commission