

Our City, Our Home (OCOH) Fund  
Emergency Shelter and Hygiene Services Partnership Meeting  
March 15, 2022

Present: Lena Miller (OCOH Oversight Committee), Jennifer Friedenbach (OCOH), Gigi Whitley (Department of Homelessness and Supportive Housing), Noelle Simmons (HSH), Emily Cohen (HSH)

1. Welcome
2. Addressing the revenue shortfall in this and next budget year
3. Holding some funds in reserve is common in specialized funds like OCOH. A reserve would protect OCOH funded programs by providing a financial cushion to offset revenue shortfalls, like those experienced by the OCOH Fund this year.
4. Controller's Office is developing a policy. Some features of that policy are:
  - NO CUTS TO PROGRAMS to fund the reserve.
  - Reserve would be filled with unspent fund balances at the end of the fiscal year or with surplus revenue. Remembering the grey colored Estimated Fund Balances in the OCOH spending presentation that the Controller's Office delivered on February 24 ([beginning at slide 11 of this deck](#)).
  - A reserve could have a cap on the amount of funds that could be held in reserve. *Note: at 3/24 OCOH Oversight Meeting the Controller's Budget Analysis Division suggested 10-20% of budget in each fund category based on research into best practices.*
  - The Reserve would be built over the course of several budget cycles- with each OCOH Fund category adding to the reserve as they are able at year end or with surplus.
  - There will be no requirement to fund the reserve by a certain date.
  - Reserves would be proportionate, so reserves in one area of the fund can't offset reductions in another area.
  - Shelter has the lowest estimated balance. As a result, funding a reserve is going to be challenging in the shelter/hygiene category.
  - New revenue projections are looking a bit worse than previously thought. For shelter and hygiene, that's about \$11.3m over the current year and the next 2 budgeted years.
    - The good news is that State government is picking up capital costs associated with safe parking. This will help relieve the financial pressure of the revenue shortfall on the shelter and hygiene programs.
    - More good news: the Federal Government extended FEMA 100% reimbursement until the end of June. Unfortunately, the City will need to borrow from another area of the City budget in the short term and reimburse when the FEMA reimbursement comes through. Federal reimbursement can take years.
    - Great deal of demand for shelter and hygiene services
    - As a result of these funding sources, HSH is not anticipating drastic rebalancing, such as cutting services.
5. OCOH Fund Budget: What's changing, what's staying the same?
  - Are there any unprogrammed funds? No, not anticipating any unprogrammed or underspent funds.

## OCOH Emergency Shelter and Hygiene Services Liaison/Department Meeting

- Hotel vouchers will be put out to bid as soon as planning conversations with providers (TAY, Family, DV) conclude later this spring.
  - i. Member Friedenbach said that DV shelter and options for pregnant people was a theme in the listening session on 3/11/2022.
- Committee Members were pleased that the shortfall isn't slowing implementation.
- When does the Controller think the revenue collection and projection will be solid enough to budget? Final numbers anticipated this week (3/14-3/18), leaving a week to prepare for the OCOH budget presentation to the Oversight Committee
- Any talk about using savings for other purposes? HSH is hopeful that next round of state funding will support shelter expansion and new acquisitions. But, HSH will need to identify ongoing operating funds for these programs. Since savings are one time, savings are not well suited to ongoing operating costs.
- Member Friedenbach would like to see FEMA savings put back into the fund or put toward OCOH priorities. HSH said that FEMA reimbursement often takes years. The slow reimbursement timeline creates problems in the short term as HSH balances its budget (which is required). Once the FEMA reimbursed funds come back, then it will be a fair policy question of how the funds are directed within the City.
- Dept raised issue of Safe Sleep, which decreases in OCOH funding next year (FY23). Department would like to continue Safe Sleep programs. Mission, Jennings, and Gough will continue. Possibly increase safe sleep funding in OCOH.
- No other changes: HSH is trying to manage ongoing costs within the already tight allocation. Adding new strategies would require cutting back on existing strategies.
- Members expressed interest in prioritizing investments to promote flow into and out of shelter.
- Members appreciated the Department's approach to the budget, and that Departments are actively reaching out and engaging the Committee on budget issues.

### 6. Next Steps

- March 21 OCOH Special Meeting will focus on the Inventory Gaps Analysis section of the OCOH Needs Assessment
- March 24<sup>th</sup> OCOH Oversight Committee's regular meeting will provide revenue collection and projections, reserve strategy, and budget proposals from departments.