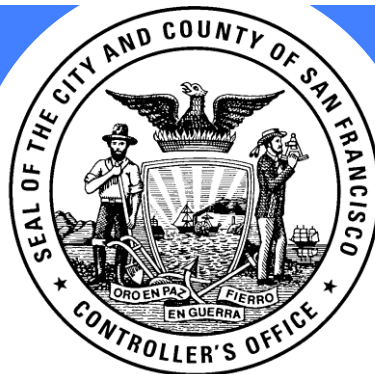


Our City, Our Home Oversight Committee

January 27, 2022



CITY & COUNTY OF SAN FRANCISCO

Office of the Controller
City Performance Unit

01.27.2022

Meeting Agenda

1. Call to Order
2. Public Comment
3. Action Item: Approval, with possible modification, of the Meeting Minutes from Special Meetings on December 2, 2021. (5 min)
4. Action Item: Resolution Making Findings to Allow Teleconferenced Meetings Under California Government Code Section 54953(e). (10 min)
5. Action Item: Resolution on Ramaytush Ohlone Land Acknowledgement (10 min)
6. Presentation from the Controller's Office on Our City, Our Home Fund revenue and fund balances, with discussion and possible action by the Committee (30 min)
7. Overview of Budget Recommendation Process Timeline and Liaison Workplans with discussion and possible action by the Committee (35 min)
8. Propose agenda items for subsequent meetings and provide updates, with possible action by the Committee in response to this item (10 min)
9. Adjourn

2. Public Comment

3

Public Comment on any matter within the Committee's jurisdiction that is not on the agenda.

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Access Code: 2489 508 2806

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3. Meeting Minutes

4

Approval, with Possible Modification, of the Minutes

- Special Meeting of December 2, 2021

Public Comment on Agenda Item 3, Meeting Minutes

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4. Teleconferenced Meetings

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Resolution making findings to allow teleconferenced meetings

RESOLVED, That the Our City, Our Home Oversight Committee finds as follows:

The State of California and the City remain in a state of emergency due to the COVID-19 pandemic. At this meeting, the Our City, Our Home Oversight Committee has considered the circumstances of the state of emergency.

State and City officials continue to recommend measures to promote physical distancing and other social distancing measures, in some settings.

Because of the COVID-19 pandemic, conducting meetings of this body in person would present imminent risks to the safety of attendees, and the state of emergency continues to directly impact the ability of members to meet safely in person.

4. Teleconferenced Meetings

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FURTHER RESOLVED, That for at least the next 30 days meetings of the Our City, Our Home Oversight Committee will continue to occur exclusively by teleconferencing technology (and not by any in-person meetings or any other meetings with public access to the places where any policy body member is present for the meeting). Such meetings of the Our City, Our Home Oversight Committee that occur by teleconferencing technology will provide an opportunity for members of the public to address this body and will otherwise occur in a manner that protects the statutory and constitutional rights of parties and the members of the public attending the meeting via teleconferencing.

4. Teleconferenced Meetings

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FURTHER RESOLVED, That the secretary and staff of the Our City, Our Home Oversight Committee is directed to place a resolution substantially similar to this resolution on the agenda of a future meeting of the Our City, Our Home Oversight Committee within the next 30 days. If the Our City, Our Home Oversight Committee does not meet within the next 30 days, the staff is directed to place a such resolution on the agenda of the next meeting of the Our City, Our Home Oversight Committee.

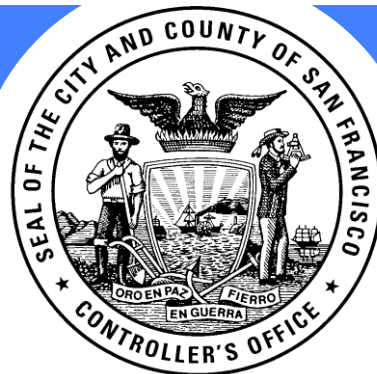
Public Comment on Agenda Item 4, Resolution making findings to allow teleconferenced meetings

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Homelessness Gross Receipts Tax



CITY & COUNTY OF SAN FRANCISCO

Office of the Controller

01.27.2022

Overview

- **San Francisco business taxes are volatile**, and budgets are based on forecasts at a moment in time. We update those projections throughout the year to help policy-makers manage budgets to changing reality.
- **We're projecting business tax weakness versus budgeted levels, in both the current and future fiscal years.** Our December forecast projects approximately \$40M in annual losses in the current and future fiscal years. These are preliminary projections, and we will update them with more current information in March.
- **Current year program implementation should not be affected by this current year loss.** We believe operating savings in the OCOH categories will more than offset this revenue weakness, given time required to operationalize historic levels of investments.
- **Future year plans may need modification.** We recommend delaying consideration of proposed budgets for future years until March & April, when we will have improved projections incorporating more recent revenue information.

Basics of Homelessness Gross Receipts Tax (HGR)

- November 2018 Proposition C imposed a gross receipts tax in excess of \$50m, in addition to the existing gross receipts business tax. (i.e., if a business earned \$50m + \$100, pay taxes on \$100.)
- Rate: HGR tax rates differ by industry

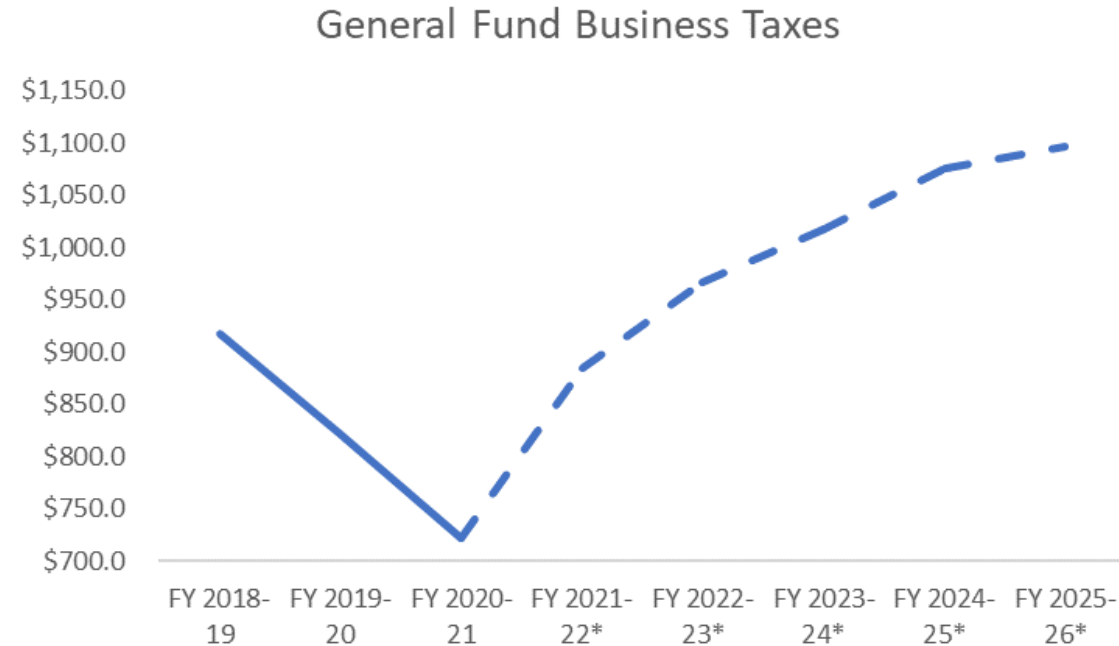
Business Activity	Tax Rate
1 Retail Trade, Wholesale Trade and Certain Services	0.175%
2 Manufacturing, Transportation & Warehousing, Information, Biotechnology, Clean Technology, and Food Services	0.500%
3 Accommodations, Utilities, Arts, Entertainment and Recreation	0.425%
4 Private Education and Health Services, Administrative and Support Services, and Miscellaneous Business Activities	0.690%
5 Construction	0.475%
6 Financial Services, Insurance, and Professional, Scientific and Technical Services	0.600%
7 Real estate and Rental and Leasing Services	0.325%

- Base: Homelessness gross receipts tax (HGR) payors include the largest payors of the existing gross receipts (GR) tax. In tax year 2020, there were 339 payors of HGR versus 10,305 payors of GR.

Basics of Homelessness Gross Receipts Tax (HGR)

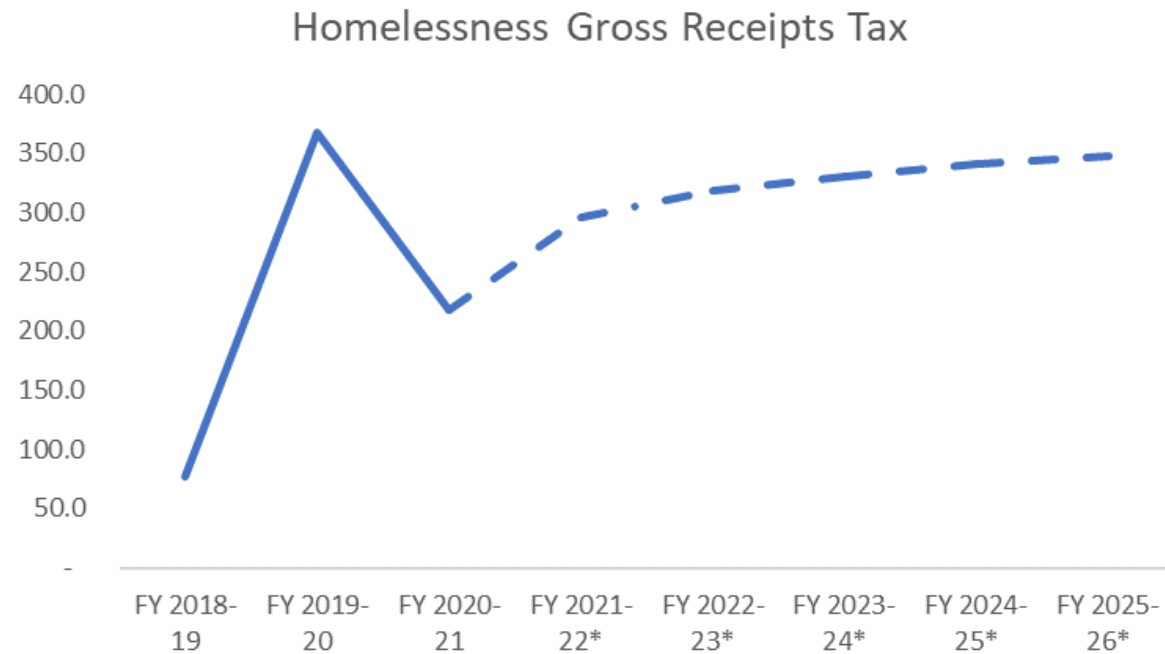
- Key factors influencing all business taxes collected by the City...
 - **Local economic activity, approximated by local GDP growth.** Tax year 2020 activity declined by an estimated 10% compared to prior tax year (TY). *Joint Report forecast assumes tax year 2021 activity rebounds with 6% growth in TY 2021, 4% growth in TY 2022, and 3% growth thereafter.*
 - **Remote vs Office work.** To calculate business activity attributable to San Francisco, some taxpayers apportion their worldwide gross receipts by the payroll based in San Francisco. With the ubiquity of remote work for office-based employees during the pandemic, in TY 2020, there was an estimated 40% reduction in San Francisco's office-based payroll, resulting in declines to business tax. *Joint Report assumes office-based employees return to office by tax year 2023 at a permanently lower-level, depressing San Francisco payroll by 15%.*

Joint Report Forecast



- General Fund business tax forecast includes 2020 Prop F tax rate increases, one reason why forecast exceeds pre-pandemic levels.
- Business taxes represent roughly 15% of the General Fund, which is supported by “diversified portfolio” of taxes and subventions.
- The City manages General Fund revenue volatility by maintaining reserves.

Joint Report Forecast



- Due to timing of tax, the City has never experienced a full-year's pre-pandemic "normal" level of HGR collection. FY 2018-19 collections represents only one quarterly prepayment.
- Unlike the General Fund, the OCOH Fund is supported by a single source, exposing the fund to greater revenue volatility.

Joint Report Forecast

	Budgeted HGR	Projected HGR	Variance
FY21-22	335.6	296.2	(39.4)
FY22-23	357.1	318.9	(38.2)
FY23-24	368.5	330.6	(37.9)
FY24-25	370.3	340.5	(29.8)
FY25-26	378.3	347.9	(30.4)

- As of January 2022, Controller forecasts revenue shortfall in each fiscal year.
- FY 2021-22 update in mid-February Six Month Budget Update report.
- FY 2022-23+ update in mid-March Joint Report Update report, for Mayor's proposed budget.

Closing

- **Current year implementation plans should not be slowed by this revenue loss.** We will report back in February on implementation progress for OCOH funds and detailed current year expenditure projections. We believe that savings in the fund will offset approximately \$40M in revenue weakness without adjusting implementation plans.
- **Future years may need to be revisited.** The Controller's Office will update our future fiscal year forecasts in March with more recent filing information. The Mayor's Budget Office has approved an extension of budget proposals to account for this key update, and we recommend the OCOH oversight committee adjust your review calendar from February/March to March/April to accommodate this update.

Public Comment on Agenda Item 5, Our City, Our Home Fund Revenue

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Public Comment on Agenda Item 5, Our City, Our Home Fund Revenue and Balances

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Budget Timeline

Month	OCOH Budget Timeline
January	- Controller presents preliminary revenue projections for current year and budget years to Committee on 1/27.
February	<ul style="list-style-type: none"> - City departments review FY2021-22 implementation and spending through mid-year. - Meeting #1 with OCOH Liaisons. - City departments submit budget proposals <i>excluding OCOH</i> to Mayor's Office on 2/22. - Current Year budget actuals and projections presented to Committee on 2/24.
March	<ul style="list-style-type: none"> - OCOH revenue projections finalized for budget years. - Meeting #2 with OCOH Liaisons. - Departments present preliminary City budget proposals and receive OCOH feedback at 3/24 meeting
April	<ul style="list-style-type: none"> - Meeting #3 with OCOH Liaisons. - OCOH Committee makes recommendations to Mayor on 4/28
May	- Mayor's proposed OCOH budget finalized.
June	<ul style="list-style-type: none"> - Mayor Breed proposes her FY2022-23 and FY2023-24 budget on 6/1, which will include the final OCOH budget proposal. - Board of Supervisors' Phase of budget process begins.

Monthly Meetings: Community Liaisons and Departments

- Liaisons meet monthly with Departments to shape budget proposals.
- Up to 4 Committee Members can participate in each meeting (Liaison+3)
 - Behavioral Health: Feb. 17, March 17, April 21
 - Diversion and Prevention: Feb. 17, March 17, April 21
 - Shelter and Hygiene: Feb. 15, March 15, April 19
 - Permanent Housing: Feb. 15, March 15, April 19
- Staff will reach out to Committee Members to solicit participation

Community Engagement and Input

Stakeholder Engagement Sessions

- 1-2 sessions focused on budget, spending, and capacity added to the system during the **first two weeks of March**.
- 1 session on Needs Assessment of available data taking place between **March 14th and 23rd**.
- 1 session reviewing Committee Recommendations, April 14-22

Focus Groups

- Explore pathways, barriers, and racial equity, recruiting participants from “front door” interventions, with preference for OCOH-funded programs
 - Fulton Safe Sleep
 - Youth Navigation Center
 - Oasis Family Shelter
 - Safe Parking/Vehicle Triage Center

Key Dates in Committee's Recommendation Process

February 22

- Departmental budgets to Mayor, **EXCEPT Our City, Our Home Funds.**
Deadline for Department's OCOH budget proposals extended to April 1, 2022

February 24 OCOH Oversight Committee Meeting

- 6-month report on OCOH Fund appropriations and spending
- Departments report on capacity added through OCOH Fund
- Needs Assessment: inventory gaps analysis

Key Dates in Committee's Recommendation Process

March 1-23 Stakeholder Presentations and Input Sessions

- Meeting 1: Budget, Spending, and Added Capacity (1-2 sessions)
- Meeting 2: Needs Assessments (1 session)

March 24 OCOH Oversight Committee Meeting

- 3rd Quarter revenue picture and forecast
- Departments present preliminary City budget proposals
- Committee offers feedback on preliminary City budget proposals

Key Dates in Committee's Recommendation Process

April 4-15

- OCOH Oversight Committee Special Meeting. Committee discussion of Liaison's preliminary recommendations
- Identify key questions for community input.

April 14-22

- Committee holds Town Hall meeting to solicit input on preliminary recommendations

April 28 OCOH Oversight Committee Meeting

- Approve budget recommendations to Mayor

Key Dates in Committee's Recommendation Process

May

- Advocacy on OCOH Recommendations

June

- June 1 Mayor proposes FY 2022-23 and FY 2023-24 budget.
- Board of Supervisors budget phase begins
- OCOH Committee Recommendations to Board of Supervisors.

Key Dates in Committee's Recommendation Process

Questions or Comments?

Behavioral Health Liaison

January

- Met with DPH-Behavioral Health to review current and future investments (FY21-22 and FY22-23), as well as implementation progress

February-April

- Town Hall sessions (2-3)
 - Listening sessions for community input to incorporate into behavioral health outcomes
- Focus Groups
 - Self-identified behavioral health service needs or gaps in care.
 - Barriers to access, ongoing engagement, and long-term goals (cultural, language, geography, etc.).
 - Qualitative patterns of racial disparities to shape racial equity goals.
- Regular Liaison meetings with the Department of Public Health to influence Departmental budget priorities.

Diversions and Prevention Liaison Workplan

January

- Met with Noelle Simmons and Julieta Barcaglioni (HSH) and Amy Sawyer (Mayor's Office). Received updates on program implementation and outcomes to date, as well as coordination of state, city, federal spending.
- Would love to offer this presentation to the whole committee at some point.

February

- Monthly Prevention Liaison Check-Ins begin
 - Coordinate with Behavioral Health Check-in to track progress on PSH Behavioral Health investments
- Feb 24th OCOH Oversight Committee Meeting:
 - Are there large amounts of unspent funds that could be reallocated to other immediate one-time needs or programs that are moving more quickly to get funds out the door?

Diversions and Prevention Liaison Workplan

March

- Liaison Check-in
- Committee receives final numbers on collections and projections for available funds, which will enable Committee recommendations.
- Committee provides feedback on preliminary City budget proposals
- Community Budget Transparency Meetings

April

- Liaison Check-In
- Community Townhalls to receive input for Committee Recommendations
- OCOH Meeting make recommendations for prevention, OCOH vote on recommendations

May/June

- Meet with Depts, Mayor, BOS to discuss recommendations

Lived Expertise Program Workplan

December/January/February

- Member D'Antonio and Member Leadbetter meet with key stakeholders/community groups to develop proposal including Mental Health SF
- Hold initial discussions with City leadership/departments, take feedback and draft proposal
- Identify leaders with lived expertise to partner with us to develop/champion the proposal

February/March

- Monthly Community Accountability/Lived Expertise Liaison Check-Ins
- Community Budget Transparency Meetings - solicit input on using funds for lived expertise leadership development.
- Present detailed proposal to OCOH and vote to include in FY22-23 Investment Plan and Budget Recommendations.

Lived Expertise Program Workplan

April

- April 1 Departments give their recommendations to Committee, Mayor - work with a City department to ensure program is included in a department's budget (Controllers Office, HSH, MOHCD, or other?)
- Community Townhalls to receive input for Committee Recommendations
- OCOH Meeting make recommendations, OCOH vote on recommendations

May/June

- Meet with Depts, Mayor, BOS to discuss recommendations

July/August

- Final budget
- Begin procurement/staffing/hiring

Permanent Housing and Pipeline Liaison January Update

In January:

- Met with stakeholders and City Departments to explore timely, cost-effective housing development strategies.
 - Considering Housing Innovation Challenge as a way of inviting new approaches and solutions.
- In conversation with City staff, assessed progress toward implementation of FY21-22 OCOH funded permanent housing recommendations, and concerns for FY22-23.

To Do in February:

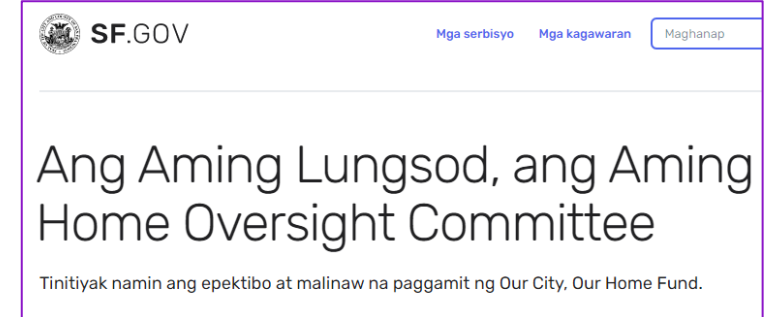
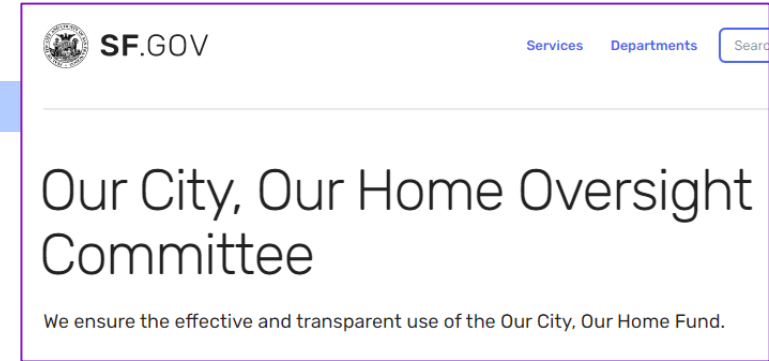
- Explore regulatory requirements with City Attorney
- Meet with departments to review OCOH Permanent Housing spending to date, fund balances, and prioritize recommendations
- Meet with stakeholders including Supportive Housing Providers Network and Council of Community Housing Organizations to scope concerns and recommendations

6. Community Liaison Work Plans

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Community Impact and Accountability Liaison January Update

- Our City, Our Home Oversight Committee website launched: www.sf.gov/OCOH
- Planning for Stakeholder input sessions in March and April
 - Budget transparency
 - Needs assessment
 - Committee's recommendations to Board and Mayor
- Planning for a focus group series with participants in "front door" programs that will explore pathways and barriers.
 - Safe sleep
 - TAY navigation center
 - Family shelter
 - Safe parking



6. Community Liaison Work Plans

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Emergency Shelter and Hygiene Liaison January Update

January:

Public Comment on Agenda Item 6, Community Liaison Work Plans

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Resolution on Ramaytush Ohlone Land Acknowledgement

WHEREAS, The San Francisco Human Rights Commission (HRC) published a report in 2007, *Discrimination by Omission: Issues of Concern for Native Americans in San Francisco*, detailing the ways in which Native American communities experience systemic erasure and exclusion in San Francisco and identifying numerous recommendations for improved outcomes, a process which was guided by members of Native American Communities, including the Ramaytush Ohlone peoples; and

WHEREAS, The Our City, our Home Oversight Committee (OCOH Oversight Committee) joins with HRC in acknowledging that the Ramaytush Ohlone are the original peoples of the San Francisco Peninsula; and

7. Ramaytush Ohlone Land Acknowledgement

WHEREAS, The OCOH Oversight Committee joins with HRC in acknowledging that the area comprising the City and County of San Francisco was originally inhabited by the Yelamu, an independent tribe of the Ramaytush Ohlone peoples; and

WHEREAS, The OCOH Oversight Committee joins with HRC in acknowledging that the Association of Ramaytush Ohlone has actively worked to research, expand public awareness of, and preserve Ohlone history and culture; and

WHEREAS, The OCOH Oversight Committee joins with HRC in acknowledging that the Ramaytush Ohlone peoples have survived the brutalities of colonialism, enslavement, genocide, discrimination, racism, gender-based violence, theft, forced assimilation, and other atrocities driven by local, federal, and global governments; and

7. Ramaytush Ohlone Land Acknowledgement

WHEREAS, The OCOH Oversight Committee joins with HRC in acknowledging that Ramaytush Ohlone peoples are not a mythical population of the past, but an integral and active community in the present San Francisco Bay Area region, and beyond, whose ongoing exclusion and invisibility threaten the greater Native American community's inclusion and respect in San Francisco; and

WHEREAS, The OCOH Oversight Committee joins with HRC in acknowledging that the City and Count of San Francisco was founded on unceded territory, and continues to participate in the erasure and exclusion of the Ramaytush Ohlone peoples; and

WHEREAS, The OCOH Oversight Committee joins with HRC in acknowledging the truth of a land's history is a human right and demonstration of honor and respect for the contributions and sacrifices of the ancestors that inhabited and cared for this land before us; and

5. Ramaytush Ohlone Land Acknowledgement

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WHEREAS, The San Francisco Board of Supervisors, HRC, and the Office of Racial Equity (ORE) have urged all boards and commissions in the City and County of San Francisco to begin each meeting with the below land acknowledgement, which was written and approved by the Association of Ramaytush Ohlone. Now, therefore, be it

RESOLVED, From this date forward, the OCOH Oversight Committee will join the Board of Supervisors, HRC, and other Commissions in stating the following land acknowledgement at the beginning of each OCOH Oversight Committee meeting:

We acknowledge that we are on the unceded ancestral homeland of the Ramaytush Ohlone, who are the original inhabitants of the San Francisco Peninsula. As the indigenous stewards of this land and in accordance with their traditions, the Ramaytush Ohlone have never ceded, lost nor forgotten their

7. Ramaytush Ohlone Land Acknowledgement

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responsibilities as the caretakers of this place, as well as for all peoples who reside in their traditional territory. As guests, we recognize that we benefit from living and working on their traditional homeland. We wish to pay our respects by acknowledging the ancestors, elders and relatives of the Ramaytush Community and by affirming their sovereign rights as First Peoples; and, be it

FURTHER RESOLVED, this land acknowledgement is a first step needed in acknowledging and honoring the land, culture, and contributions of the Ramaytush Ohlone peoples throughout the San Francisco Bay Area; and be it

FURTHER RESOLVED, that this resolution be adopted and copies of it be submitted to the Mayor, Board of Supervisors, HRC, and ORE.

Public Comment on Agenda Item 7, Resolution on Ramaytush Ohlone Land Acknowledgement

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8. Future Agenda Items and Committee Updates

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Propose agenda items for future meetings and provide Committee updates

Public Comment on Agenda Item 8, Future Agenda Items and Committee Updates

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Thank you.

Questions?

Email the Committee at OCOH.CON@sfgov.org