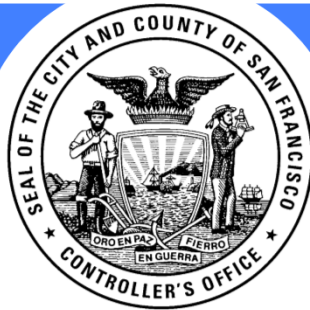


Our City, Our Home Oversight Committee

Regular Meeting



CITY & COUNTY OF SAN FRANCISCO

Office of the Controller

03.24.2022

Meeting Agenda

1. Call to Order
2. Public Comment
3. Action Item: Approval, with possible modification, of the Minutes of the meeting on February 24, 2022 (5 min)
4. Action Item: Resolution Making Findings to Allow Teleconferenced Meetings Under California Government Code Section 54953(e). (10 min)
5. Presentation of Our City, Our Home Fund Revenue Collection, Projections, and Reserve Policy, with discussion and possible action by the Committee (25 min)
6. Presentation and Discussion of Budget Proposals by Fund Category, with Possible Action by the Committee (55 min)
7. Propose Agenda Items for Subsequent Meetings, with possible action by the Committee.
8. Adjourn

1. Call to Order

3

Call to Order

- Call to Order
- Roll Call
- Confirmation of Quorum
- Ramaytush Ohlone Land Acknowledgement:

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 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.

2. Public Comment

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

Call In Number: 1-415-655-0001

Access Code: 2490 351 0915

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3. Meeting Minutes

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Approval, with Possible Modification, of the Minutes

- Meeting of February 24, 2022

3. Meeting Minutes

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Public Comment on Agenda Item 3, Meeting Minutes

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Access Code: 2490 351 0915

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4. Teleconferenced Meetings

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Resolution making findings to allow teleconferenced meetings

- On September 16, 2020 Governor Newsom signed AB 361 into law. AB361 amends the Brown Act to allow local policy bodies to continue to meet by teleconferencing during a state of emergency, provided that the policy bodies make certain findings at least once every 30 days.
- These findings include considering the circumstances of state of emergency.
- On February 25th, 2020, the Mayor of the City and County of San Francisco declared a local emergency, and on March 6, 2020, the City's Health Officer declared a local health emergency. Both declarations remain in effect.
- On July 31, 2020, the Mayor issued an emergency order that prohibited policy bodies other than the Board of Supervisors from meeting in person under any circumstances.

4. Teleconferenced Meetings

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Resolution making findings to allow teleconferenced meetings

- On February 10, 2022, the Mayor issued an emergency order requiring certain City boards and commissions to resume meetings in person at a physical location. However, the order continues to prohibit all other policy bodies, including the Our City, Our Home Oversight Committee, from meeting in person.
- Federal, State, and local health officials continue to recommend measures to promote safety for indoor gatherings, including vaccination, masking, improved ventilation, and other measures.
- The Our City, Our Home Oversight Committee has met remotely during the COVID-19 pandemic and can continue to do so in a matter that allows public participation and transparency while minimizing health risks to members, staff and the public.

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.

4. Teleconferenced Meetings

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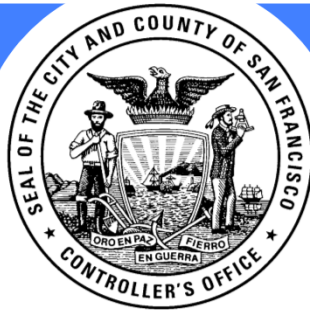
Public Comment on Agenda Item 4, Resolution making findings to allow teleconferenced meetings

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Revenue Update & Potential Reserve Policy



CITY & COUNTY OF SAN FRANCISCO

Office of the Controller

03-24-2022

5. Revenue

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Review: 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 Accomodations, 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.

5. Revenue

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March Update to Homelessness Gross Receipts

- Controller, Budget and Legislative Analyst, and Mayor's Office jointly update the City's Five-Year revenue and expenditure forecast each fall and spring.
- The March business tax forecast is moderately worse than the January forecast.
- Highlights from February forecasting conference:
 - Hybrid is here to stay: Long-run average of being "in office" 3 days/week. Increases potential for growth as new businesses fill unused space.
 - Market value of "commodity" office space is likely to fall, impacting property and transfer tax.
- Translation to gross receipts tax forecast (both GF and HGR)
 - Higher long-run telecommuting rate (33% vs 15%)
 - Higher "economic growth" rate (5%/4%/4%/4% vs 4%/3%/3%/3%)
 - Incorporate cash receipts to-date and initial tax year 2021 filing data

5. Revenue

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March Update to Homelessness Gross Receipts

	Budget	Jan 22	ACTIVE Mar 22	Var from Prior	Var from Bgt
FY20-21 Actual	217.8	217.8	217.8		
FY21-22	335.6	296.2	294.3	(1.8)	(41.3)
FY22-23	357.1	318.9	313.4	(5.5)	(43.7)
FY23-24	368.5	330.6	328.4	(2.2)	(40.1)
FY24-25	370.3	340.5	341.7	1.2	(28.6)
FY25-26	378.3	347.9	350.9	3.0	(27.4)

5. Revenue

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Final thoughts on revenue

- San Francisco business taxes are volatile, in part because of the small population of taxpayers
- The OCOH fund is supported by this single revenue source, increasing its exposure to unanticipated changes in the business cycle.
- We project further business tax weakness versus budgeted levels, in both the current and future fiscal years. Our March forecast projects approximately ~\$30 to \$40M in annual losses.
- We don't forecast recessions but there is risk. As the Federal Reserve raises interest rates to manage inflation, there's increased risk of recession, which would put downward pressure on gross receipts tax revenue at the same time demand for homelessness services increases.
- A reserve could guard against future revenue volatility, potentially allowing programs and services to continue at planned service levels during financially difficult times.

5. Reserves

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Considerations for Reserve Policy

- Components of reserves
 - Purpose/scope – what risk is being mitigated?
 - Size – multi-year vs one-year?
 - Use and replenishment
- Balance between current and future needs.
- There's no "rule of thumb" for setting reserve levels; they depend on the particular risk being managed and the consequence of inadequate risk management.
- At a minimum, the Government Finance Officers Association (GFOA) recommends fund balance (sometimes thought of as a reserve) of 2 months (or 16.7%) of operating expenditures.

5. Reserves

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Examples of San Francisco's Reserve Policies

- General Fund
 - **General Reserve** – Funds unanticipated needs in the current year. Target balance of 1.5% to of 3% of General Fund revenue.
 - **Economic Stabilization Reserve** (Rainy Day and Budget Stabilization Reserve) – Used to close multi-year deficits during economic downturns. Target balance of 10% of General Fund revenue, accumulated over many years.
 - **Other:** Fiscal Cliff Reserve, State and Federal Revenue Reserve, Hotel Tax Revenue Loss Reserve, etc.
- Municipal Transportation Agency Contingency Reserve. Target of 10% operating budget to offset revenue loss.
- Public Utilities Commission Fund Balance Reserve Policy. Minimum of 25% of operations and maintenance costs for each enterprise.

5. Reserves

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Recommend 10%-20% Revenue Reserve

General Fund Business Taxes, Budget vs. Actuals
(\$ millions)

	Budget	Actuals	Variance	% Budget
FY08-09	394.6	387.3	(7.24)	-2%
FY09-10	371.8	353.5	(18.38)	-5%
FY10-11	342.4	391.1	48.71	14%
FY11-12	389.9	435.3	45.44	12%
FY12-13	452.8	479.6	26.82	6%
FY13-14	533.0	562.9	29.91	6%
FY14-15	572.4	609.6	37.23	7%
FY15-16	634.5	659.1	24.63	4%
FY16-17	669.5	700.5	31.09	5%
FY17-18	750.8	897.1	146.26	19%
FY18-19	879.4	917.8	38.43	4%
FY19-20	1,050.6	822.2	(228.47)	-22%
FY20-21	826.4	722.6	(103.76)	-13%

**General Fund Business Tax Revenue Loss During
Recessionary Periods** **-10%**

- Biggest risk to the fund is revenue volatility. We can organize reserve target and withdrawal rules around that concept.
- Historical performance of General Fund business taxes against budget suggests that a 10-20% reserve would be helpful during times of revenue loss
- 10-20% is roughly aligned with other reserve targets in the City and County of SF

5. Reserves

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Possible Reserve Mechanics

- Deposit at year-end, once we know actual spending against budget. Within each category, deposits could be made because of expenditure savings and/or revenue surpluses.
- Withdrawal from reserve when revenue is less than budgeted (i.e., revenue shortfall vs budget), to sustain budgeted spending levels.
- Codify reserve policy through an Administrative Provision of the Annual Appropriations Ordinance, where other reserves are also codified.

5. Revenue Update and Reserve Policy

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Public Comment on Agenda Item 5, Our City, Our Home Fund Revenue Collection & Projection Update, and Reserve Policy

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6. Budget Proposals by Fund Category

23

Presentation and Discussion of Budget Proposals by Fund Category, with Possible Action by the Committee

- Department of Homelessness and Supportive Housing
 - Permanent Housing
 - Emergency Shelter and Hygiene
 - Homelessness Prevention and Diversion
- Department of Public Health
 - Mental and Behavioral Health



DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

Our City, Our Home FY2022-24 Budget Discussion

March 24, 2022



FY22-24 OCOH Funding Plan

- Continues investment plan adopted in FY21-22.
- Updates programmatic budgets to reflect more refined program design.
- Closes revenue shortfall using one-time funds but maintains current service plan.
- Limits new programming and program expansion due to projected shortfall.
- Centers equity throughout investment priorities and implementation.

Strategies



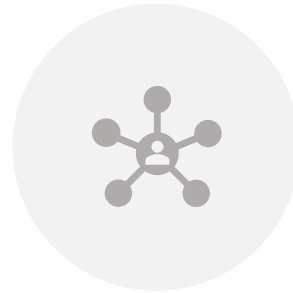
Increases the range and availability of housing systemwide by investing in Rapid Rehousing, Scattered Site and project-based Permanent Supportive Housing and Housing Ladder.



Invests in new shelter models for people experiencing homelessness; expands Problem Solving strategies and system capacity.



Invests in the overall system to promote equitable access to resources.



Coordinates an interdepartmental response to homelessness prevention, eviction prevention and housing stabilization.

FY22-24 OCOH Projected Budget

<i>Program/Population</i>	<i>FY 22-23 Adopted Budget</i>	<i>FY 22-23 Projected Budget</i>	<i>Change from Adopted Budget</i>	<i>FY 23-24 Projected Budget</i>
Housing	\$177.3	\$155.5	(\$21.8)	\$163.0
<i>General</i>	\$97.5	\$85.5	(\$12)	\$89.7
<i>Families</i>	\$35.5	\$31.1	(\$4.4)	\$32.6
<i><Age 30</i>	\$44.3	\$38.9	(\$5.4)	\$40.8
Prevention	\$53.2	\$46.6	(\$6.6)	\$48.9
Shelter & Hygiene	\$35.5	\$31.1	(\$4.4)	\$32.6
Total	\$266.0	\$233.2	(\$32.8)	\$244.5

Dollar amounts in millions.

HSH Proposed Balancing Plan for FY21-24

Plan closes revenue reduction of ~\$94 M spread across 3 years:

FY21-22

- Uses \$31 M in one-time savings to close shortfall: savings from ramp up of new programs, leveraging of new state funds, and claiming FEMA reimbursement for COVID-response shelter.

FY22-23

- Uses \$32.8 M one-time savings to maintain planned investments. Constrains program expansion in most areas.

FY23-24

- Balances \$30.1 M revenue reduction. Constrains program expansions and new programs. Requires investment tradeoffs in Prevention.

Proposed FY22-24 Expenditure Plan Highlights

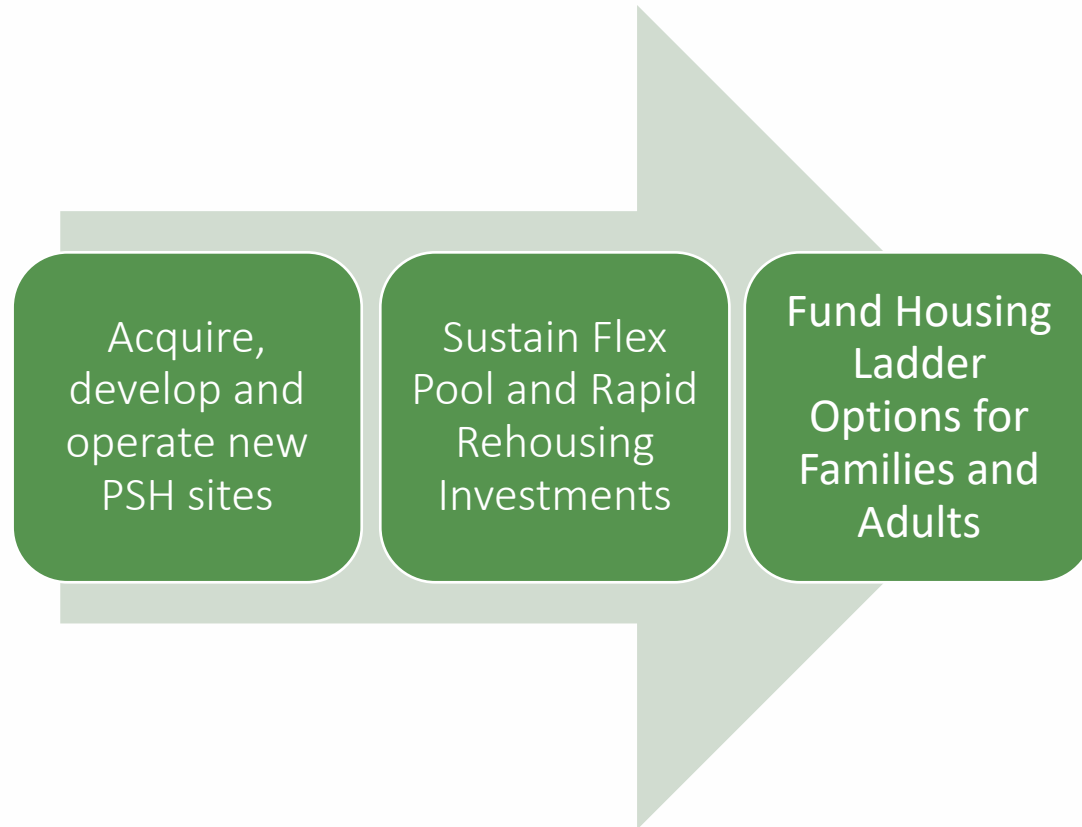
- Refines programmatic budgets to reflect updated program design.
- Limits new programs and program expansion in most cases.
- Proposes adjustments to housing subsidy and operating cost levels to reflect market conditions and needs of different populations.
- Breaks out HSH program implementation costs (less than 5% of total) from contracted costs and services for greater transparency.
- Assumes 3% inflationary increases each year through FY24.



DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

Housing: Goals & Implementation

Housing Goals & Strategies



OCOH Goal: Permanently house 4,000 adults, TAY, and families.

General (Adult) Housing: Budget Overview

• Acquisitions and Rehabilitation of PSH:

- FY21-22 Progress:
 - **308 units** of Adult PSH acquired or pending Board approval (**\$74.6 M** obligated).
 - Leveraged **\$54.8 M** in **state Homekey funds** for capital & 24 months of operating costs.
- Proposes **\$4 M** in one-time funding in FY22-23 to **complete acquisition plan**.
- Proposes **\$15.4 M** in one-time funding to restore funds for PSH rehabilitation for Homekey Round 1 projects.

• PSH Operations and Services:

- Considering **increases to operating and services subsidies** for Prop C-funded units to reduce case management ratio. Analyzing proposal for C funds to provide greater funding stability to support systemwide housing service enhancement.
- Adds **272 units** of **PSH** and **Housing Ladder** units in FY23-24 (previously funded with one-time Prop C advance sources).

General (Adult) Housing: Budget Overview

- Continues implementation **Flexible Housing Subsidy Program** for **adults, older adults**, and **Bayview** neighborhood.
 - Proposes to add 263 Adult Flex Pool slots in FY23-24 for mainstream voucher holders funding previously with Prop C advance sources.
- Continues implementation of Rapid Rehousing for adults.
- Allocates Flex Pool dollars for federal **Emergency Housing Vouchers (EHV)** supportive services:
 - Continues to leverage Prop C funds to increase number of households served and provide housing stabilization services.

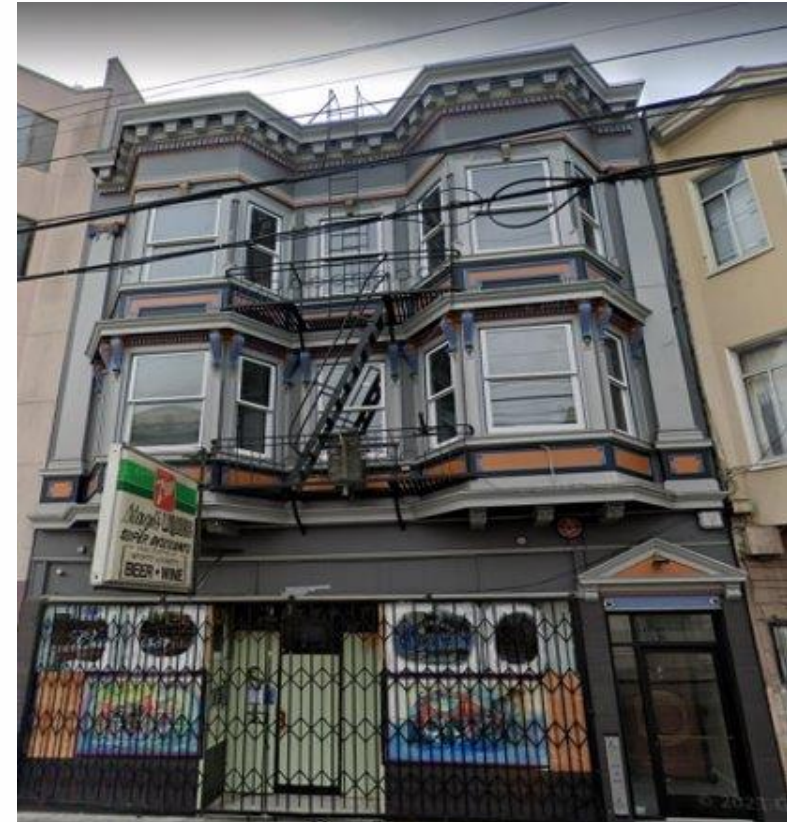
Under 30 Housing: Budget Overview

• Acquisitions:

- FY21-22 Progress: Acquired **two buildings** to serve TAY (**77 units**).
- **\$54 M** in one-time acquisition funds remaining at year-end.

• Permanent Supportive Housing Operations:

- Considering increases to operating and service subsidy levels to reflect youth needs and updated cost data.
- Analyzing C funds to support systemwide service enhancements.



The property at 3061 16th Street.

Under 30 Housing: Budget Overview

• Launching **TAY Flexible Housing Subsidy Pool**:

- Considering increased operating and services subsidy level given market conditions & youth service needs.

• Continuing TAY Rapid Rehousing (**Rising Up** Initiative):

- Reviewing ongoing subsidy level. FY21-22 subsidy level increased mid-year to mitigate the impact of COVID-19 of youth employment and housing retention.

• Funds **\$963,000 one-time pilot** in FY22-23 for **TAY Bridge Housing program** to align with Board of Supervisors' adopted budget.

Family Housing: Budget Overview



• Acquisitions:

- FY21-22 Progress: Acquired 1321 Mission site with **40 units** for families.
- Requesting authority to purchase newly renovated **200-unit family housing building** in spring 2022.

Family Housing: Budget Overview

• Family Flexible Housing Subsidy Pool:

- Increased subsidy level to reflect actual cost of larger units; considering **increased operating and services subsidy level** to better meet needs of families and rental market conditions to lease larger units.
- Proposes **Family Housing Ladder** program for families moving out of Permanent Supportive Housing into the private rental housing with ongoing rental subsidy.
- Leverages Flex Pool funds to provide supportive services to federally-subsidized **Emergency Housing Voucher** holders.

• Family Housing Development Fund (MOHCD + HSH):

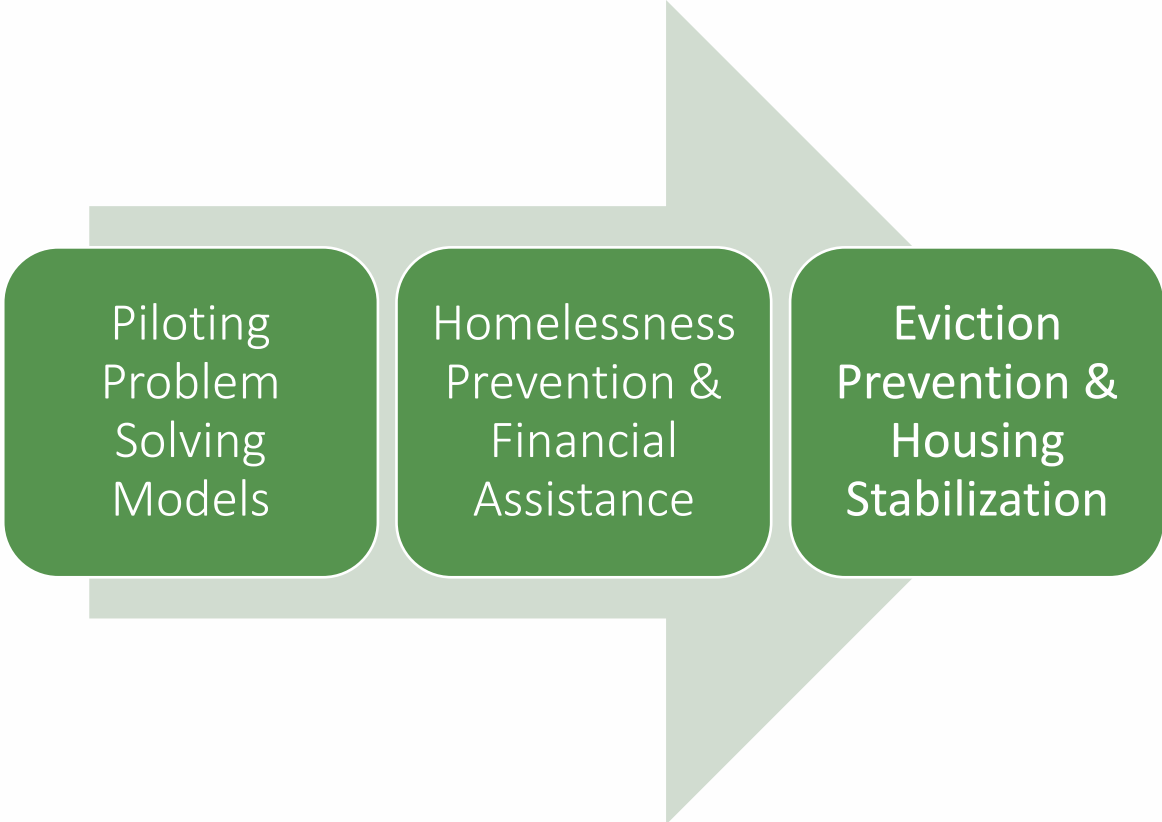
- Propose **\$8 M** in one-time capital funds in FY22-23 for MOHCD's procurement of a new construction **80-unit family project**.
- Site would serve 50% homeless households (**40 units**).



DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

Prevention: Goals & Implementation

Prevention Goals & Strategies



Piloting
Problem
Solving
Models

Homelessness
Prevention &
Financial
Assistance

Eviction
Prevention &
Housing
Stabilization

OCOH Goal: Prevent
homelessness for
7,000 people.

Prevention: Budget Overview

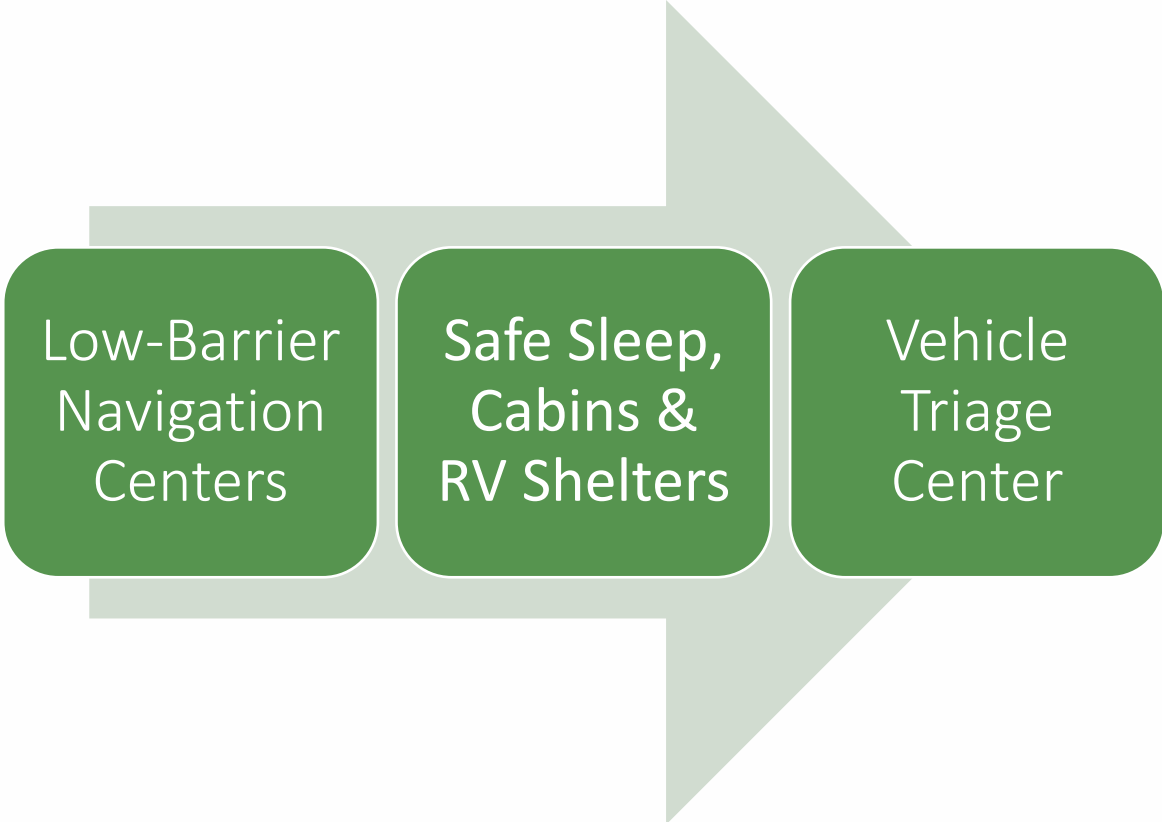
- Problem Solving investments funded through FY23:
 - One-time funding allocated over two fiscal years to **pilot new strategies** and **increase providers' capacity** to implement program model.
 - Programs for veterans, justice-involved adults, TAY, and families underway.
 - Developing **direct cash transfer** pilot for TAY that leverages state funding.
- Maintains **Homelessness Prevention & Financial Assistance program**.
- Maintains **eviction prevention & housing stabilization** investment.
- Maintains **PSH tenant subsidies** at all HSH legacy buildings.
- Continues **DPH behavioral health** investment for legacy PSH tenants.



DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

Shelter and Hygiene: Goals & Implementation

Shelter and Hygiene Goals & Strategies



Low-Barrier
Navigation
Centers

Safe Sleep,
Cabins &
RV Shelters

Vehicle
Triage
Center

OCOH Goal: Emergency shelter and drop-in hygiene programs with 1,000 placements.

Shelter & Hygiene: Budget Overview

- Implements **Phase 2 expansion** of **Vehicle Triage Center** at Candlestick.
- Funds **Navigation Center bed expansion** started with Prop C advances.
- Maintains **non-congregate family shelter** at Oasis Hotel.
- Supports Adult Probation's navigation center for **justice-involved adults**.
- Funds FY22-23 **winddown** and continuation of two **Safe Sleep** sites.
 - Sites serve the Mission District and Bayview neighborhoods
- Continues **70 cabins** at 33 Gough Street through end of next fiscal year.

Next Steps

- Continued coordination with OCOH liaisons to review and refine budget priorities and funding of a reserve.
- Finalize proposed budget with Mayor's Office for June budget submission.



DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

Thank you.

Deputy Director Emily Cohen | emily.cohen@sfgov.org

Deputy Director Gigi Whitley | gigi.whitley@sfgov.org

FY 22-23 & FY 23-24 Proposed Budget Our City, Our Home Funds

San Francisco Department of Public Health

March 24, 2022



San Francisco Health Network
Behavioral Health Services

SAN FRANCISCO DEPARTMENT OF PUBLIC HEALTH

DPH Behavioral Health – Approach to FY 2022-2024 Prop C Budget

- **Continues** investment plan approved as part of last year's budget with updates to reflect refined implementation plans
- Addresses revenue shortfall through the use of one-time fund balance to **maintain service levels** over the two-year budget
- Additional **one-time funding** needs and funding a reserve
- **No new ongoing programming** proposed due to projected revenue shortfall
- Focus on implementing programs through an **equity lens**



DPH Behavioral Health – Expenditure Plan

- Maintaining status quo service level budget – relies on use of one-time fund balance in order to not cut services
- Updated program costs to reflect refined implementation plans
 - Modest changes expected to refine FTE and contracting
 - Align new beds and facilities budget with projected contracting and construction timelines
 - Advance and secure new beds that are available for contracting now – get beds as quickly as possible
 - Budget matches implementation in the first year of the budget
 - Finalizing program budget details in the next two weeks as program implementation progresses
- Assumes three percent inflationary increases for FY 23-24, pending finalization of labor negotiations and other citywide fiscal assumptions



DPH Behavioral Health – Budget Update

	2022-23 Approved	2022-23 Proposed	2023-24 Proposed
Treatment Beds	30,800,000	27,200,000	32,200,000
Assertive Outreach	28,000,000	28,700,000	29,800,000
Case Management Services	17,800,000	17,800,000	18,300,000
Drop In Services	9,800,000	9,800,000	9,800,000
Operating & Implementation (up to 12%)	6,900,000	6,900,000	7,100,000
Total Spending	93,100,000	90,100,000	97,000,000
Projected Revenue Prop C MH	88,000,000	77,700,000	81,500,000
Projected HSH Prevention Funding for PSH	<u>5,100,000</u>	<u>4,500,000</u>	<u>3,600,000</u>
Total Available Revenues	93,100,000	82,200,000	85,100,000
(Shortfall)/Surplus	-	(7,900,000)	(11,900,000)



DPH Behavioral Health – Assertive Outreach

	2022-23 Approved	2022-23 Proposed	2023-24 Proposed
Assertive Outreach			
Overdose Prevention	8,100,000	8,100,000	8,600,000
Street Crisis Response Team	12,300,000	12,300,000	12,700,000
Street Overdose Response Team	5,100,000	5,800,000	6,000,000
Expanding BH Capacity in Street Medicine and Shelter Health	2,500,000	2,500,000	2,500,000
Subtotal	28,000,000	28,700,000	29,800,000

- Overdose Prevention will maintain funding level to support expanded access to medications for addiction treatment, contingency management, harm reduction, and related clinical support.
- Continues budget for seven Street Crisis Response Teams (SCRT)
- Street Overdose Response Team (SORT) will maintain three Post Overdose Engagement Teams (POEt)– budget \$600k higher primarily due to increases in CBO services costs

Budget Updates – Case Management

	2022-23 Approved	2022-23 Proposed	2023-24 Proposed
Case Management Services			
Care Coordination and Case Management	9,500,000	9,500,000	9,800,000
TAY Care Coordination	500,000	500,000	500,000
Services for People Moving to Permanent Supportive Housing	3,300,000	3,300,000	4,400,000
Preventing Homelessness by Expanding Services in Existing Housing	4,500,000	4,500,000	3,600,000
Subtotal	17,800,000	17,800,000	18,300,000

- Care Coordination & Case Management Services – maintenance of proposed services including dedicated services for TAY Youth
- Behavioral & Clinical Health Services in PSH
 - Behavioral Health services will be provided via CBO contract following community input
 - Funding will be reallocated between MH services and Prevention services, following an analysis of new clients moved into PSH
 - \$1M shift of costs from Prevention to MH assumed for now

Budget Updates – Drop-in Services

	2022-23 Approved	2022-23 Proposed	2023-24 Proposed
Drop In Services			
Drop In Shelter	2,100,000	2,100,000	2,100,000
MH Service Center	5,900,000	5,900,000	5,900,000
TAY Mental Health	800,000	800,000	800,000
Transgender Mental Health	1,000,000	1,000,000	1,000,000
Subtotal	9,800,000	9,800,000	9,800,000

- Maintain funding for drop-in shelter services
- Maintains budget to expand services at the Behavioral Health Access Center and Pharmacy and Mental Health Service Center (MHSC) – reviewing options and need for drop-in services and currently working on an analysis with the Controller's Office
- TAY & Transgender Mental Health Services - hiring 3 FTE at Dimensions Clinic and plans for remaining funds to support contracted services pending stakeholder input

Updated Bed Dashboard reflecting revised bed plan

DPH Behavioral Health Residential Treatment Expansion

The San Francisco Department of Public Health (DPH) is increasing residential treatment and care services by approximately 400 overnight treatment spaces, or beds. The expansion effort is guided by the 2020 DPH Behavioral Health Bed Optimization Report, Mental Health SF legislation, and with input from stakeholders. The goal is to offer high quality, timely, easily accessible, coordinated, and recovery-oriented care delivered in the least restrictive setting.

Goal 30 Beds	Open 2021 Hummingbird - Valencia Status Serving clients Open 28 beds currently available	Psychiatric respite facility to serve people experiencing homelessness from the Mission and Castro
Goal 20 Est. Beds	Open 2020 Managed Alcohol Program Status Permanent location and additional funding will expand the program from 10 beds to 20 beds Open 10 beds currently available	Pilot Medical supervision for people with chronic alcohol dependency in a permanent supportive housing setting
Goal 20 Beds	Open 2021 12-month Rehabilitative Board and Care Status Serving clients Open Client placement varies	Pilot Out-of-county supervised living and treatment for people with chronic mental health illness and/or coming from locked facilities
Goal 31 Est. Beds	Open 2021 Mental Health Rehabilitation Beds (aka LSAT) Status Serving clients Open Client placement varies	Out-of-county psychosocial rehabilitation for people who are conserved in a locked setting
Goal 13 Est. Beds	Open 2022 Psychiatric Skilled Nursing Facilities (aka PSNF) Status Serving clients Open Client placement varies	Out-of-county secure 24-hour medical care for people with chronic mental health conditions
Goal 20 Est. Beds	Opening Spring 2022 SOMA RISE ^Δ (aka Drug Sobering Center) Status Completing construction 1 2 3 4 5 6	Pilot 24-7 program for people experiencing homelessness with drug intoxication, providing short term stays and linkage to services

KEY

March 22, 2022

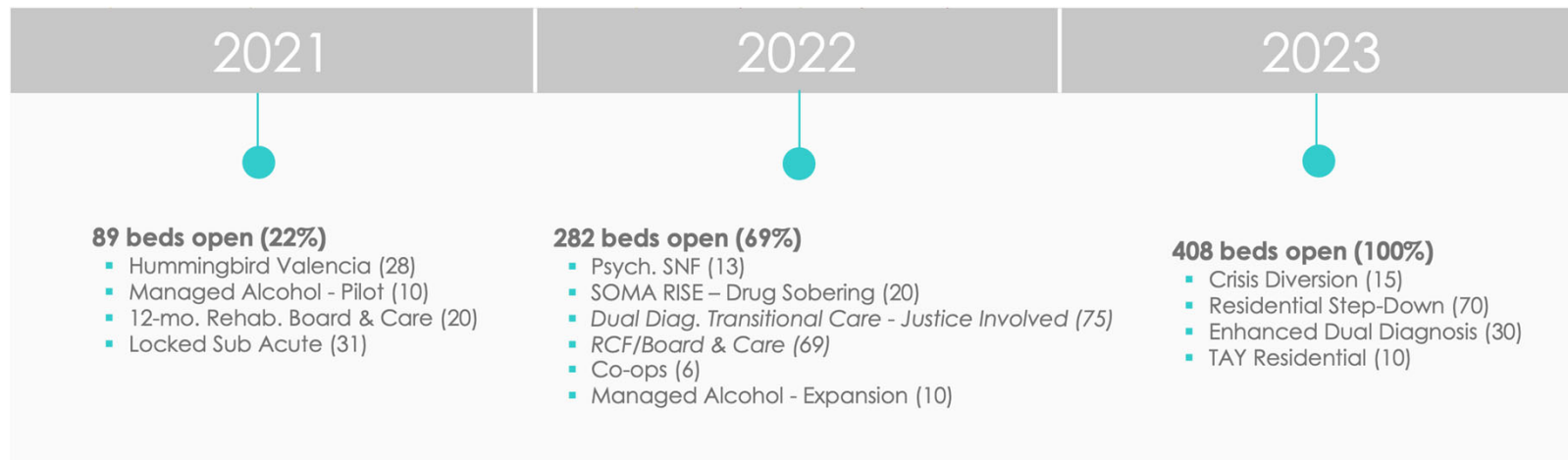
Project Phases and Status						
Δ MHSF legislation	1 Program design	2 Regulatory assessment	3 Facility selection	4 Out for bid/contracting	5 Community outreach & City approvals	6 Permit & construction
						Complete
						In process
						Planned

Goal 75 Est. Beds	Opening Spring 2022 Dual Diagnosis Transitional Care for Justice Involved People Status Contracting in process 1 2 3 4 / /	Transitional care for justice involved people with a dual diagnosis of mental health and substance use issue
Goal 69 Est. Beds	Opening Summer 2022 Residential Care Facility ^Δ (aka Board and Care)* Status Contracting in process 1 2 3 4 / /	Supervised residential program for individuals with mental health issues who require assistance with activities of daily living.
Goal 6 Est. Beds	Opening 2022 Cooperative Living for Mental Health ^Δ Status Accepting applications 1 2 3 4 / /	Communal living for people with chronic mental health and/or substance use Additional \$11M to stabilize leased properties available through MOHCD
Goal 16 Est. Beds	Opening 2023 Crisis Diversion Facility ^Δ Status Program design in development 1 2 3 4 5 6	Short-term, urgent care intervention as an alternative to hospital care
Goal 70 Est. Beds	Opening 2023 Residential Step-down - SUD ^Δ Status Active negotiations to acquire a building 1 2 3 4 5 6	Long-term sober living environment for clients coming out of residential care programs
Goal 30 Est. Beds	Opening 2023 Enhanced Dual Diagnosis ^Δ Status Contracting in process 1 2 3 4 / /	Transitional medically enhanced care for people with a dual diagnosis of mental health and substance use issues
Goal 10 Est. Beds	Opening 2023 Transitional Age Youth (TAY) Residential Treatment ^Δ Status Program design in development 1 2 3 4 / /	Supervised treatment for young adults with serious mental health and/or substance use issues



New Beds & Facilities - Bed Timeline

DPH has identified opportunities to contract for beds both in-county and outside of county in the short-term while we work to build additional capacity in-county in the long-term – making beds available sooner



Current projected timeline may change due to potential acquisition, contracting, or construction implementation schedules.

New Beds & Facilities – Acquisition Progress

- Engaging community stakeholders and pursuing the building design, permits, and construction of the 15 Crisis Diversion units at the newly acquired Hyde/Geary site – will incur construction costs
- Active collaboration with the Real Estate department for the negotiation of the acquisition of large property that could house up to 70 beds of a Residential Care Facility or Board & Care beds
- Potential acquisition of a large site for the permanent location for 20 MAP beds identified; in addition, a large building could serve as a co-located site for Alcohol Sobering and some DPH Emergency Stabilization Units for a total of approximately 50 new beds
- Predevelopment planning for a large new development project for up to 150 Residential Step-Down beds



New Beds & Facilities – Acquisition Funding

- One-time costs for the acquisition and rehabilitation of new behavioral health beds and facilities can vary greatly – depending on the nature of the program space needs (clinical, treatment, and/or transitional housing); licensure requirements; and client acuity.
- It is the goal of DPH to acquire as many permanent, in-county facilities as possible to provide stable and cost-effective care in the long-term and will leverage the remaining \$122.2M of Prop C for one-time bed acquisition funds to support it.
- For planning purposes and as a modeling exercise, for DPH to acquire buildings for approximately 300 beds, at a range of \$300k to \$500k per bed, that would result in the following estimated capital funding need:

Low	Medium	High
\$90M	\$120M	\$150M



New Beds & Facilities – Upcoming RFP

- Seeking providers to through an RFP/Q that will support a collaborative approach to expanding bed types with contracted partners for services and/or facility procurement in-county for approximately a total of ~\$20 million, including:
 - Crisis Stabilization Unit, Locked Sub-acute Treatment, Psychiatric Skilled Nursing Facility, Residential Step-down, RCF/Board & Care, Rehabilitative Board & Care, Dual Diagnosis Residential Treatment, Transitional Age Youth (TAY)
- RFP/Q planned to be published by May

Addressing Revenue Volatility

Three Year Projected Shortfall (\$ in millions)	FY 21-22	FY 22-23	FY 23-24	<i>\$ in millions</i>
DPH Proposed Spending Plan	88.4	90.1	97.1	
HSH Prevention Funding	<u>(5.1)</u>	<u>(4.5)</u>	<u>(3.6)</u>	
Total Proposed Mental Health Spending	83.3	85.6	93.5	
Controller's March Revenue Projection	73.0	77.7	81.5	<i>3-Year Shortfall</i>
Revenue (Shortfall)/Surplus for MH Services	(10.3)	(7.9)	(12.0)	(30.2)
Strategy to Address Shortfall				
Operating Savings Projected in February to OCOH	70.3			
Use of Fund Balance to Offset 3-year Revenue Shortfall	(30.2)			
20% Reserve for Future Revenue Fluctuations	<u>(16.3)</u>			
Remaining One-time Savings	23.8			

- Currently, ongoing spending plan is \$12 million, or 15%, higher than current revenue projections in future years
- Investment plan may need to be revisited next year should revenue shortfall persist



Additional One-time Funding Needs

Propose utilizing the remaining ~\$23.8 million of projected current year fund balance to meet near-term behavioral health needs

Funding (\$ millions)	Proposed Uses
\$17.5	Potential acquisition of a site by DPH for behavioral health access and drop-in services
\$4	Seed a facility maintenance fund for new sites acquired; goal 2% of capital assets annually
\$2.3	Data, IT, and project management support for reporting and outcome tracking



Next Steps

- Finalize proposed program costs based on implementation progress with OCOH Committee Mayor's Office, Controllers Office
- Monitor revenues and other Citywide changes for for final balancing
- Develop reserve policy



Thank you!



San Francisco Health Network
Behavioral Health Services

SAN FRANCISCO DEPARTMENT OF PUBLIC HEALTH

6. Budget Proposals by Fund Category

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Public Comment on Agenda Item 6, Presentation and Discussion of Budget Proposals by Fund Category

Call In Number: 1-415-655-0001

Access Code: 2490 351 0915

1. "Raise hand" by pressing * 3 and you will be queued.
2. Callers will hear silence when waiting to speak.
3. The operator will unmute each caller in the order received.
4. When prompted, each caller will have two minutes to provide comment.
5. Best practices include:
 - Ensuring you are in a quiet location
 - Speaking clearly
 - Turning off any TVs or radios around you

7. Future Agenda Items and Committee Updates

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Propose agenda items for future meetings and provide Committee updates

7. Future Agenda Items and Committee Updates

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Public Comment on Agenda Item 7, Future Agenda Items and Committee Updates

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OCOH Oversight Committee

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Thank you.

Questions?

Email the Committee at OCOH.CON@sfgov.org

Or, visit the Committee's website: sf.gov/ocoh