

MEETING MINUTES

Our City, Our Home Oversight Committee

March 24, 2022

9:31 AM – 11:42 AM

Committee Members

Brett Andrews

Nina Catalano

Michelle Cunningham

Julia D'Antonio

Jennifer Friedenbach

Julie Leadbetter

Lena Miller

Ken Reggio

Shanell Williams

This meeting was held by WebEx pursuant to the Governor's Executive Orders and Mayoral Emergency Proclamations suspending and modifying requirements for in-person meetings. During the Coronavirus Disease (COVID-19) emergency, the Our City, Our Home Oversight Committee (OCOH) will convene remotely until the Committee is legally authorized to meet in person.

Note: The Our City, Our Home Oversight Committee meetings are live streamed at SFGovTV.org. The agenda, video recording, audio recording, and caption notes are posted at https://sanfrancisco.granicus.com/ViewPublisher.php?view_id=209. Supporting materials including presentations and reports are posted at <https://sf.gov/meeting/march-24-2022-our-city-our-home-oversight-committee-meeting>

1) **Call to Order**

Chair Williams called the meeting to order at 9:31AM.

Roll Call:

Member Andrews: Present

Member Catalano: Present

Member Cunningham-Denning: Absent

Vice Chair D'Antonio: Present

Member Friedenbach: Present

Officer Leadbetter: Absent

Member Miller: Present

Member Reggio: Present

Chair Williams: Present

Quorum confirmed.

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) ***Opportunity for the public to comment on any matters within the Committee's jurisdiction that are not on the agenda.***

Albert Serna made a public comment. He asked where the OCOH budget proposals are located. He would like to download them for a class project.

Chair Williams said that all budget documents are online (<https://sf.gov/resource/2021/investments-and-budget-oversight>).

3) Action Item:
Approval, with possible modification, of the Minutes of the February 24, 2022 Meeting.

Member Friedenbach moved to approve the minutes of the February 24, 2022, meeting. Member Reggio seconded the motion to approve the minutes.

There were no public comments on this agenda item.

Roll Call Vote:

Member Andrews: Yes
Member Catalano: Yes
Member Cunningham-Denning: Absent
Vice Chair D'Antonio: Yes
Member Friedenbach: Yes
Member Leadbetter: Absent
Member Miller: Absent
Member Reggio: Yes
Chair Williams: Yes

The minutes were approved.

4) Action Item:
Resolution making findings to allow teleconferenced meetings under California government code section 54953(e).

Full text:

<https://sf.gov/file/our-city-our-home-oversight-committee-findings-resolution-fully-remote-policy-bodies>

Chair Williams reviewed the resolution.

Chair Williams asked for an update on returning to in person meetings. Jessica Shimmin, of the Controller's Office, explained that the City is taking a phased approach to returning to public meetings. Some policy bodies have returned, but OCOH Oversight Committee was not included in this first group.

There were no public comments on this item.

Member Friedenbach moved to approve the resolution making findings to allow teleconferenced meetings. Member Andrews seconded the motion.

Roll Call Vote:

Member Andrews: Yes
Member Catalano: Yes
Member Cunningham-Denning: Absent

Vice Chair D'Antonio: Yes
Member Friedenbach: Yes
Member Leadbetter: Absent
Member Miller: Yes
Member Reggio: Yes
Chair Williams: Yes

The motion passed.

- 5) Discussion Item/Possible Action:
Presentation on Our City, Our Home Fund Revenue Collection, Projections, and Reserve Policy with discussion and possible action by the Committee. (25 min)

Carol Lu, Citywide Revenue Manager in the Budget Analysis Division of the Controller's Office, presented the OCOH Revenue Update and Potential Reserve Policy. Slides from this presentation are available [here](#), (slides 13-23). Ms. Lu provided an updated forecast, which was "moderately worse" than the January 2022 forecast. Ms. Lu described steps that could be taken to protect the OCOH investments from revenue shortfalls in the future. Government Finance Officers Association recommends reserves of 2 months of operating expenditures (16.7%). Ms. Lu reviewed how other City reserves operate and some possible deposit and withdrawal mechanics of an Our City, Our Home Fund reserve.

Vice Chair D'Antonio thanked Ms. Lu (Controller's Office) for the presentation and asked about the increase in OCOH Fund in the out years of the projection. Ms. Lu said the projection continues to expect economic growth, for example, existing office space may serve more businesses even if remote work continues.

Vice Chair D'Antonio asked about codification of a reserve. Ms. Lu (Controller's Office) said the Appropriations Administrative Ordinance (AAO) is where reserves typically are established. Because it is approved annually with the budget, it could be changed during the appropriations process. Vice Chair D'Antonio said her opinion is that a 10% reserve would be sufficient. She wondered how long it would take to build up a reserve of that size?

Member Friedenbach thanked Ms. Lu (Controller's Office) for the presentation and said she is concerned about having a reserve when people are unhoused. She said that other City reserves could be drawn from to cover revenue shortfalls. If a reserve is necessary, she prefers to slowly build toward a 10% reserve rather than cutting programs to fund the reserve.

Member Andrews said that the initial year of ramp up presents cost savings and an opportunity to establish a reserve. He said that given that most programs have not operated for a full year, there are cost savings. However, every passing year presents less opportunity to fund the reserve through cost savings.

Member Reggio thanked Ms. Lu for the presentation. He asked whether reserves are a norm among enterprise funds? And, if there was a shortfall with no reserve in place, would OCOH Funded programs be eligible to receive support from other sources? Ms. Lu said that enterprise funds have reserves. Special revenue funds are relatively new to the City, so a norm hasn't been established. She said that receiving reserve support from other sources would be a policy decision for the Board and Mayor.

There was no public comment on this item.

- 6) Discussion Item/Possible Action:
Presentation and Discussion of Budget Proposals by Fund Category, with Possible Action by the Committee.

Gigi Whitley, Financial Officer in the Department of Homelessness and Supportive Housing (HSH), presented budget proposals for permanent housing, homelessness prevention, and shelter & hygiene investments. The proposals include a plan for balancing the revenue shortfall over three years. The plan does not fund a reserve. Slides from this presentation are available [here](#), beginning at slide 24.

Vice Chair D'Antonio thanked Ms. Whitley (HSH) for the presentation, which she said reflected the Committee's feedback.

Member Catalano thanked Ms. Whitley (HSH) for the presentation. She asked whether HSH is experiencing shortfalls in other areas of funding? Ms. Whitley (HSH) said that the Mayor's budget instructions this year did not include general fund cuts. There weren't additional funds to increase programming or smooth other shortfalls. Continuum of Care funds were reduced by a lower Fair Market Rent. Overall, HSH has seen a great deal of one-time funds. These funds are appreciated. And, because they're one time, they are used for one time uses. HSH is working with partners to advocate at the state level for ongoing funding.

Member Catalano asked for more detail about the trade-offs in Prevention programs. Ms. Whitley said HSH is rebalancing the budget in light of the shortfall. The Department leveraged federal and state resources for Prevention, and looking forward to data on program efficacy in the coming years to inform funding priorities.

Member Catalano asked whether the services dollars paired with EHV are expected to be housing stabilization, or permanent/lifetime? Ms. Whitley said Emergency Housing Vouchers (EHV) have been paired with housing navigation and stabilization services. Ongoing support services will be provided at a lower level.

Member Reggio thanked Ms. Whitley (HSH) for the presentation and proposals, which are aligned with the Committee's vision. He said that fully funding organizations to provide case management services is important. A 3% cost of doing business increase will not absorb inflation, he said. He also questioned whether OCOH Fund is the appropriate source for addressing wage parity issues in non-OCOH funded programs.

Member Friedenbach said that half of the shelter allocation is funding operations in existing shelter programs. She wondered why the City can't continue to fund those programs, and thereby free up OCOH funds for new shelter beds? Ms. Whitley (HSH) said that navigation center beds that were established after OCOH Fund, but before it was unlocked, were reclassified into paid for with one-time advance funds. *[note: these are some of the expenses that were reclassified into the OCOH Fund in FY21.]* She said the expectation was that the ongoing costs of these programs would transfer to the OCOH Fund.

Member Friedenbach asked whether Emergency Housing Vouchers could be used as operating in some new acquisitions? Ms. Whitley said the hope is that some of the EHV's could be used in newly acquired building. Noelle Simmons, Chief Deputy Director at the Department of Homelessness and Supportive Housing, said that the department is exploring ways to actively market acquisition sites to EHV holders.

Member Miller acknowledged HSH for the work it is doing to acquire buildings. Member Miller said it's important to retain the flexibility and funding to care for the City's most vulnerable people.

Member Catalano asked about the targets set for the fund in the legislation, when and how will those targets be updated? Cynthia Nagendra, Department of Homelessness and Supportive Housing, said that there are strategic planning efforts taking place right now. Through that process, HSH will revisit existing goals and set new goals.

Kelly Kirkpatrick, Director of Admin and Operations in the Department of Public Health (DPH), and Jenny Louie, Financial Officer in DPH, presented budget proposals for the Mental Health. The proposals include a plan for balancing the revenue shortfall over three years and funding a reserve. Slides from this presentation are available [here](#), beginning at slide 46.

Member Andrews thanked the team at DPH for their ongoing work and regular communication. He asked about the acquisition plans for behavioral health and drop-in services, perhaps a variation on the Tenderloin Linkage Center. Jenny Louie (DPH), said it would be ideal to have behavioral health access and drop-in services located in the same site. DPH is evaluating the services provided at the Linkage Center. Still work to be done identifying the best model. At this point, DPH does not have a site.

Member Andrews asked about the opportunities DPH sees for accessing state homelessness and behavioral resources? Ms Louie (DPH) said DPH is looking closely at these resources and potential uses.

Member Friedenbach asked for clarification on whether the behavioral health services and drop-in center is the same or different from the Behavioral Health Access Center proposed in Mental Health SF? Member Friedenbach said that centralized access is often not ideal for homeless people. She acknowledged the need for drop in capacity. Kelly Kirkpatrick (DPH) said that this allocation is in a planning process with the Controller's Office to determine the best model to meet the needs of the population. Member Friedenbach suggested that DPH use existing homeless drop-in centers to provide behavioral health services. She said that people with behavioral health needs use drop-in centers, which creatively engage people experiencing homelessness.

Mary Kate Bacalao, Policy Director at Compass Family Services, made a public comment. She thanked Gigi Whitley and HSH for budget priorities that respond to the needs in the community. She thanked the City for targeting permanent housing to families, including the flexible housing subsidy pool. This investment provides an ongoing subsidy for highly vulnerable families who aren't well suited to short or medium term subsidies. Ms. Bacalao noted a number of administrative hurdles that slow program implementation and suggested working together to get money out the door faster.

Chair Williams reviewed upcoming events in the budget recommendation process, including Special Meeting in April for the Liaisons to present draft recommendations. During the 3rd week in April, the Committee will hold its 3rd Listening Session. Staff will provide a template for liaisons to use in developing their proposals.

7) Discussion Item/Possible Action:

Propose Agenda Items for Subsequent Meetings, Discussion with Possible Action by the Committee.

Chair Williams tabled this agenda item.

8) ***Adjourn***

Chair Williams invited a motion to adjourn. Member Friedenbach moved to adjourn. Vice Chair D'Antonio seconded the motion to adjourn.

Roll Call Vote:

Member Andrews: Absent
Member Catalano: Yes
Member Cunningham-Denning: Absent
Vice Chair D'Antonio: Yes
Member Friedenbach: Yes
Officer Leadbetter: Absent
Member Miller: Absent
Member Reggio: Yes
Chair Williams: Yes

The meeting adjourned at 11:42AM.