

MEETING MINUTES

Our City, Our Home Oversight Committee

June 7, 2024

Hearing Room 416, City Hall

1:30 PM – 3:00 PM

Committee Members

Julia D'Antonio

Jennifer Friedenbach

Lindsay Haddix

Jabari Jackson

Bonnie Preston

Scott Walton

Shanell Williams

Members of the Our City, Our Home (OCOH) Oversight Committee attended this meeting in-person. The agenda, video recording, audio recording, and caption notes are posted at:

https://sanfrancisco.granicus.com/player/clip/46311?view_id=209&redirect=true

Supporting materials including presentations and reports are posted at:

<https://www.sf.gov/meeting/june-7-2024/our-city-our-home-oversight-committee-special-meeting>

1) **Call to Order**

Member Walton called the meeting to order at 1:36 pm and roll was taken.

Roll Call:

Vice Chair D'Antonio: Absent

Member Friedenbach: Present

Member Haddix: Present

Member Jackson: Present

Member Preston: Present

Member Walton: Present

Chair Williams: Absent

Member Walton confirmed the presence of a quorum and welcomed newly appointed OCOH Committee members, Lindsay Haddix and Jabari Jackson. Both members were appointed by the Mayor's Office.

Members Haddix and Jackson provided brief introductions. Member Haddix's career has been dedicated to homelessness and affordable housing advocacy. She currently serves as the Executive Director of East Bay Housing Organizations in Oakland, California. Member Jackson was born and raised in San Francisco. He is a community activist, advocating for individuals, like himself, to have "a second chance at a first-class life." Members Haddix and Jackson expressed their excitement to be part of the Committee.

Radhika Mehlotra, Homelessness Policy Specialist from the Controller's Office, noted that Member Jackson is currently employed with Westside Community Services, an organization that receives OCOH funding through the Shelter and Mental Health allocations. As such, Member Jackson must be recused from any discussions or actions regarding treatment beds within the Mental Health

service area of the Department of Public Health (DPH) and Navigation services for justice-involved adults within the Shelter service area of the Department of Homelessness and Supportive Housing (HSH).

Member Walton read the Ramytush Ohlone Land Acknowledgement aloud.

- 2) Discussion/Action Item
Approval, with possible modification, of the minutes from April 25, 2024.

Member Walton tabled this item for the next meeting.

Public comment was not taken.

- 3) Discussion/Action Item
Presentation and discussion of the Mayor's proposed OCOH Budget.

Kelly Kirkpatrick, Director of Administration and Operations for Mental Health SF at DPH, presented (linked [here](#)) on the Mayor's proposed budget for mental health programs at DPH, funded by OCOH.

The proposal allocates approximately \$110 million in FY 24-25 and \$112 million in FY 25-26 to mental health programs funded by Prop C. It maintains all previously approved programming, with an increase of \$3.8 million in FY 24-25 and \$6.5 million in FY 25-26, since the last budget proposal [presentation](#) to the Committee. The additional funding will be used primarily to fund the Homeless Engagement Assistance Response Team (HEART), overseen by the Department of Emergency Management (DEM). The increase also accounts for higher labor and contracting costs caused by inflation. These costs are balanced by modest revenue improvements between March and May.

The proposal reserves some Prop C funding for upcoming programs. Revenue and spending projections will be revisited mid-way through FY 24-25. DPH does not anticipate any impacts to implementation timelines or service levels. Furthermore, DPH maintains an allocation of \$54.3 million in one-time Prop C funds for facility acquisition over the two-year budget.

Director Kirkpatrick noted an estimated \$80 million structural shortfall over the next two years. However, DPH's Prop C budget remains balanced through one-time funding sources. The one-time funding sources are projected to be depleted by FY 26-27. The department re-emphasized that Prop C revenue forecasts continue to be volatile and may require future revisions to the DPH's spending plans.

Director Kirkpatrick provided an update on the acquisition of 624 Laguna Street, an assisted living facility in Hayes Valley with 56 mental health treatment beds. The purchase and sales agreement for the property is currently pending before the Board of Supervisors. DPH also plans to acquire the adjacent assisted living facility at 601 Laguna Street later in the summer. The acquisition costs for 601 Laguna Street are accounted for in the Prop C acquisition balance maintained in the budget.

Member Friedenbach expressed concerns about the \$3 million allocation to HEART, stating that the topic was not discussed during any of the liaison meetings. Director Kirkpatrick clarified that the discussions with the Mayor's Office occurred after the liaison meetings. Member Friedenbach described conducting an independent analysis of the program and, based on the data collected, raised that she was unsure of how HEART services "fit in under the legal definition of behavioral health services." Director Kirkpatrick provided further details on how HEART services are suitable for DPH's clients. Member Friedenbach outlined other potential uses of the \$3 million allocation, such as

the purchase and operation of new beds. Member Friedenbach urged the Committee to engage the City Attorney's Office to discuss the validity of using Prop C funds for HEART.

Member Haddix inquired about the sources of the one-time funds. Director Kirkpatrick provided an overview of the history of the one-time fund sources. Director Kirkpatrick noted that there is a persistent \$40 million structural shortfall in the long-term budget that will need to be addressed. Member Walton also acknowledged that the one-time funds are a temporary fix to the budget.

Member Preston asked about the funding sources for the services to be provided at the new facilities. Director Kirkpatrick explained that DPH's OCOH budget includes operating funds for the residential care facilities, also referred to as "assisted living" or "board and care" facilities. Additionally, DPH funds several assisted living beds outside of the county. DPH intends to relocate these out-of-county funds to the two new in-county locations. There was discussion between Member Preston and Director Kirkpatrick about the City may be able to leverage state funding to further initiatives like these in the future.

Member Jackson inquired about the eligibility criteria for the new facilities. Director Kirkpatrick provided an overview of DPH's intake and placement process.

Christine Rolan, Budget Director at HSH, presented on the Mayor's proposed OCOH budget for HSH (linked [here](#)).

Budget Director Rolan summarized the HSH OCOH Spending Plan for the FY 24-25 and FY 25-26 budget cycle, as well as the out years of FY 26-27 and FY 27-28. She highlighted an increase in the budget plan to support new, multi-year investments in families and young adults. The new allocations result in increased projected shortfalls across the fund starting in FY 25-26. The Department attempted to balance the shortfalls by using one-time revenue sources. However, there were insufficient balances available to bridge the entire shortfall in FY25-26. The proposed budget anticipates a \$17.8 million shortfall across Adult/General Housing and Shelter and Hygiene service areas.

The proposed budget includes an additional investment of \$47.2 million towards the Mayor's Safe Families plan. It also includes an additional allocation of \$32.5 million in OCOH Transitional Aged Youth (TAY) Housing funding, to be used for the expansion of rapid rehousing, the flexible housing subsidy pool (FHSP), and a new site for young adults. The proposed budget maintains existing programs in General Housing and Homelessness Prevention. Budget Director Rolan noted the continued funding gap in FY 25-26 in General Housing. Budget Director Rolan also noted the placement of funds in reserves due to Prop C revenue volatility.

Member Friedenbach raised a question within the "Family Proposal" section of the presentation regarding the duration of the rapid re-housing subsidies. Member Friedenbach asked Budget Director Rolan to clarify this information. There was discussion about the effects of decreasing the duration of these subsidies. However, Budget Director Rolan explained that the subsidies are budgeted to last between two and five years for 130 families.

Member Friedenbach also requested clarification regarding the Committee's previous recommendation for the department to budget funds to acquire and operate a new TAY housing site, and whether the proposed budget's housing acquisition funding for justice-involved young adults was a different proposal than what the Committee had previously recommended. Budget Director Rolan offered to follow up on this matter.

Member Walton reiterated that the Committee would like clarification on how the funds were allocated after the liaison meetings occurred.

Member Haddix asked what the projected amount of expenditure on short-term rental subsidies would be if the cap on short-term rental subsidies is lifted, as part of the Mayor's Proposed Budget. Budget Director Rolan explained that all of the funding is programmed into one fiscal year (FY24-25), rather than spreading the funding over the course of several years as the subsidies are leveraged. The department projects to be over the 12% cap but is unsure at this point in time by how much. Budget Director Rolan offered to bring this information to a future meeting. Member Haddix agreed and mentioned that this information would be useful in determining whether the 12% cap is the correct threshold or if it needs revising.

Member Haddix also requested clarification on the change in duration of the short-term rental subsidies. Budget Director Rolan explained that HSH used available data to project the number of households that would need extensions, which resulted in the change in the duration of the subsidies. Member Walton requested that HSH revise the presentation slides to provide more clarity on this matter.

Member Haddix echoed Member Friedenbach's concerns about the lack of funding in the budget for the operating costs associated with the new site acquisitions. She also asked if HSH has set target service levels at the new sites. Budget Director Roland will return with this information at a later time.

Member Haddix provided commentary on recent Point-in-Time (PIT) count data and urged the Committee and the departments to keep the vulnerable populations in mind as decisions are being made regarding services.

Member Friedenbach revisited a previous conversation regarding a backfill of \$17 million in the second year of budget for General Housing. Budget Director Rolan confirmed that there is no backfill.

Member Walton summarized the items that the Committee would like more information on.

Member Walton opened public comment.

Solinna from the Coalition on Homelessness provided public comment. The speaker advocated for the 100 permanent flex pool subsidies for TAY, rather than the 50 proposed by the Mayor's budget proposal. The speaker asked the departments present at the meeting to urge the Board of Supervisors to include permanent subsidies for both TAY and families. The speaker also stressed the importance of clarifying the language regarding the five-year subsidies. The speaker suggested that the language should "include a provision informing families of their ability to fully extend these subsidies."

Jessica Hernandez provided public comment. The speaker asked for the full allocation of flex pool subsidies for families and youth, noting an increase in homelessness due to increases in rent. The speaker urged the Committee to consider more permanent solutions.

There were no additional phone or in-person public comments on this agenda item.

Member Friedenbach made a motion to recommend that the additional \$3 million for HEART be removed from DPH's OCOH budget, since, in her opinion, it does not fit within the goals of the mental health service area. She explained that in her understanding, the primary function of the HEART program consists of clearing unhoused people for ADA sidewalk violations. She requested to move those dollars to the treatment bed category.

Member Walton reminded the Committee about the recent updates to the Committee's voting procedures.

Member Friedenbach amended the previous motion to recommend that the additional \$3 million for HEART be removed from DPH's OCOH budget as it does not fit within the mental health service area goals, given the primary work of HEART consists of clearing unhoused people for ADA sidewalk violations. Member Haddix seconded the motion.

Member Walton opened Committee discussion on the motion.

There was discussion about HEART services. Members Preston and Walton expressed the need for more information about the HEART program and for the input of the City Attorney's Office, as Member Friedenbach suggested.

Director Kirkpatrick provided background information about HEART, as it relates to DPH and DEM's coordinated, non-police street response efforts.

Roll Call:

Vice Chair D'Antonio: Absent
Member Friedenbach: Yes
Member Haddix: Yes
Member Jackson: Abstain (No)
Member Preston: Yes
Member Walton: No
Chair Williams: Absent

The motion did not pass.

Member Friedenbach made a motion to urge the Board of Supervisors to fund \$1 million for operating the TAY acquisition. Member Haddix seconded the motion.

The Committee engaged in discussions to clarify the motion made by Member Friedenbach.

Ivy Huwald, Committee Secretary, noted that members cannot abstain from voting unless they are recused. Member Jackson explained that he did not feel comfortable voting on a matter that he was not fully briefed on.

Roll Call:

Vice Chair D'Antonio: Absent
Member Friedenbach: Yes
Member Haddix: Yes
Member Jackson: No
Member Preston: Yes
Member Walton: Yes
Chair Williams: Absent

The motion did not pass.

Member Friedenbach made a motion to urge full transparency to families that the [housing] subsidy is two to five years, if there is a risk of homelessness. The motion was seconded by Member Haddix.

Member Walton opened Committee discussion.

Member Walton recommended that the motion also include the implementation of language stating that families are to be informed from the beginning. Member Friedenbach accepted the amendment.

Roll Call:

Vice Chair D'Antonio: Absent
Member Friedenbach: Yes
Member Haddix: Yes
Member Jackson: Yes
Member Preston: Yes
Member Walton: Yes
Chair Williams: Absent

The motion passed.

Member Friedenbach made a motion to urge the Board of Supervisors to fund additional permanent subsidies for TAY and families, given the increase in TAY and families in the PIT count and given the Mayor's augmentation included temporary initiatives. The motion was seconded by Member Haddix.

Member Preston asked for clarification on "permanent" subsidies. There was discussion among the Committee regarding this matter.

Roll Call:

Vice Chair D'Antonio: Absent
Member Friedenbach: Yes
Member Haddix: Yes
Member Jackson: Yes
Member Preston: Yes
Member Walton: Yes
Chair Williams: Absent

The motion passed.

4) Discussion/Action Item

Opportunity to propose future agenda items with discussion and possible action by the Committee

Member Walton recapped possible future agenda items that were mentioned during the meeting, such as a presentation on the HEART program. Due to time constraints, this item was tabled and no vote was taken.

5) Adjourn

Member Walton requested a motion to adjourn the meeting.

Member Preston made a motion to adjourn. Member Haddix seconded the motion.

Roll Call:

Vice Chair D'Antonio: Absent
Member Friedenbach: Yes

Member Haddix: Yes
Member Jackson: Yes
Member Preston: Yes
Member Walton: Yes
Chair Williams: Absent

The meeting adjourned at approximately 3:05 pm.

Committee staff and members can be reached at OCOH.CON@sfgov.org