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Comparison of the Mayor's Budget and OCOH Oversight Committee Recommendations

The Our City Our Home (OCOH) Oversight Committee released an [Investment Plan](#) documenting its priorities for the upcoming two-year budget, approved on May 18, 2021. The Mayor's Office released its FY2021-2023 budget on June 1, 2021. In subsequent weeks, the Committee and the Mayor's Office continued to engage on investment planning. The Committee made certain additional recommendations at its June 15, 2021 meeting, and the Mayor's Office made changes to its priorities as of June 22, 2021. These updates from the original plans are noted in red and blue respectively.

As of June 22, 2021, proposed spending in the Mayor's budget is 96% aligned with Committee recommendations, with differences outlined below.¹

FY 2021-2023 OCOH Committee Recommendations and Mayor's Budget Alignment

OCOH Fund Category	% Alignment
Permanent Housing	96%
Homelessness Prevention	93%
Shelter and Hygiene ²	100%
Mental Health Services	97%
Fund Administration	74%
Total	96%

The following sections outline areas of variance between the Mayor's budget and Committee recommendations. These policy and programmatic choices represent approximately 4% of the uses of the fund over the budget period. Note that referenced cost information is presented as the total value over the two fiscal years of the proposed budget (FY21-22 and FY22-23).

Permanent Housing

- **Adult Flex Pool:** Both the Committee and the Mayor's budget include funding for 975 slots of the Flexible Housing Subsidy Pool ("Flex Pool"), which supports the Shelter in Place (SIP) hotel rehousing plan as well as other housing efforts. The Committee recommended funding

¹ The Committee and the Mayor's budget programmed varying amounts within each category and proposed varying funding for the same programming. Alignment for each category is calculated by subtracting the value in the Committee's proposal that differs with the Mayor's budget, with the assumption that this value is programmed for other uses within the Mayor's budget.

² While 100% of the Committee's recommendations are adopted in the Mayor's budget, the Mayor's budget allocates \$1.2 million more toward Navigation Center Operations over what the Committee recommended.

approximately 300 additional slots for households not currently in SIP hotels, including those in Safe Sleeping Villages, exiting treatment, shelter, or streets. The Mayor's budget proposes 100 new subsidies funded through the OCOH Fund for this purpose instead of 300 and redirects the savings of \$15.3 million toward new housing acquisition.

- **At the June 15, 2021 Committee meeting, members voted to express their support of the portion of the Mayor's budget that increases housing acquisition and operational costs though it will reduce some of the Committee's recommended Flex Pool spending. They also continued to assert their interest in prioritizing households not currently in SIP hotels for the remaining slots of Flex Pool.**
- **Housing Operating Costs:** The Committee recommended a lower investment into operating costs for newly acquired adult housing. The Committee proposes \$8.8 million over the 2-year budget, while the Mayor's budget includes \$20.0 million over the same period, a difference of \$11.2 million. **As noted above, the Committee supported an increase in operating costs associated with new acquisition at its June 15, 2021 meeting.**
- **Family Flex Pool:** Both the Mayor's budget and the Committee's plan recommend funding 300 Flex Pool subsidies for families. The Committee further recommended dedicating 100 of those family slots to families housed in single-room occupancy hotels (SROs). The Mayor's budget allocates funding for the 300 family Flex Pool subsidies to the Department of Homelessness and Supportive Housing (HSH), which uses the Coordinated Entry assessment to refer households to subsidies. The assessment typically prioritizes unsheltered and sheltered households, and considers families living in SROs as housed.
- **Medium-Term Subsidies:** The Committee recommended investments into Medium-term Subsidies and Workforce Programming to serve 50 people with justice-system involvement. This program is not included in the Mayor's budget, which redirects the savings of \$4.7 million toward new housing acquisition.
- **Prevention Transfer to Housing:** The Committee recommended a transfer of \$22.5 million from the Homelessness Prevention fund balance to increase investments into housing acquisition. The Mayor's budget adopted this approach at the recommendation of the Committee, but transfers less funding than the Committee's plan recommends, at \$10.1 million. Both transfers were applied proportionally to new housing acquisition across adults, youth and family categories.
- **Non-Time Limited Bridge Housing:** The Committee recommended funding a new program called "non-time limited bridge housing" focused on homeless youth, primarily those living in the Haight. The program is projected to cost \$3.4 million and serve 25 youth. The Mayor's budget does not include this new program.

Homelessness Prevention

- **Problem Solving:** The Committee recommended targeting Problem Solving resources toward specific subpopulations and recommended distinct line items per subpopulation. The Mayor's budget included priorities for these subpopulations but combined funding within a single program for flexible allocations. Priority populations include adults, veterans, justice-system involved people, families with children, and transition age youth. Overall, the OCOH Committee recommended \$1.1 million more for this array of services (totaling \$42.8 million) than was proposed in the Mayor's budget.

- As of June 22, 2021, the Mayor's Office has updated its prevention proposal to include supports for several specific subpopulations identified as needing services through stakeholder input sessions. Special populations to be funded distinctly in the Mayor's budget include the general population (\$15 million), adults, veterans and justice-involved adults (\$11.2 million), families (\$11.5 million), and transition-aged youth (\$7.5 million). The problem solving services to be funded includes one-time and short-term rental assistance. To support this array of problem solving, totaling \$45.2 million, the Mayor's Office update eliminates OCOH funding of \$3.5 million for "Legal and Support Services to Secure Disability Income."
- The Committee continues to recommend 11 priority populations and specific types of services for each, as well as "Legal and Support Services to Secure Disability Income." See the investment plan for details.
- **PSH Shallow Subsidies (30% of income):** The Mayor's budget includes \$6.0 million per year (\$12.0 million total) to provide shallow subsidies needed to bring all Permanent Supportive Housing (PSH) resident rent to no more than 30% of income. The Committee did not recommend that the OCOH Fund be used to provide these shallow subsidies.
- **Clinical Services in PSH:** Due to restrictions on the eligible uses of the fund, the cost of providing clinical services to people already in housing will be applied to the Prevention category, while the cost of clinical services for those newly entering housing can be funded through the Mental Health category.
 - The total cost of the service included in the Mayor's budget is \$6.6 million in FY21-22 and \$7.7 million in FY22-23 (\$14.3 million total). The Mayor's budget apportions \$9.7 million to the Prevention category and \$4.6 million to the Mental Health category, reflecting a proportional split based on the number of new versus existing clients in housing.
 - The Committee recommended a lower investment of OCOH resources for clinical services in PSH, with \$7.1 million applied to the Prevention category and \$4.6 million included in the Mental Health category (\$11.7 million total). This change includes a recommendation to conduct a community process about the types of services and strategies for service delivery and to not fund services during that process, up to six months.³

Shelter and Hygiene

- **Navigation Center Operations:** The Mayor's budget included \$16.5 million to fund the ongoing operational costs of 553 new Navigation Center beds. The Committee recommended reducing this to \$13.5 million (supporting approximately 500 beds) and recommended reallocating some of the savings to several new sheltering programs (noted below). *As of June 22, 2021, the Mayor's Office has reduced the amount of OCOH funding used to support ongoing operations of new Navigation Centers to \$14.7 million with an intention to seek other sources of funding for the remainder of these costs.*

³ Adopting the Committee's recommendation creates the potential for an ineligible use of the fund, as the proportional split proposed by the Mayor's budget is not acknowledged in the Committee's recommendation. Reducing the Prevention uses of the fund requires a proportional reduction to the Mental Health uses of the fund aligned with the number of new and existing housing clients.

- **Services for Justice Involved Adults:** The Committee recommended funding case management services at a proposed new Navigation Center for justice-involved adults. OCOH funds would support services associated with 50 program slots, at \$1.7 million over two years. [As of June 22, 2021, the Mayor's Office has adopted the recommendation to fund services at this Adult Probation Department stabilization center at a value of \\$1.8 million over two years by reducing the amount of OCOH funding applied to ongoing Navigation Center operations.](#)
- **Hotel Vouchers:** The Committee recommended funding approximately 20 hotel vouchers for survivors of domestic violence (\$600,000 total) and approximately 40 hotel vouchers for pregnant individuals experiencing homelessness (\$1.2 million total). [As of June 22, 2021, the Mayor's Office has adopted the recommendation to fund hotel vouchers at a value of \\$1.8 million over two years by reducing the amount of OCOH funding applied to ongoing Navigation Center operations.](#)

Mental Health Services

- **Street Crisis Response Team and Managed Alcohol Program:** The Mayor's budget proposes funding seven Street Crisis Response Teams (SCRT). The Committee recommended reducing the number of teams to six and applying an estimated savings of \$2.9 million over the two-year period to fund ten managed alcohol program (MAP) beds focused on the Latinx population. The Mayor's budget retains the seventh SCRT team but accommodates the recommendation by increasing proposed MAP costs by \$300,000 to add ten beds at the current MAP program location.
- **Overdose Prevention and Co-op Beds:** The Committee recommended reducing street-based overdose prevention services by \$1.8 million and using the savings to support the purchase and operation of a new cooperative housing program ("co-op") serving six clients. The Mayor's budget retains the \$1.8 million for the Street Overdose Response Team (SORT), but also accommodates the Committee's recommendation to prioritize a co-op model of treatment beds. The Mayor's budget reduces the initially proposed number of residential stepdown beds from 150 to approximately 140 beds and applies the \$1.8 million in savings from this change to support the co-op program.
- **Mental Health Services Center and Harm Reduction Services:** The Committee recommended reducing the amount of funding for the Mental Health Services Center by \$2 million total and applying the savings to developing a new harm reduction drop-in program. The Mayor's budget retains the full budget for the Mental Health Services Center but adopts the Committee's recommendations to increase harm reduction education, therapy and supplies as part of the overdose response strategy. The Mayor's budget includes \$1.0 million annually for a community-based organization to provide low barrier harm reduction education and therapy. The Mayor's budget accommodates this priority from the Committee by eliminating a request for an additional street medicine team member and reducing costs within the tele-buprenorphine program.
- **Behavioral Health Services in Street Medicine and Shelters:** The Committee recommended eliminating a proposed expansion of behavioral health services within the Street Medicine program and repurposing the \$4.0 million over two years to fund community-based organizations providing shelter and drop-in services to expand their internal behavioral health staffing. The Mayor's budget retains funding for the behavioral health service expansion within Street Medicine. [As of June 22, 2021, the Mayor's Office has used \\$2 million in salary savings within the Department of Public Health budget to fund an expansion of shelter-based behavioral health staffing, in alignment with the Committee's recommendation, though at a lower funding level than recommended by the Committee.](#)

- **Treatment Beds:** The Mayor's budget includes \$45.5 million in one-time funding to be used for new treatment bed acquisition. The Committee did not make an initial recommendation for the use of the balance of one-time funding in this category in its investment plan. **However, at the June 15, 2021 Oversight Committee meeting, the Committee voted to accept the Mayor's allocation of the \$45.5 million for new bed acquisition with the caveat that DPH provide additional details for how the funds will be used.**
- **Transportation:** The Mayor's budget includes \$900,000 for transportation to and from treatment services, costs that are not included in the Committee's recommendations.

Fund Administration

- **Contracted Services:** The Mayor's budget includes \$2.5 million per year (\$5.0 million total) for services to support the administration of the Fund and the Committee. Administration includes contracted services in support of the Committee, estimated in the Mayor's budget at approximately \$1.8 million in the two-year budget. The Committee recommended to increase the value of contracted services in support of its work to \$3.6 million. Contracted services are proposed to include a needs assessment, stakeholder engagement, and system modeling.