

# OCOH Immediate Needs Draft Initial Recommendations

## Background

The Our City Our Home Oversight is tasked with overseeing the use of the November 2018 Prop C funds. The body started meeting in October, 2020. The fund has accumulated funds from FY 2018/19, however due to a legal challenge had been held until the termination of court proceedings. The body charged two members, Jennifer Friedenbach and Lena Miller, to be liaisons and come up with recommendations based on feedback from stakeholders on how much of the fund should be released and for what purpose.

The Immediate Needs Liaisons are making recommendations to release the funds in phases. Part of the funds will be released in this fiscal year, however in more than one part. The release of the very first round funds to meet immediate needs, is focused specifically on the wind down of the SIP Hotels, extending the hotels and allowing for equity access to housing for those who disproportionately impacted communities that did not have access to SIP hotels. These recommendations will go to the Budget and Finance Committee of the Board of Supervisors December 16th for approval. This likely will not be the only release of funds for FY 20-21, which includes the funds that have accumulated over the last two years, but is meant to stave off negative impacts of the close of the SIP hotels or meet other immediate needs. The liaisons are recommending that only the first two phases of the fund be funded at this time. Once more information is gathered, including assessments of the SIP hotel populations that are meant to shut down in Phase 3 and 4, the body will make further recommendations for the release of the funds for FY 20-21.

## SIP

As of Dec 1, there are **2,212 homeless individuals** who are temporarily housed in **1,970 SIP hotel rooms**.

Breakdown by race:

53% black, 14% latinx and 34% white

Breakdown by medical:

**40% or 926 are estimated housing referral status based on Phase One assessments**

Pandemic Prioritization COVID vulnerable based on age

(adults age 60+): 12%.

Pandemic Prioritization COVID vulnerable and high medical needs 47%.

Pandemic Prioritization: COVID vulnerable: 18%.

Non-COVID vulnerable (non-vulnerable family members): 23%\*

*\*HSH is working on reducing this % to 10.*

Breakdown by age:

Families 7% (166 clients, 60 families).

TAY under age 28: 5% (104 people).

Adults: 52% (1172 people).

Seniors (over 60): 36% (803 people).

## Street/Shelter

There are approximately

**4,720 people remaining on the streets.**

8,035/Point in Time Count  
2019

- 1000/shelter

- 2315/SIP Hotels

= 4,720

Breakdown by race (PIT):

37% Black

29% white,

18% Latinx

## Summary: Department Recommendations & Fund Impact

The **Department of Homelessness and Supportive Housing** has made recommendations to spend \$133.3 immediately and lock in \$72.9 of the fund in the future, without the body having developed a strategy. It should be noted that most of the DSHS funding requests are for adult housing. OCOH Oversight will have little flexibility for future acquisition of adult housing if they adopt the recommendations for DSHS in full, given DSHS wants to spend \$91 million on adult housing out of \$106.5 remaining in fund (after advance repayment), leaving only \$15.5 million this year. There are unique opportunities for acquisitions given the real estate market, and this would limit these potential purchases. In the future this would lock in \$51 million out of \$97 million projected annual adult housing appropriation, leaving only \$46 million or 47% for adult housing.

The **Department of Public Health** has made immediate needs recommendations to lock in 67% of the behavioral health funds in the future without us having a chance to develop a strategy. Most of the recommendations relate to MHSF, and the body who oversees this program has not had a chance to weigh in. There will be about \$88 million a year for behavioral health in the fund and this locks in \$59.6 million. Only 28% of the funds they are proposing result in beds to ensure people can move off the streets.

# Immediate Needs Recommendation Principles

The liaisons are making principled recommendations after getting input from community stakeholders that are based on:

1. Prioritizing long term solutions
2. Ensuring that funds move people off the streets
3. Move the dial on significantly reducing homelessness and those disproportionately impacted today.
4. Ensure that for every temporary bed created there should be 1-3 permanent housing slots.
5. Minimize the overall locking in future Prop C funds to ensure flexibility with the funds until a strategic model is developed
6. Consistent with legal text and intent communicated to voters.

## Immediate Needs Recommendations

Below is a chart detailing our recommendations. Specifically they include:

1. Maximize use of public housing units for unhoused communities, by revisiting ACOP and ensuring vacancies do not sit empty. This could include a request to the OCOH fund for rehabilitation funds, if that is a barrier.
2. Only fund phase 1 and 2 Slp Hotel expenditures at this time, with the exception of funding to extend hotel rooms. Wait to fund immediate needs for Behavioral Health until the MHSF Advisory Board weighs in.
3. Do not use Prop C funds for the demobilization of the rooms.
4. Accept the DSHS recommendations to use Prop C funds to add flex pool housing subsidies for seniors to our system, but ensure proper case management funding.
5. Do not add funds into problem solving, but use existing problem solving resources. We do not believe this untested idea of increasing the problem solving pool by having very short term housing subsidies is a good use of resources. We do not believe private market landlords would be willing to rent to people who will only receive subsidy for such a short period of time, and do not believe the subsidy amounts will cover the rent needed.
6. All housing referrals for private markets subsidies for individuals moving out of SIP hotels should be available by Phase 1 for all phases. The lack of referrals has created a log jam in housing placements.
7. We found that the \$66 million proposed use of Prop C funds to match state funds for the purchase of two hotels is supplanting funding that was already allocated in the Annual Appropriations Ordinance. In addition, the \$12 million for Moscone, Safe Sleeping and RV's is also supplanting funding as that was allocated in the Annual Appropriations Ordinance as using general funds. Therefore the city should use the funds it allocated for these purposes and not draw them out of the Prop C fund. The fund is not to be used to fill holes in the city budget, but to add *new* exits off the streets for unhoused people.
8. The OCOH Immediate Needs recommends a reduction in the number of Rapid Rehousing slots, and moving those over the flex pool subsidies. We do not believe we

will be able to find enough landlords to rent to individuals who only have rental assistance for up to two years, and we believe the rent subsidies are too small.

9. Couple short terms rental assistance with additional funding for workforce development to ensure individuals are able to be gainfully employed by the time the subsidy ends.

## Immediate Needs for OCOH by the number

| <u>Immediate Needs First Release - Phase 1</u>   |  | FY 20-21/and earlier | FY 21-22 | FY 22-23 | Notes  |
|--|--|----------------------|----------|----------|--|
| <u>Housing - 50% of total fund</u>               |  |                      |          |          |  |
| <u>Adult - 55% of housing portion of fund</u>    |  |                      |          |          | All referrals from SIP hotels into private marking housing must come at start of Phase 1   |
|  | LOSP - purchased hotels                            | 1.1                  | 2.3      | 5.1      | This is for new hotels operating gap, state covers first two years in one hotel  |
|  | Perm Supportive Housing Services                   | 1.2                  | 2.2      | 4.9      | This is for the homekey units as well  |
|  | Flexible Pool Housing Seniors                      | 4.14                 | 6.9      | 7.62     | Assumes 200 in phases 1 and 2 at \$34,333 per person   |
|  | Flexible Pool Housing Adults                       | 10.3                 | 13.5     | 16.3     | Adds 300 moved over from medium term rental assistance RRH, then is adjusted down to phase 1 and 2. Second year adds funding and assumes the fund is taking over philanthropy half way through the year. |
|  | Rapid Rehousing - Adult 24 month rental assistance | 1.81                 | 1.81     |          | 42% in the initial plan going to RRH in phase 1 and 2, total number of RRH is decreasing from 500 to 200, leaving 86 RRH subsidies for Phase 1 and 2.  |
|  | Workforce development for RRH                      | 0.6                  | 0.6      |          | 42% of the workforce development go to phase and 1 and 2 RRH   |
|  | Equity for non SIP - Flex pool for Bayview         | 0.6                  | 0.6      | 0.6      | 20 flex subsidies for bayview residents  |
| <u>Families - 25% of housing portion of fund</u> |  |                      |          |          |  |
|  | Equity for non SIP - Flex pool for Families        | 2.1                  | 2.1      | 2.1      | 50 flex pool subsidies for families, serving 120 people  |

|  |   |     |     |     |   |
|--|---|-----|-----|-----|---|
| Youth - 20% of housing portion of fund |   |     |     |     |   |
|  | RRH Youth   | 4   | 6.9 | 6.9 | Assumes full amount, for 100 subsidies  |
| Shelter and Hygiene                    |   |     |     |     |   |
|  | Problem Solving - increasing length of short term subsidies |     |     |     | Contingency item; awaiting information from DSHS as to what funds they have currently for problem solving, and data indicating this would improve outcomes for problem solving clients. |
|  | SIP Hotel Extension   | 12  | 0   |     | Contingency, return funds if Feds do stimulus package or if FEMA extends deadlines. Ensure C funds are not used for demobilization costs, not appropriate expenditure                   |
|  | extend Deadline for Safe Sleeping                           | 5   | 12  |     | Continuing now to ensure more staff don't leave at 4 sites with x spaces, but must ensure camp residents are moved into permanent housing to make space for folks off the streets       |
| HSH Admin Funds - 3%                   |   |     |     |     |   |
|  | HSH Operating Costs   | 1.4 | 2.7 | 2.7 |   |

## Side by Side Chart

comparing [HSH Recommendations](#) vs [OCOH Recommendations](#)

| Housing Type                                  | Number needed by SIP Pop | Current # Served by Existing Resources | GAP | HSH Proposed Expansion with OCOH \$ | # Non SIP | Cost    | OCOH Recs  |
|---|--------------------------|--|-----|-------------------------------------|-----------|---------|--|
| 6 month Short Term Subsidy/ Problem Solving + | 250                      |  |     | 250                                 |           | 4.1m    | 0 (Contingency - awaiting to see if HSH has current budget to cover. |
| PSH Adult Vacancies/ turnover                 | 400                      | 400                                    | 0   |                                     |           | No cost | No cost  |

|   |     |     |     |     |     |                      |  |
|---|-----|-----|-----|-----|-----|----------------------|--|
| PSH Adult Pipeline  | 102 | 184 |     |     | 64  | No cost              | No cost  |
| Purchase Hotels/ Supplement and match existing CA Homekey | 362 |     | 362 | 362 |     | 68.2m                | 2.2 At the budget hearing when this grant was approved, HSH clearly states that the City obligation for the acquisition and rehab component was allocated in the AAO from the General Fund. Another 2 hotels purchase were in Prop A |
| Local Homekey to purchase new hotels                      |     |     |     |     | 200 |                      | Future FY 20/21 allocation:: Look at purchase of 200 rooms at \$60m* with kitchenettes and bathrooms in next release of funds. Write in that MOHCD must complete acquisition within 120 days   |
| PSH Youth Pipeline  | 50  | 54  | 0   |     |     | No cost              | No cost  |
| PSH Senior Pipeline                                       | 60  | 59  | 1   |     |     | No cost              | No cost  |
| Flex Pool Adult   | 130 | 130 | 0   |     |     | No cost until year 2 | No cost until year 2<br>\$10.3m for 300 flex pool, moved from RRH, covering all four phases. OCOH is budgeting this for phase 1 and 2. Referrals from SIP hotels available by beginning of Phase1                                    |

|   |     |    |     |     |                |                     |   |
|---|-----|----|-----|-----|----------------|---------------------|---|
| Flex Pool Bayview                                 |     |    |     |     | 20             |                     | \$600,000 Equity for those outside the SIP  |
| Flex Pool Senior                                  | 505 |    | 505 | 600 | 95             | 12m (\$20.6 year 2) | 12m with referrals from SIP hotels available by beginning of phase1- per person is at \$34.3K - need to ensure this includes case management for those who do not have it |
| Flex Pool Family                                  |     |    |     |     | 50 fam/150 ind |                     | \$2.1 to serve 50 families  |
| RRH 24 months Adult                               | 480 |    |     | 500 | 20             | 10.5m               | 4.2m plus 1.4 million in workforce costs. Reduce down to 200, and move 300 to flex pool   |
| RRH Youth   | 105 | 23 | 82  | 100 | 28             | 4m                  | 4m  |
| RRH Fam   | 60  | 60 | 0   |     |                |                     | No new cost   |
| SFHA Unit Rehab                                   |     |    |     |     |                |                     | Need feasibility, cost and timeline   |
| HSH Admin   |     |    |     |     |                | 1.4m                | 1.4m  |
| Current COVID SSV, RV, 200 bed shelter at Moscone |     |    |     |     |                | 12m                 | 0 - this is supplanting existing resources  |
| Extend Safe Sleeping Timeline past March          |     |    |     |     |                | 5 m                 | 5m but must offer perm housing to residents so there is turnover for others on the streets  |
| Shelter Health                                    |     |    |     |     |                | .6                  | 0 This is supplanting existing resources  |

|                                |      |     |      |      |     |                          |   |
|--------------------------------|------|-----|------|------|-----|--------------------------|---|
| SIP Hotel Extension - 2 months |      |     |      |      |     | 15 mil plus 15 in year 2 | 12m contingency, Return funds if Feds do stimulus package or if FEMA extends deadlines. Ensure C funds are not used for demobilization costs, not appropriate expenditure. Also need clarification why the cost is \$30 million over two years. |
| Total                          | 2504 | 910 | 1375 | 1380 | 377 | 132.8m                   |   |

Addendum 1:

Detail of Recommendations from DHSH for Immediate Needs

Insert updated HSH spreadsheet here

Addendum 2:

Detail of Recommendations from Department of Public Health Behavioral Health. Recommendation is to hold off until MHSF oversight has weighed in.



DPH Programs Included in 20-22 Budget Under Business Tax Reform Measure

| Summary   | 20-21      | 21-22      | 22-23      | Comments   |
|---|------------|------------|------------|--|
| Establish Street Crisis Response Teams and Ensure Immediate Access to Urgent Care Services      | 7,225,049  | 16,006,397 | 16,715,297 | Collaboration with SF Fire Department to create six teams that provide a 24/7 non-law enforcement response to behavioral health emergencies on the street and diverts individuals in crisis away from emergency rooms and criminal legal settings into behavioral health treatment. Increases urgent care capacity and pilots telehealth in the field to reduce and eliminate wait-times for crisis mental health care.  |
| Expand Intensive Case Management and Care Coordination  | 3,752,243  | 5,654,487  | 5,792,099  | Expand access to consultation and linkage services (building on IAY and SIP pilots) across the homeless response system (drop-in centers, shelters, outreach staff, and PSH). Expand clinical case management for TAY, adults and older adults experiencing homelessness. Increase the number of case managers to provide approximately 390 additional case management slots at the varying levels of client to staff ratios needed to provide the level of service intensity needed by each client. In addition, DPH would add linkages support for people being discharged from Psychiatric Emergency Services and the Jails and create a bed tracking system. |
| Improve Access to Care by Expansion and Service Redesign of the Behavioral Health Access Center | 9,768,501  | 6,920,571  | 7,093,584  | Ongoing operations and staffing of the Behavioral Health Access Center where clients can be triaged, receive care, and fill prescriptions including buprenorphine, 24/7. FY 20-21 includes \$8.5 million in one-time capital dollars to meet capacity.   |
| Expansion of Residential Treatment Beds   | 4,037,813  | 16,151,250 | 16,555,031 | Following recommendations of bed assessment, adds additional capacity of approximately 150 beds annually in various residential facilities, including psychiatric skilled nursing, locked subacute beds, adult residential treatment, and Drug Sobering.   |
| Invest in Our Workforce   | 450,000    | 450,000    | 461,250    | Provides training and coaching for frontline staff across the homeless response system to increase understanding about and skills to support clients with behavioral health issues, recognize early signs of concern and know when/how to call for help (example topics: deescalation, motivational interviewing, trauma). Provide training for clinical staff to increase their competence in serving clients experiencing homelessness.  |
| Total Budgeted  | 30,280,327 | 54,219,245 | 55,940,714 | Total with expected infrastructure support for contracts staff to conduct solicitation and awards, data analysts to create dashboards and reports, HR staff to minimize vacancies in behavioral health, real estate services for the planning, acquisition, and set up of new sites, rent and facilities support, IT infrastructure, and data systems.   |
| HSH Requested Services  |            |            |            |  |
| Shelter Health and Street Medicine Support  | 472,289    | 1,634,105  | 1,674,958  | Expansion of Shelter Health and Street Medicine's evidence based substance use strategies: harm reduction, low barrier medication-assisted treatment, and widespread distribution of naloxone.   |
| Services at Permanent Supportive Housing Sites  | 629,477    | 2,007,500  | 2,057,688  | Increases services in permanent supportive housing sites which do not currently have DPH clinical services. Enhances staff and client training in harm reduction techniques, including access to naloxone and medication-assisted treatment.   |
|   | 1,101,766  | 3,641,605  | 3,732,645  |  |