



SAN FRANCISCO
HUMAN SERVICES AGENCY

Department of Benefits
and Family Support

Department of Disability
and Aging Services

MEMORANDUM

August 18, 2023

P.O. Box 7988
San Francisco, CA
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www.SFHSA.org

TO: President Kahn and Members of the Human Services
Commission

THROUGH: Trent Rhorer, Executive Director

FROM: Celia Pedroza, Budget Director

CC: Shireen McSpadden, Director of the Department of
Homelessness & Supportive Housing

SUBJECT: **Homelessness and Supportive Housing Fund: FY22-
23 Report**



London Breed
Mayor

Trent Rhorer
Executive Director

This memo provides an analysis of the FY22-23 savings for the Homelessness and Supportive Housing Fund (formerly the Human Services Care Fund). The first section briefly describes how the fund works. The following sections describe the actual FY22-23 savings (including comparisons to projections from the start of the fiscal year and the FY22-23 budgeted amount). This memo also reports on the projected Homelessness and Supportive Housing Fund savings and budgeted amount for the current fiscal year (FY23-24).

Background

In October 2003, the City adopted the ordinance that established the Homelessness and Supportive Housing Fund, which pays for housing and services for homeless CAAP clients through savings resulting from the implementation of Proposition N (known as *Care Not Cash*). **The ordinance requires that, on an annual basis, the Human Services Agency report whether its projections were accurate for the year. The Commission is then to adopt findings and transmit them to the Board of Supervisors and the Office of the Controller.**



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Two sources of savings are specified for the Homelessness and Supportive Housing Fund:

1. Savings from reductions in the homeless CAAP caseload – The ordinance establishes a baseline of 3,000 total homeless CAAP clients, and savings are generated if the number of homeless CAAP clients falls below the baseline.
2. Savings from grant reductions – The savings resulting from reduced grants for homeless CAAP recipients are also added to the fund. Grants are reduced for clients who are offered shelter (either because they refused a permanent housing unit, or are waiting to be referred to a permanent housing unit).

Fiscal Year 23-24 Changes

A 3.6% CAAP grant Cost-of-Living-Adjustment (COLA) took effect in July 2023. This COLA will increase the cash amount each recipient receives each month, as well as the possible savings for each reduced grant.

Caseload Data and Source of Fund Savings

The table below compares the actual monthly homeless CAAP caseload during FY22-23 to projections from the beginning of the year. The actual homeless caseload began the fiscal year higher than projected, but then decreased rapidly across the latter half of the year.

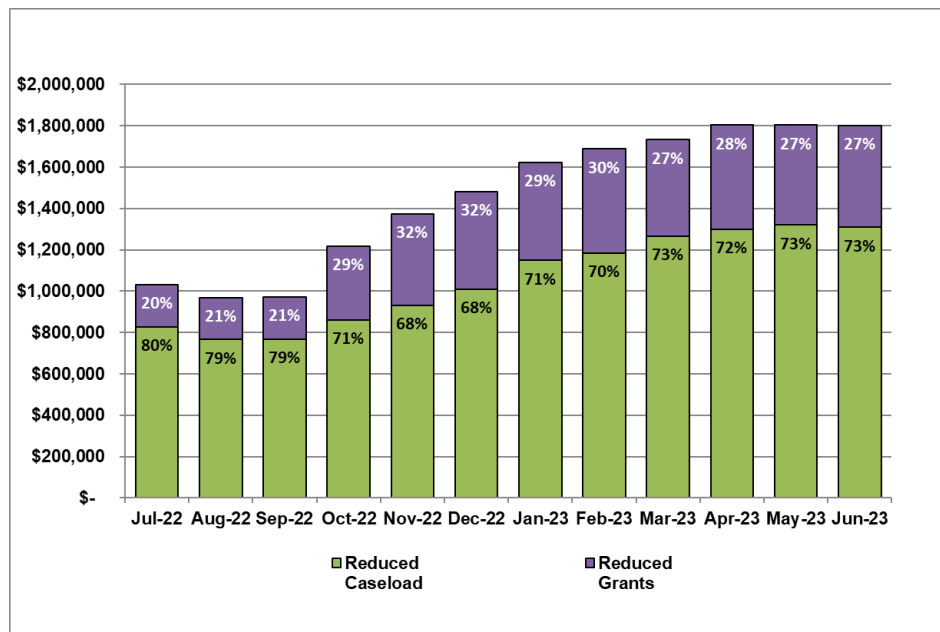
Month	Projected # CAAP Homeless	Actual # CAAP Homeless	Difference (Actual - Projected)	% Variance
Jul-22	1,083	1,466	383	26%
Aug-22	1,088	1,568	480	31%
Sep-22	1,093	1,564	471	30%
Oct-22	1,098	1,548	450	29%
Nov-22	1,103	1,442	339	24%
Dec-22	1,108	1,324	216	16%
Jan-23	1,113	1,121	8	1%
Feb-23	1,118	1,065	(53)	-5%
Mar-23	1,123	945	(178)	-19%
Apr-23	1,128	900	(228)	-25%
May-23	1,133	870	(263)	-30%
Jun-23	1,138	888	(250)	-28%



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The chart below shows that the bulk of the savings continues to stem from a reduced homeless caseload relative to the 2003 baseline level (versus reduced cash grants). Over the course of the year, the total monthly savings, as well as proportion stemming from reduced grants payments, grew considerably. This trend resulted from the city’s restoration of shelter capacity, which enabled HSA to resume offering shelter in lieu of cash to homeless CAAP clients.

Source of Actual Homelessness and Supportive Housing Fund Savings



FY22-23 Fund Savings

The table below compares the budgeted savings, projected savings as of July 2022, and actual savings for FY22-23. Compared with the July 2022 projection, the FY22-23 actual Homelessness and Supportive Housing Fund savings were \$649,177 higher than expected.

The July 2022 projection reflected a lower monthly savings compared with the budgeted projection, as it assumed that the city would require more time to restore its shelter capacity. The increasing monthly savings in the latter half of FY22-23 reflects how increased shelter capacity translated into higher Care Fund savings.



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Month	Budgeted Projection	Projection from July 2022	Actual	Difference from July Projection
Jul-22	\$1,374,742	\$1,029,154	\$1,031,926	\$2,772
Aug-22	\$1,404,169	\$1,122,986	\$967,823	(\$155,163)
Sep-22	\$1,430,823	\$1,182,768	\$972,885	(\$209,883)
Oct-22	\$1,628,309	\$1,507,018	\$1,216,673	(\$290,345)
Nov-22	\$1,627,238	\$1,500,828	\$1,373,807	(\$127,021)
Dec-22	\$1,626,166	\$1,501,653	\$1,481,410	(\$20,243)
Jan-23	\$1,625,095	\$1,501,772	\$1,622,485	\$120,713
Feb-23	\$1,624,023	\$1,502,682	\$1,688,406	\$185,724
Mar-23	\$1,622,952	\$1,502,380	\$1,732,042	\$229,662
Apr-23	\$1,621,880	\$1,499,515	\$1,802,548	\$303,033
May-23	\$1,620,809	\$1,498,392	\$1,803,677	\$305,285
Jun-23	\$1,619,737	\$1,496,645	\$1,801,287	\$304,642
Total FY22-23	\$18,825,945	\$16,845,791	\$17,494,968	\$649,177

Projected FY23-24 Fund Savings

The savings for FY23-24 is currently projected at \$22,458,650, which corresponds to a projected average monthly caseload of 767. The official Homelessness and Supportive Housing Fund budget for FY22-23 is \$22,366,301 (\$92,348 less than the current savings projection). The average monthly caseloads are projected to continue falling, though at a slower pace than that seen during FY22-23.

Month	Caseload Projections	Care Fund Projections
Jul-23	847	\$1,811,820
Aug-23	819	\$1,870,311
Sep-23	820	\$1,870,116
Oct-23	781	\$1,874,575
Nov-23	772	\$1,875,562
Dec-23	764	\$1,876,436
Jan-24	758	\$1,877,151
Feb-24	762	\$1,876,647
Mar-24	739	\$1,879,224
Apr-24	724	\$1,880,941
May-24	712	\$1,882,324
Jun-24	701	\$1,883,544
Total FY23-24	767	\$22,458,650



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Recommendations

HSA staff recommends that the Commission adopt the findings regarding the FY22-23 Homelessness and Supportive Housing Fund savings of \$17,494,968 and transmit the information to the Board of Supervisors and the Office of the Controller (in the form of the accompanying memo).

In August of 2024, HSA will present the actual savings for FY23-24, and compare the data to the budgeted amount and the projections detailed above.