

PROPOSITION C - NOVEMBER 2018

OUR CITY, OUR HOME: IMPLEMENTATION PLAN

Prop C was carefully crafted to build out the current Dept. of Homelessness and Supportive Housing's (MOHCD) Strategic Framework, with smart additions to ensure it is a comprehensive city-wide approach.

Prop C was developed with extensive input from experts – from people with personal experience, people in city departments, and people working on the front lines who understand what works in tackling homelessness.

Read more from [the Chronicle about why more funding is needed to solve homelessness.](#)

EXECUTIVE SUMMARY

Prop C is about permanent solutions

50% of the fund (\$150 million) must go to housing

We know that housing solves homelessness. 50% of Prop C's funding will pay for construction, rehab, prevention and operating subsidies of approximately 4,000 units of housing over the next eight years and mandates that families and youth are given priority.

Our goal is to house all who are currently experiencing long term or chronic homelessness, are sick, are youth, and families with children.

Prop C targets the mental health crisis

25% (\$75 million) targets people experiencing severe mental health and substance use crises

This funding is for intensive wrap-around services, street-based care, treatment, drop-in services, residential facilities, and housing for people suffering from mental illnesses and substance use disorder.

Prop C supports the housing insecure

12% of funding (\$40 million) will be for preventing homelessness

Given the high cost of living, many people in San Francisco are housing insecure. In fact, we know that 70% of those currently experiencing homelessness were originally housed in the city.

Those who live in fear of losing their rent-controlled unit – who are one medical emergency, fire, or other personal disaster away from homelessness, deserve our support and protection. This would ensure 7,000 households get legal assistance, permanent or temporary subsidies to stay in their housing, or other forms of help they need to stay housed, such as help with electrical or other bills.

Prop C eliminates the shelter waitlist and helps keep our streets clean

10% (\$30 million) used for immediate needs

Prop C will pay for 1,075 new shelter and navigation center beds, as well as fund drop-in hygiene programs. Let's keep our streets clean by having dignified bathrooms and showers for everyone.

Prop C has built-in financial accountability mechanisms

This initiative requires an Oversight Committee comprised of nine experts on homelessness, supportive housing, mental illness, substance use disorder, and development, who will recommend funding priorities, promote transparency and cultural competence, and produce regular reports about who has been served by this fund and what still needs to be done for the Board of Supervisors. The funding must be spent on intended use. The funding will be overseen by department contracting managers who scour every dime spent, and closely examine budgets.

PROP C: THE DETAILS

- PERMANENT HOUSING
- PREVENTION
- SHELTER
- MENTAL HEALTH AND SUBSTANCE USE DISORDER SERVICES
- CONSTRUCTION COSTS
- OVERSIGHT
- HOUSING BREAKDOWN

PERMANENT HOUSING

The housing component of Prop C is based on the Department of Homelessness and Supportive Housing's strategic framework. The Department has done a lot of work in identifying sites, looking at data driven outcomes, and modeling successful interventions.

One difference in this initiative from the framework is that we also serve youth and families with children, two populations that have been invisible and largely neglected by city efforts. Data show that half of all homeless people in San Francisco became homeless before the age of 25, and we want to go upstream and ensure young people get stabilized quickly before permanent damage is done. Therefore, portions of the housing funding are set aside for families with children and youth.

New Pipeline Housing (500 units newly constructed)

The funding in Prop C will allow the city to acquire property and construct new housing as opportunities avail themselves, whether that be closed gas stations, empty lots or tear downs. New government property that becomes available will also be ideal. Vacant or potential development sites have been identified by San Francisco, and there are about 300 sites to choose from, while others are yet to be discovered.

Funding for this section will leverage state bond, local housing funds, state tax credits and federal housing funding to complete the costs. In the early years, funding allows for acquisition and construction. Once the units are built, funding can switch over to operating costs.

Current Pipeline Housing (1,500 homeless units added to planned new construction)

The Department of Homelessness and Supportive Housing's strategic framework has identified 1500 units of supportive housing in the affordable housing pipeline that is currently unfunded. San Francisco currently owns properties, including old redevelopment lands and vacant city areas where freeways have been torn down, where the city plans to construct 100% affordable

housing. These are in what is called “the pipeline” under MOHCD. Many of these properties are expected to be developed decades from now once the funding is in place.

Prop C will expedite development, allocating a portion of units to people experiencing homelessness. In order to have low enough rents for people who are homeless, the city can layer operating subsidies to pay for services, debt payment, and other building operations costs. To see exact building locations for the pipeline [click here](#).

Master Lease (1,000 units already identified)

Owners of single room occupancy (SRO) buildings, sometimes referred to as residential hotels, have contacted the city and offered up to 1,000 currently vacant units for the city to hold a master lease on. This funding would pay for needed repairs and pay for leasing costs.

Rapid Re-housing (340 short term subsidies annually)

This is an innovative intervention that gained popularity under the Obama Administration, where a household receives a short-term subsidy and support services, and help finding an apartment in the private market. The program has had a lot of success as once households are stabilized they are able to find work and take over the rent on their own. There are currently several programs in place, and this would expand the number of households served, and in particular allow for families with young children, seniors and people with disabilities to qualify.

Tenant Based Rental Assistance (500 long term subsidies in private market)

This strategy has been successful in other cities and has been utilized here as well. Tenants receive a long-term subsidy to use in the lowest 20% of the rental market. These subsidies can be used in Below Market Rate (BMR) units to make the rent affordable and allow the applicant to qualify, as well as in the competitive private market.

This intervention is especially great for folks who become homeless due to displacement and get priority for these units as well as those on fixed income who don’t need additional support to live independently.

Overall Breakdown Number Served per Year

Year	1	2	3	4	5	6	7	8	
New Housing*	500	500	500	500	500	500	500	500	
Turnover		60	120	180	240	300	350	420	

Rapid Re-housing	100	200	340	340	340	340	340	340	
Total People Newly Housed	600	760	960	1020	1080	1140	1200	760	
Street Care and Medical Services	840	1,680	3,360	3,360	3,360	3,360	3,360	3,360	
Treatment	280	560	1,120	1,120	1,120	1,120	1,120	1,120	
Total Households Served	1,120	2,240	4,480	4,480	4,480	4,480	4,480	4,480	
On-going Prevention	2,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	
One-time Prevention	1,000	2,000	3,000	4,000	4,000	4,000	4,000	4,000	
Total Households Prevented from Homelessness	3,000	5,000	6,000	7,000	7,000	7,000	7,000	7,000	
New Shelter Beds	250	275	275	275	0	0	0	0	
Total new people sheltered annually*	750	1,575	2,400	3,225	3,225	3,225	3,225	3,225	

*current Permanent Supportive Housing pipeline, new pipeline, master lease, tenant-based subsidies

PREVENTION

The overwhelming majority of homeless San Franciscans became homeless as housed San Franciscans (70%). Each week our system is able to house about 50 people, but 100 more become homeless during that same time.

Many low-income people in San Francisco are at constant risk of homelessness, just one paycheck away from losing their homes. In order to get ahead of this crisis, we must keep people in their homes. Catastrophic health issues, temporary job loss, rents rising above fixed incomes, are primary causes that are preventable through rental assistance, and sometimes other forms of assistance, such as helping someone pay to get their car fixed so they can get to work or replacing stolen tools.

The funding for this portion of the initiative will build on successful models we are using now. Real time assistance is currently being provided for about 400 San Francisco households, but it is nowhere near enough to cover the real need.

As a city, our collective goal should be to stop homelessness before it occurs. Prop C would greatly expand a successful existing model that allows providers to access assistance for their clients in real time via a specially designed computer application.

Clients accessing Coordinated Entry, legal assistance agencies, family resource centers, or any program linked to the system would be able to access this assistance if they meet the eligibility requirements. This assistance can even be delivered during eviction proceedings to stave off displacement. A media campaign would get the word out to tenants, unions, and the broader community as well.

Prevention Breakdown: Funding and Number Served By Year

Year	1	2	3	4	5	6	7	8
On-going Prevention	2,000 \$26.7m	3,000 \$40m	3,000 \$40m	3,000 \$40m	3,000 \$40m	3,000 \$40m	3,000 \$40m	3,000 \$40m
One-time Prevention	1,000 \$1m	2,000 \$2m	3,000 \$3m	3,500 \$4m	4,000 \$5m	4,000 \$5m	4,000 \$5m	4,000 \$5m
Total Prevented/ Cost	3,000 \$27.7 m	5,000 \$42m	6,000 \$43m	6,500 \$44m	7,000 \$45m	7,000 \$45m	7,000 \$45m	7,000 \$45m

SHELTER

Currently, there are over 1,000 people waiting on the single adult shelter waitlist. For families it is even worse, with average wait times across all families of 111 days. Prop C would provide the funding capital necessary to ensure we have the right size shelter system.

Prop C would also allow San Francisco to tap into the many creative innovations with shelters – navigation centers, modular units, tenting, tiny homes, as well as available underutilized spaces, such as unused parking garages, empty churches, vacant property beneath freeways and pre-development lots.

Year	1	2	3	4	5
New Shelter Costs	\$7,250,000	\$14,500,000	\$21,750,000	\$29,000,000	\$29,000,000
New Beds	250	275	275	275	0
Total Shelter Capacity	2,750	3,025	3,275	3,525	3,525

MENTAL HEALTH AND SUBSTANCE USE DISORDER SERVICES

Our vision is a system of care that is centered on and connected to the individual suffering from addiction and/or mental illnesses, and where care is integrated and wait-time for care is eliminated.

Right now, we have a fragmented system where over 1,780 homeless people each year are hospitalized in psychiatric emergency services and then released without care, where our case management programs have no openings, and where individuals drift from one closed door to the next, as the programs are all full (BLA Performance Audit DPH Behavioral Health, April 2018). Rarely can people get care when they are seeking it, and too often our only entry level into care is the back of a police car or another ambulance ride. Eliminating waits is critical – especially for those with addiction.

In addition, we are deliberately including both mental health and substance use in our funding mechanism, with the intention of ensuring new services wrap around the individuals to serve all their behavioral health needs. The two issues are interconnected, with trauma and untreated mental illness frequently leading to addiction, and integrated treatment is leading the way in successful data driven outcomes.

How will the Mental Health and Substance Disorder funds be used?

This funding would give San Francisco the opportunity to halt the revolving door of mentally ill people through our systems, where their conditions get worse, and recovery and wellness are further from realization.

With the Our City, Our Home fund, this intensive care would start on the streets, in drop-in facilities, upon release from institutions, or wherever the individual is located and then would follow them throughout the system. Individuals would be assertively and actively engaged in residential care, and/or permanent housing and the care would follow the individual and continue as needed.

The funding in our measure for mental health and substance abuse treatment can be broken down into two types of services: street-based care and addiction medicine, and the provision of care inside residential facilities. The system would gear up, with a steady expansion each year, until it reaches the capacity of serving an additional 4,500 individuals.

Street based care would expand the number of clients served with street-based medicine for both mental health and substance use issues.

These are the interventions that would be funded under street based care and medicine:

- large expansion of mental health intensive case management
- drop in services,
- pop up peer-based clinics

- Street based addiction medicine such as buprenorphine
- permanent drop in crisis and therapeutic clinics
- overdose prevention services.

Funding in the treatment and facilities category will be used to both acquire facilities and fund on-going services care. These are the interventions that would be funded under treatment and facility:

- supportive housing care,
- temporary accommodations,
- expansions of residential treatment
- residential crisis care,
- additional acute diversion units,
- board and care facilities.

Behavioral Health: Breakdown of Costs and Number Served

Year	1	2	3	4	5
Street based care/medicine	\$3,000,000	\$4,500,000	\$6,000,000	\$6,000,000	\$6,000,000
<i>Number served</i>	840	1,680	3,360	3,360	3,360
Treatment facility/housing	\$15,000,000	\$30,000,000	\$69,000,000	\$69,000,000	\$69,000,000
<i>Number Served</i>	200	560	1,120	1,120	1,120
Total Costs	\$18,000,000	\$34,500,000	\$75,000,000	\$75,000,000	\$75,000,000
<i>Total Served</i>	1,120	2,240	4,480	4,480	4,480

CONSTRUCTION COSTS

During its first few years, more of the Our City Our Home fund will be allocated towards construction costs (listed below), after which all funding will go toward operating costs and services. All timetables listed above already take construction costs into account.

Construction Costs	
Shelter	\$75,000,000
Mental Health	\$60,000,000
Housing	\$170,000,000
Total	\$305,000,000

PROP C FILLS THE SERVICE GAP TO END THE CRISIS

Adds 150 million to fund housing including construction, rehab, prevention and operating subsidies to house around **6,000 people** in 4,000 units that serve individuals, youth and families

40 million to provide **7,000 households** with rental assistance, legal help, and other services to keep them housed

30 million for immediate needs including **1,000 new shelter beds**, to eliminate the shelter waitlist, along with bathrooms and showers to keep our streets clean

75 million to serve around **4,000 people** in need of mental health treatment



WHERE IS OUR MONEY GOING NOW?

257.7 million dollars is being spent to address homelessness now. This is less than 3% of San Francisco's budget and a tiny fraction of the City's wealth.

- This provides housing assistance for over 7,000 residents and 2,500 temporary shelter beds.
- This still leaves 1,000+ people on the waitlist for shelter beds and 8,000 people on the waitlist for housing subsidies.

OVERSIGHT & ACCOUNTABILITY

This initiative requires an Oversight Committee comprised of nine experts on homelessness, supportive housing, mental illness, substance use disorder, and development, who will recommend funding priorities, promote transparency and cultural competence, and produce regular reports about who has been served by this fund and what still needs to be done for the Board of Supervisors. The body will also conduct a needs assessment to direct recommendations. Four seats will be appointed by the Board of Supervisors, four seats appointed by the Mayor, and one seat by the Controller's office.

Funding will be allocated into three City agencies: the Department of Homelessness and Supportive Housing, the Mayor's Office on Housing and Community Development, and the Department of Public Health. That funding contracted out to non-profits will be carefully overseen by contracting managers in said department. Contract managers will carefully scrutinize budgets, check receipts, payroll records, perform audits and ensure funding is spent appropriately. They will also review units of service, types of services rendered, and review client satisfaction surveys. Contracting organizations will only get paid for actual services rendered. Funding for programs that are city run will have similar oversight and accountability measures.

Attachment One:

Breakdown of housing interventions and costs



