



DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

State Funding & HSH Strategy: HHAP and Project Homekey

State Budget Hearing on Homelessness | Panel #3 | October 12, 2022



Homeless Housing, Assistance, and Prevention Program (HHAP)

• HHAP 1: \$37.9 million

- \$15.8 million for operations of **5 shelters**, serving **3,582 households** since 2019.
- \$7.3 million for construction of **Bayview SAFE Navigation Center**.
- \$850k for Homeless Management Information System (HMIS) and administrative costs.
- **\$14 million** remains and SF is on track with its multi-year spenddown plan

• HHAP 2: \$17.8 million

- \$2.9 million for Shelter-in-Place Hotel operations, serving over **3,700 households** since 2020.
- \$669k on **Permanent Supportive Housing** for **youth** at the Artmar.
 - Since opening in July 2021, **44 households** have been permanently housed.
- **\$14 million** remains and SF is on track with its multi-year spenddown plan

Project Profile: Bayview SAFE Navigation Center

- HHAP funding for Construction cost: **\$7.3 million**
- HHAP funding for operations: **\$5.2 million**
- Since opening in January 2020, has served **746** households.
- **37.5%** of households served were Black, African American or African.



Bayview SAFE Navigation Center

HHAP 3 Proposal

- HSH plans to use **\$47.4 million** in HHAP Round 3 funding for:
 - Capital funds to build out a **24/7 drop-in service center for youth** and six-months of operating costs.
 - Two years of operating costs for **two new shelters** opened in summer 2022.
 - Pilot enriched staffing and **enhanced housing focused case management** in existing congregate shelters to increase outflow to housing and provide support services at a new cabin community.
 - **Diversity Equity and Inclusion (DEI) work**, planning and regional planning.
 - **Harm reduction services** for shelter and housing sites.
 - Purchase of accessible van to support SFHOT **street outreach** and **transportation** for people experiencing unsheltered homelessness.

Project Profile: 711 Post Semi-Congregate Shelter

- Planned **HHAP Round 3** funding for operations.
- Former youth hostel that provides mix of **semi-congregate** units so people can move inside together.
- Opened **July 2022**.
- Capacity of **250 guests**.



711 Post Shelter
Photo Credit: SF Examiner

HHAP Planning Component

Opportunities

- Supports **increased collaboration** and coordination with City departments.
 - Department of Public Health
 - Human Services Agency
 - Mayor's Office of Housing and Community Development
- Informs the **San Francisco Strategic Plan to Prevent and End Homelessness**

Challenges

- **Short timelines** with new and increasingly **complex requirements** for each round of funding.
- **Staff capacity** across public and non-profit agencies and **loss of key staff** with institutional knowledge.
- Complexity of **Homeless Data Integration System (HDIS)-provided data** and **outcome goal requirements** that do not fully align with local data or existing federal requirements.

HHAP: Opportunities and Challenges

What's worked well:

- **Flexibility** is very helpful for San Francisco as federal and local dollars are largely tied to housing.
- Align HHAP-investments with other investments without significant complexity or requirements.
- Ability to target HHAP resources into **significant gaps** within our system that other funding sources do not cover at **scale of need**.

Challenges:

- **One-time funding** does not incentivize partners to collaborate for the long-term.
- Repeated one-time installments of funding are **administratively burdensome and difficult to plan around**.
- **Pressure** to spend dollars quickly without guarantee of ongoing funding.
- Quick turnaround on interpreting **State-provided data** and setting **outcome goals**.

HHAP Recommendations

- Make HHAP an **ongoing funding source** for homelessness.
- Maintain **existing flexibility** within HHAP so local communities can customize based on needs.
- Make timeframes more **realistic** and **less burdensome**.
 - Consider multi-year rather than annual application process.
- **Standardize requirements** and **expectations** year over year.
 - Set 3-5 year goals with annual benchmarks rather than having to re-plan every year.
- Bonus funding incentive structures should encourage both **ambition** and **strong performance**.
 - Allow local jurisdictions to modify initial performance targets set in HHAP-3 plan as state HDIS data is improved and better understood.

Homekey Awards: Acquisitions

Round 1:
\$76.9 million

- 1 hotel conversion; 1 apartment building
- 362 units

Round 2:
\$135.7 million

- 2 hotel conversions, 2 apartment buildings
- 437 units with 935 rooms

Homekey Acquisitions by Population

Youth
77 Units

Adults
482 units

Families
240 units

Name	Units	Population Served	Acquisition Cost	Total Homekey Award
3061 16th Street (Casa Esperanza)	25	Youth	\$5,614,144	\$7,480,080
5630 Mission Street (Mission Inn)	52	Youth	\$17,017,830	\$16,823,000

Homekey Acquisitions by Population

Name	Units	Population Served	Acquisition Cost	Total Homekey Award
1000 Sutter (The Granada)	232	Adults	\$46,000,000	\$47,864,020
440 Geary (Hotel Diva)	130	Adults	\$50,000,000	\$29,048,000
1321 Mission Street	160 (240 rooms)	Adults & Families	\$86,584,901	\$54,778,000
333 12th Steet (City Gardens)	200 (618 rooms)	Families	\$147,540,000	\$56,578,000

Homekey Project Profile: City Gardens

- **Newly constructed** apartment building, ideal facilities for serving families exiting homelessness.
 - 200 units with 618 rooms.
- **\$147.5 million** acquisition cost made possible by **\$48.8 million** Homekey capital award.
- Large contribution towards **expansion** of family PSH and **significant progress** towards ending family homelessness.



City Gardens (333 12th Street)

Homekey Recommendations

- **Fund future rounds** of Homekey.
- **Adjust and standardize timelines** to allow for large-scale projects and local legislative requirements while maintaining sense of urgency.
- Adjust Project Homekey **funding restrictions and eligible uses** to support local jurisdictions successfully open and operate Project Homekey sites.
For example:
 - Include **capital improvements to existing PSH stock** as an eligible funding use.
 - **Increase operating funds** from 3 years to 5 years.
 - **Increase per unit funding cap**, especially in high-cost jurisdictions.
 - Maintain or increase capital funds limit.



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Thank you.

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