



MEMORANDUM

August 19, 2016

TO: President Stewart and Members of the Human Services Commission

THROUGH: Trent Rhorer, Executive Director

FROM: Emily Gibbs, Principal Budget Analyst

CC: Jeff Kositsky, Director of Department of Homelessness & Supportive Housing

SUBJECT: **Homelessness and Supportive Housing Fund: FY15-16 Report**

This memo provides an analysis of the FY15-16 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 FY15-16 savings (including comparisons to projections from the start of the fiscal year and the FY15-16 budgeted amount). This memo also reports on the projected Homelessness and Supportive Housing Fund savings and budgeted amount for the current fiscal year (FY16-17).

Background

In October 2003, the City adopted the ordinance that established this fund. The Homelessness and Supportive Housing Fund 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.**

Two sources of savings are specified for Homelessness and Supportive Housing Fund. These include:

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 an SRO unit, or are waiting to be referred to an SRO unit).

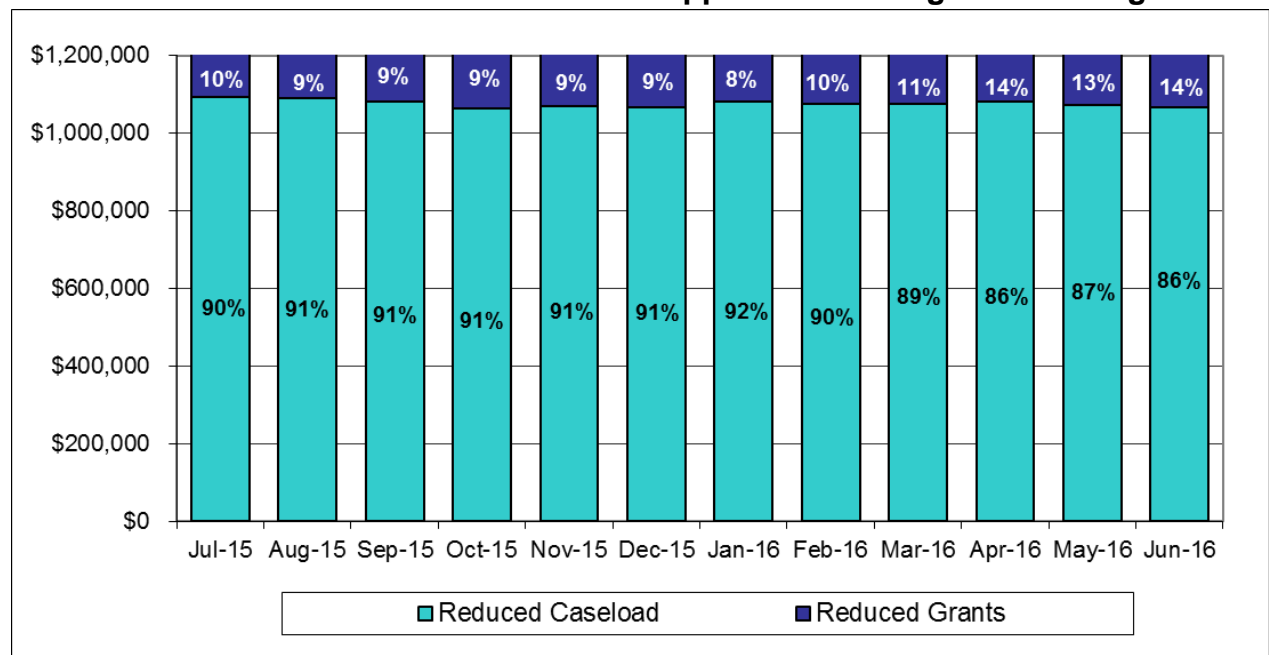
Caseload Data and Source of Fund Savings

The table below compares the actual homeless CAAP caseload during FY15-16 to projections from the beginning of the year. The actual homeless caseload was less than projected each month during the fiscal year. The actual homeless caseload generally rose during FY15-16 due to a more generous discontinuance policy put into effect in March 2015 and efforts by the first Navigation Center to enroll eligible homeless persons onto CAAP.

Month	Projected # CAAP Homeless	Actual # CAAP Homeless	Difference (Actual - Projected)	% Variance
Jul-15	571	484	(87)	-18%
Aug-15	571	493	(78)	-16%
Sep-15	571	505	(66)	-13%
Oct-15	571	550	(21)	-4%
Nov-15	571	538	(33)	-6%
Dec-15	571	542	(29)	-5%
Jan-16	571	506	(65)	-13%
Feb-16	571	527	(44)	-8%
Mar-16	571	525	(46)	-9%
Apr-16	571	510	(61)	-12%
May-16	571	534	(37)	-7%
Jun-16	571	542	(29)	-5%

The chart below shows that the bulk of the savings continues to stem from a reduced caseload (versus reduced cash grants). During most of the year, reduced caseloads accounted for around 90% of the Homelessness and Supportive Housing Fund savings. This percentage fell somewhat at the end of the fiscal year due to the increasing homeless caseload, as described above.

Source of Actual Homelessness and Supportive Housing Fund Savings



FY15-16 Fund Savings

The table below compares the projected savings from the beginning of the fiscal year with the actual savings. The FY15-16 actual Homelessness and Supportive Housing Fund savings are about thirty-two thousand more than was projected.

Month	Projected	Actual	Difference
Jul-15	\$1,250,578	\$1,255,193	\$4,615
Aug-15	\$1,250,578	\$1,259,643	\$9,065
Sep-15	\$1,250,578	\$1,257,076	\$6,498
Oct-15	\$1,251,886	\$1,251,456	(\$430)
Nov-15	\$1,251,886	\$1,250,673	(\$1,213)
Dec-15	\$1,251,886	\$1,250,208	(\$1,678)
Jan-16	\$1,251,886	\$1,251,887	\$1
Feb-16	\$1,251,886	\$1,257,305	\$5,419
Mar-16	\$1,251,886	\$1,254,590	\$2,704
Apr-16	\$1,251,886	\$1,255,771	\$3,885
May-16	\$1,251,886	\$1,254,663	\$2,777
Jun-16	\$1,251,886	\$1,252,437	\$551
Total FY15-16	\$15,018,708	\$15,050,901	\$32,193

Fund Budget Versus Actual Savings for FY15-16

The FY15-16 budgeted amount for the Homelessness and Supportive Housing Fund was \$15,077,781. As shown below, the actual savings for FY15-16 was around twenty-seven thousand less than this budgeted amount.

FY15-16 Homelessness and Supportive Housing Fund Budget Comparison

Budget	\$15,077,781
Actual	\$15,050,901
Amount Over-Funded	\$26,880

Projected FY16-17 Fund Savings

The savings for FY16-17 is currently projected at \$14,964,349. The official Homelessness and Supportive Housing Fund budget for FY16-17 is \$15,050,019 (around eighty-six thousand more than the current projection).

Care Fund Projections	
Month	
Jul-16	\$1,252,437
Aug-16	\$1,252,437
Sep-16	\$1,252,437
Oct-16	\$1,252,437
Nov-16	\$1,252,437
Dec-16	\$1,252,437
Jan-17	\$1,241,621
Feb-17	\$1,241,621
Mar-17	\$1,241,621
Apr-17	\$1,241,621
May-17	\$1,241,621
Jun-17	\$1,241,621
Total FY16-17	\$14,964,349

Recommendations

HSA staff recommends that the Commission adopt the findings regarding the FY15-16 Homelessness and Supportive Housing Fund savings of \$15,050,901 and transmit the information to the Board of Supervisors and the Office of the Controller (in the form of the accompanying memo).

In July or August of 2017, HSA will present the actual savings for FY16-17 and compare the data to the budgeted amount and the projections detailed above.