



MEMORANDUM

August 16, 2018

TO: President Kahn and Members of the Human Services Commission

THROUGH: Trent Rhorer, Executive Director

FROM: Dan Kaplan, Deputy Director, Finance & Administration

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

SUBJECT: **Homelessness and Supportive Housing Fund: FY17-18 Report**

This memo provides an analysis of the FY17-18 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 FY17-18 savings (including comparisons to projections from the start of the fiscal year and the FY17-18 budgeted amount). This memo also reports on the projected Homelessness and Supportive Housing Fund savings and budgeted amount for the current fiscal year (FY18-19).

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.**

Two sources of savings are specified for 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).

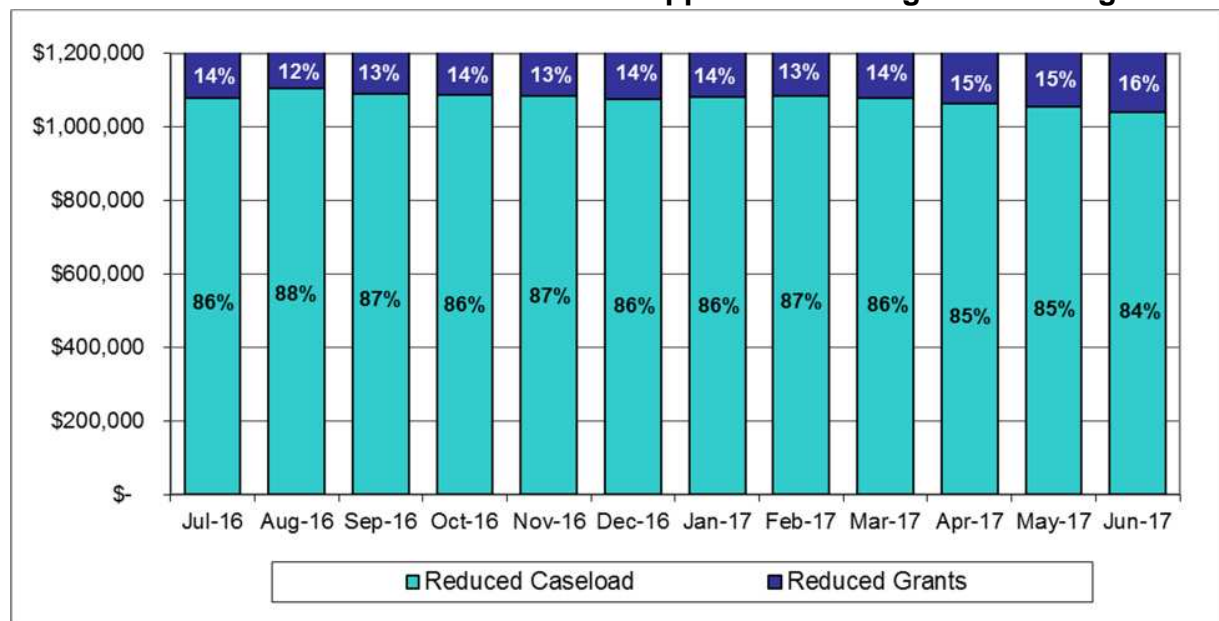
Caseload Data and Source of Fund Savings

The table below compares the actual homeless CAAP caseload during FY17-18 to projections from the beginning of the year. The actual homeless caseload was less than projected for the first nine months of the fiscal year.

Month	Projected # CAAP Homeless	Actual # CAAP Homeless	Difference (Actual - Projected)	% Variance
Jul-17	505	480	(25)	-5%
Aug-17	505	423	(82)	-19%
Sep-17	505	460	(45)	-10%
Oct-17	505	464	(41)	-9%
Nov-17	505	472	(33)	-7%
Dec-17	505	495	(10)	-2%
Jan-18	505	485	(20)	-4%
Feb-18	505	474	(31)	-7%
Mar-18	505	482	(23)	-5%
Apr-18	505	519	14	3%
May-18	505	541	36	7%
Jun-18	505	575	70	12%

The chart below shows that the bulk of the savings continues to stem from a reduced homeless caseload (versus reduced cash grants). During the year, reduced caseloads accounted for between 84% and 88% of the monthly Homelessness and Supportive Housing Fund savings.

Source of Actual Homelessness and Supportive Housing Fund Savings



FY17-18 Fund Savings

The table below compares the projected savings from the beginning of the fiscal year with the actual savings. The FY17-18 actual Homelessness and Supportive Housing Fund savings are about twenty-two thousand less than was projected.

Month	Projected	Actual	Difference
Jul-17	\$1,253,696	\$1,251,540	(\$2,156)
Aug-17	\$1,253,696	\$1,258,003	\$4,307
Sep-17	\$1,253,696	\$1,252,931	(\$765)
Oct-17	\$1,253,696	\$1,257,726	\$4,030
Nov-17	\$1,253,696	\$1,254,835	\$1,140
Dec-17	\$1,253,696	\$1,255,003	\$1,307
Jan-18	\$1,253,696	\$1,250,602	(\$3,094)
Feb-18	\$1,253,696	\$1,251,251	(\$2,444)
Mar-18	\$1,253,696	\$1,251,672	(\$2,024)
Apr-18	\$1,253,696	\$1,248,336	(\$5,360)
May-18	\$1,253,696	\$1,246,935	(\$6,761)
Jun-18	\$1,253,696	\$1,243,276	(\$10,420)
Total FY17-18	\$15,044,349	\$15,022,109	(\$22,240)

Fund Budget Versus Actual Savings for FY17-18

The FY17-18 budgeted amount for the Homelessness and Supportive Housing Fund was \$15,087,069. As shown below, the actual savings for FY17-18 was around sixty-five thousand less than this budgeted amount.

FY17-18 Homelessness and Supportive Housing Fund Budget Comparison

Budget	\$15,087,069
Actual	\$15,022,109
Amount Over-Funded	\$64,960

Projected FY18-19 Fund Savings

The savings for FY18-19 is currently projected at \$14,966,067. The official Homelessness and Supportive Housing Fund budget for FY18-19 is \$15,006,859 (around forty-one thousand more than the current projection).

Month	Care Fund Projections
Jul-18	\$1,247,172
Aug-18	\$1,247,172
Sep-18	\$1,247,172
Oct-18	\$1,247,172
Nov-18	\$1,247,172
Dec-18	\$1,247,172
Jan-19	\$1,247,172
Feb-19	\$1,247,172
Mar-19	\$1,247,172
Apr-19	\$1,247,172
May-19	\$1,247,172
Jun-19	\$1,247,172
Total FY18-19	\$14,966,067

Recommendations

HSA staff recommends that the Commission adopt the findings regarding the FY17-18 Homelessness and Supportive Housing Fund savings of \$15,022,109 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 2019, HSA will present the actual savings for FY18-19 and compare the data to the budgeted amount and the projections detailed above.