

# San Francisco Department of Public Health

Behavioral Health Services Director's Update for the  
Behavioral Health Commission

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San Francisco Department of Public Health



City & County of San Francisco  
**Department of Public Health**

# Agenda

- BHS Mission and Vision
- DPH Budget Update
- Behavioral Health Residential Treatment Beds Update
  - Marina Inn
  - The Kean
  - Behavioral Health Center at ZSFG
  - Proposition 1 Projects



# BHS Vision, Mission, and Key Tactics

## Vision

For all San Franciscans to experience **mental and emotional well-being** and **participate meaningfully** in the community across lifespans and generations.

## Mission

To provide **equitable**, effective substance use and mental health care and promote **behavioral health and wellness** among all San Franciscans.



# DPH Budget Update



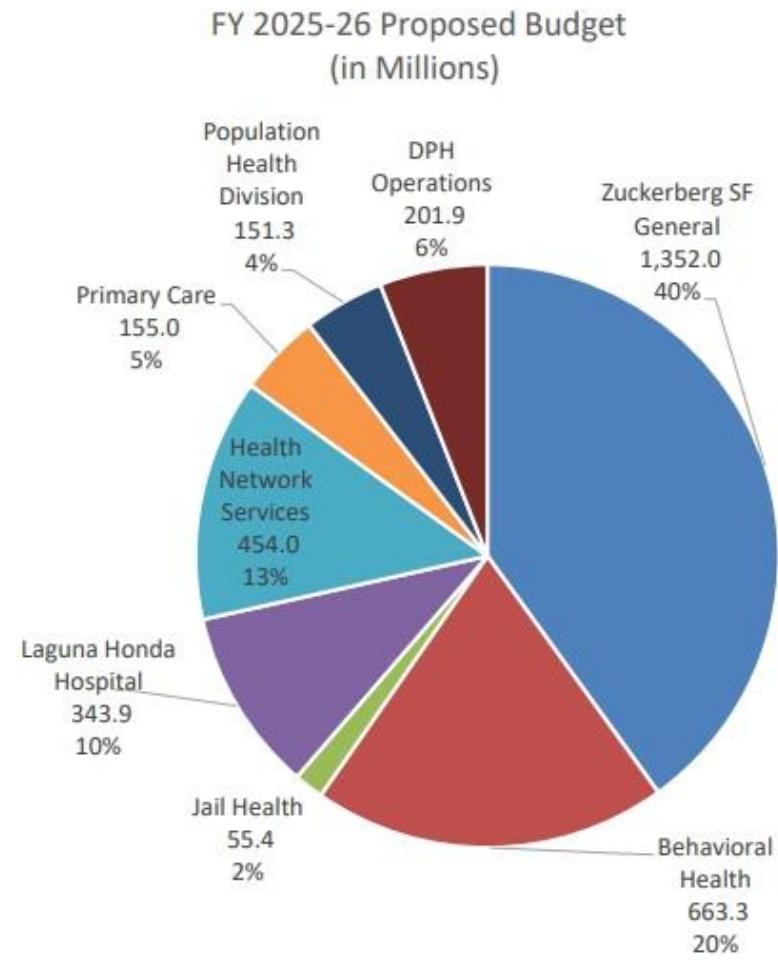
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# Overview of the DPH Budget

Structural deficit and city-wide expenditures are growing faster than revenues. Closing the deficit required difficult decisions, every department is impacted, including DPH.

## Overview

- Proposed DPH budget remains at a similar level of \$3.38B in FY25-26, but with reduced general fund support.
- Two key goals:
  - **Preserving Services:** Maintaining direct care and services that directly benefit our community. Even in tough times, it is vital that we continue providing the essential support that people rely on most.
  - **Supporting our workforce:** a strong workforce and the well-being of our workforce is at the heart of what we do – and is critical to our ability to deliver services.



# Continued: Overview of the DPH Budget

Maximized Medi-Cal (or revenue) opportunities and **preserved direct care, services, and staffing**.

- **\$531.4M** of net new revenues over the two-year budget to reduce general fund support.
- **\$65M** ongoing reduced expenditures
  - 206 vacant positions (182 FTE) removed and/or realigned (24 FTE) from the budget – **no layoffs**.
  - CBO funding reductions totaling **\$31.6M** in FY26-27.
- **\$74M new investments** to build a more responsive and proactive Behavioral Health System of Care.



# Breaking the Cycle: New Budget Investments (1 of 2)

Enhancement Investments	FY2025-26		FY2026-27	
	Net New Beds	Budget	Net New Beds	Budget
<b>1. Street Teams: Building on Success and Expanding Impact</b>				
Consolidate & Strengthen Street Health Teams		\$3,300,000		\$3,500,000
<b>2. Standing Up Beds and New Models of Care</b>				
Increase Drop-off Capacity with an additional site	16	\$1,291,667	16	\$3,100,000
Enhancing and Expanding Shelter Health (including additional RESTORE sites)	430	\$6,388,815	430	\$11,842,592
Expand capacity at ZSFG Psychiatric Emergency Services (PES)			5	\$5,833,415
Stabilization and Withdrawal Management Beds	86	\$7,538,421	86	\$7,764,573
Increase Treatment Beds	48	\$4,893,603	52	\$6,804,672
Expand Step-Down and Ongoing Recovery Beds	96	\$9,411,843	137	\$13,641,448
<b>Subtotal New Beds Needs</b>	<b>676</b>	<b>\$29,524,348</b>	<b>726</b>	<b>\$48,986,700</b>

# Breaking the Cycle: New Budget Investments (2 of 2)

Enhancement Investments	FY2025-26		FY2026-27	
	Net New Beds	Budget	Net New Beds	Budget
<b>3. Improving “Stickiness” in the System and Expanding Outpatient Treatment</b>				
Increase Capacity of Intensive Outpatient Services, 5150 Follow-up, and Navigation Services		\$8,602,716		\$12,462,014
Intensive Outpatient Services for ZSFG Adolescent Psychiatric unit		\$1,873,348		\$1,873,348
Increase Jail Health Services due to Increased Census		\$2,838,899		\$5,403,740
Expand Access to Long-Acting Injectables for Opioid Use Disorder for Street & Jail		\$1,980,000		\$1,980,000
<b>Subtotal “Stickiness” and Outpatient Treatment</b>		<b>\$15,294,963</b>		<b>\$21,719,102</b>
<b>Total New Investments</b>		<b>\$48,119,311</b>		<b>\$74,205,802</b>
Medi-Cal Revenue Tied to New Investments		\$(11,572,031)		\$(15,416,875)
Our City, Our Home Fund Balance		\$(18,696,663)		\$(22,761,813)
<b>New General Fund Support for Investments</b>	<b>676</b>	<b>\$17,850,617</b>	<b>726</b>	<b>\$36,027,115</b>

# Identifying Cost-Savings: \$31.6M Changes Related to Community-based Organizations (CBOs)

## \$9.6M in funding reductions to identified organizations

- Includes \$3.2 million in Community Grants under Sugary Drink Distributor Tax (SDDT) - \$2.4 million was on reserve in FY24-25 and not implemented and \$0.8M was funding for new contracts that had been slated to start in FY25-26. The City is redirecting **\$2.3 million** of these funds to **sustain direct food vouchers** at the **Human Services Agency (HSA)**, ensuring that we continue to meet urgent needs in our community.

## \$17M in unallocated reductions to start on July 2026

- ~4% of total CBO funding (excluding grant and special revenue funded contracts) additional to the \$9.6 million in specified funding reductions
- Process with community input to be developed over the next six months

## \$2.5M in FY25-26 increasing to \$5.0 M in FY26-27: Behavioral Health Outpatient Rates

- Continue to transition to be in **alignment with state Medi-Cal rate structure** and productivity assumptions

# Budget Timeline



# **Behavioral Health Residential Treatment Beds Update**



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# Summary

Highlights of residential treatment sites in the pipeline:

- Marina Inn
- The Kean
- Behavioral Health Center at ZSFG
- Proposition 1 Projects



# Marina Inn



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# **The 68-bed Marina Inn Recovery Housing program fills the gap between substance use treatment and independent living.**

## **Highly structured program**

- Onsite case management and wraparound support for workforce development, financial planning, family reunification, and more.
- Offsite recovery and treatment requirements.

## **Abstinence-based living**

To support the recovery journey, residents are required to participate in offsite support groups and agree to live in a community committed to abstinence.

# Summary of Community-Based Organization Agreements

Vendor: The Salvation Army

Budget: \$7,332,990 + \$879,959 (12% contingency)

Term: July 1, 2025-June 30, 2027 (2 years)

Monitoring: Weekly-monthly meetings with program manager, annually through the DPH Business Office of Contract Compliance (BOCC), including for performance and fiscal stability.



# The Kean



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**The 76-bed Kean will provide short-term (30-60 day) health respite beds for unhoused adults as their first step out of homelessness.**

## **Immediate Connections to Care**

Rapid support to address health needs and navigate residents to medical care, behavioral health support, and substance use treatment.

## **Stability and Planning of What's Next**

Once stabilized, case managers help clients take their next steps—whether that's connecting to longer-term treatment, community living, or supportive housing.

# Summary of Community-Based Organization Agreements

Vendor: Westside Community Services

Budget: \$6,941,905 + \$833,029 (12% contingency)

Term: June 2, 2025-June 30, 2026 (1 year, 1 month)

Monitoring: Annually through the DPH Business Office of Contract Compliance (BOCC), including for performance and fiscal stability, along with quarterly reports from the service provider.



# Behavioral Health Center at ZSFG



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**SF faces a critical shortage of locked mental health beds contributing to hospitalizations, homelessness, and repeated psychiatric crises.**



## **Unique opportunity to increase capacity**

Repurposing the first and second floors of the BHC is the most immediate path to bringing more than 90 locked beds online — doubling capacity in SF.

## **Timely and structured treatment in a safe setting**

Beds will serve individuals under conservatorship or transitioning from acute care, ensuring they receive timely, structured treatment in a safe, therapeutic setting.

# Supporting Current BHC Residents Every Step of the Way

No resident will move without a secure and appropriate next home.

## **Every resident will remain a DPH client:**

All residents are guaranteed placement in a setting that meets their care needs.

## **DPH is expanding its board and care capacity by contracting services with community-based partners:**

With the acquisition of 624 Laguna Street and a plan to acquire 601 Laguna Street, DPH can serve the current BHC residents and keep them connected with their community.

## **Ensure the best new placement:**

DPH is working closely with residents, their care teams, family members, and legal decision-makers.



# Proposition 1 Projects



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# Proposition 1 Update

In May 2025, DPH was **awarded \$27.6 million** in the first round of state funding for behavioral health capital projects under Proposition 1:

- \$6.3 million to reopen 333 7<sup>th</sup> Street as a **16-bed enhanced dual diagnosis** (mental health + SUD) treatment facility – opening 2026
- \$21.3 million for **57 new locked mental health rehabilitation center (MHRC) beds** at Zuckerberg San Francisco General Hospital – opening 2027

DPH has been **awarded \$88 million** in state capital funding for behavioral health projects since 2022, with several projects leveraging Prop C funds as the local match.



333 7<sup>th</sup> Street (formerly Jo Ruffin Place)



# Thank you