Homelessness Oversight Commission
August 6, 2026 Meeting
Agenda Item 10A

[DRAFT FOR CONSIDERATION]

[Letterhead]

August XX, 2026

Sent via Electronic-Mail SFGrandJury@sftc.org
The Honorable Rochelle C. East, Presiding Judge
Superior Court of California, County of San Francisco
400 McAllister Street, Room 008
San Francisco, CA 94102-4512

Re: Homelessness Oversight Commission Response to the 2025–2026 Civil Grand Jury Report, *At Scale, At Risk: Upgrading Data and Oversight to Improve Homelessness Services (June 23, 2026)*

Dear Presiding Judge East:

The Homelessness Oversight Commission ("Commission" or "HOC") submits this response to the 2025–2026 Civil Grand Jury report, *At Scale, At Risk: Upgrading Data and Oversight to Improve Homelessness Services*, released June 23, 2026 (the "Report"). The Report requested that the Commission respond to Findings F1, F2, F3, and F4, and to Recommendations R1.3, R1.4, R2.1, R3.1, R3.2, R4.1, R4.2, and R4.3, within 60 days pursuant to California Penal Code Section 933.

This letter, which the Commission adopted and approved for transmittal at its regularly scheduled, noticed public meeting on August 6, 2026, is submitted pursuant to Penal Code Section 933.05. As to each finding, the Commission states whether it agrees, or disagrees wholly or partially, with an explanation of any disputed portion; and, as to each recommendation, the Commission reports one of the four actions enumerated in Section 933.05(b).

At the outset, the Commission respectfully extends gratitude to the Civil Grand Jury (CGJ) and its members for their service and for a substantial body of work on a subject of the highest importance to the City. The Commission shares the CGJ's conviction that the people San Francisco serves in its shelters and permanent supportive housing ("PSH") deserve safety, dignity, and measurable results, and that data must be put to work in service of those outcomes.

The Commission notes that meaningful work in this direction is already underway across the City: the Department of Homelessness and Supportive Housing ("HSH" or the "Department") launched its Contract Lifecycle Management System in July 2026; the Mayor's FY26-27 budget includes $3 million to strengthen safety across PSH sites; and HSH, together with the Department of Public

Health, the Department of Emergency Management, the Mayor's Office of Housing and Community Development, SFPD, and SFFD, is implementing a PSH Resident and Staff Safety Initiative that includes site-based security enhancements, a rapid cross-departmental escalation protocol for emerging safety concerns, and quarterly data-driven prioritization of security investments. The Commission's responses below should be read in the context of that ongoing work, and of the Mayor's broader strategy to reorient the system toward service-rich, recovery-oriented capacity.

As you'll read below two recent developments also bear directly on these responses. First, the Department is under new leadership: its newly appointed Executive Director took office in July 2026, and the August 6, 2026 Commission meeting at which this response was considered is his first. The Commission believes that durable changes to how the Commission and the Department work together should be shaped with the Department's new leadership, not imposed in advance of it, and several of the timeframes below are set with that in mind. Second, in July 2026 the Department announced that it would not renew four expiring contracts with HomeRise, contracts the Department had planned to extend for three years at a combined value of approximately $39 million, following the corrective action and monitoring escalation that began with a 2024 City audit of the provider. That decision, one of the most severe actions available to the Department, demonstrates that the City's existing audit, monitoring, and contracting mechanisms identify failure and carry real consequences.

HOC Response to CGJ Findings

CGJ Finding F1: "HSH has not used Critical Incident Reports effectively to identify troubling patterns or to improve safety at housing sites."

HOC Response: The Commission partially disagrees with this finding.

The Commission agrees that Critical Incident Report ("CIR") data had previously not yet been aggregated and analyzed at the program, provider, or system level to its full potential, a limitation the Controller's Office itself documented in its April 2024 analysis of HSH's CIR workflows. The Commission agrees that CIRs should function as more than individual incident reports, and it supports the development of systemwide safety analytics. To that point, HSH has developed an internal dashboard that aggregates CIR data and disaggregates it in substantial detail, and the Department is actively evaluating expanded use of these tools for both program management and public transparency.

The Commission disagrees, however, with the portion of the finding suggesting that the Department has failed to act on critical incident information or to improve safety at housing sites. Since 2023, HSH and its City partners have implemented systemwide safety policies, strengthened anti-violence contract requirements, standardized critical-incident roles and responsibilities, expanded provider training, and piloted individualized safety planning. Where specific failures have been identified, the Department has acted: in February 2026, HSH issued a corrective action letter directing a provider to overhaul its wellness check process, implement added staff training, and develop a technological improvements plan. In July 2026, the Department went further, announcing that it would not renew four expiring contracts with that same provider, stating publicly that this level of failure is not acceptable and committing to closely monitor the provider's remaining agreements and to take additional action as necessary. The Department's new Contract Lifecycle Management System, launched in July 2026, and the PSH Resident and Staff Safety Initiative now before the Commission, including quarterly cross-agency review of site-level safety data, are directly responsive to the gap the Jury identifies. The accurate characterization, in the Commission's view, is that HSH's use of CIR data is improving but incomplete, not that it has been ineffective across the board.

CGJ Finding F2: "HSH is lagging in its efforts to present data that allows for benchmarking nonprofits among themselves by program or housing type, and to use data as a trigger for automated, and targeted program monitoring."

HOC Response: The Commission partially disagrees with this finding.

The Commission agrees that provider benchmarking by program and housing type, and automated data-driven triggers for targeted monitoring, are not yet in place, and it agrees these are worthwhile objectives that the Commission would welcome.

The Commission disagrees with the portion of the finding characterizing the Department as "lagging" without acknowledgment of the investments and sequencing involved. As the Report itself notes, HSH's data and performance team has more than doubled since 2019 and is staffed at a level consistent with comparable organizations; the Department implemented its Contract Lifecycle Management System in July 2026, a necessary foundation for the portfolio-level benchmarking and automated triggers the Jury recommends; and the Department publishes inflow and outflow analyses, bed inventories, and performance data that did not exist in accessible form several years ago. Benchmarking and trigger systems of the kind recommended must be built on reliable, normalized contract and incident data, and the infrastructure to support them has only recently come online. The Commission will monitor the Department's progress through the mechanisms described in its responses to Recommendations R2.1 and R4.2 below.

CGJ Finding F3: "HSH's cessation of the established practice of submitting certain contracts to HOC for review and consent and notifying HOC of all renewals and extensions as line items, undermines HOC's impact as a governing oversight body."

HOC Response: The Commission partially disagrees with this finding.

The Commission agrees that the presentation of contracts for public review and comment provided a useful layer of transparency for homelessness-services contracting, particularly for agreements below the thresholds requiring Board of Supervisors approval, and the Commission agrees that the scope of its contract review should be clarified and formalized rather than left to administrative practice.

The Commission disagrees with the portion of the finding stating that the change "undermines HOC's impact as a governing oversight body," because that characterization overstates the legal role of contract review in the Commission's oversight authority. The Commission has consulted with the Office of the City Attorney regarding its authority over contracts. The Charter does not require that the Commission review or approve the contracts executed by the Department; contract approval authority rests with the Department and, above applicable thresholds, with the Board of Supervisors. The review-and-comment practice established in 2023 was an administrative practice, adopted and adjusted by the Department, and even where a commission adopts a contract review policy, a commission cannot prevent a department head from executing an agreement. The Commission's governing oversight of the Department rests on its Charter authorities over the budget, departmental oversight and audits, and the nomination of candidates for Executive Director, all of which remain fully intact. The Commission also notes that since May 2025 it has continued to receive summary information on renewals and extensions, and that new contracts have continued to come before the Commission. That said, the Commission believes the right resolution is a clear, written policy that right-sizes which agreements come before it, and it commits to that work in its responses to Recommendations R3.1 and R3.2 below.

CGJ Finding F4: "HOC has yet to exercise the full extent of its statutory authority, and lacks the training and resources to meet the public's expectations as set by the 2022 Prop C initiative."

HOC Response: The Commission partially disagrees with this finding.

The Commission agrees that it has not, to date, ordered a performance audit of the Department under its Charter Section 4.133 authority, and it agrees that additional training and resources, including the onboarding materials contemplated by Recommendation R4.1, would strengthen the Commission's capacity. The Commission operates with limited independent staff and analytical capacity, as the Report accurately observes.

The Commission disagrees with the implication that the absence of a commission-ordered performance audit reflects a failure to exercise its authority. The Commission has exercised its core Charter authorities continuously since its inception: it has reviewed and approved departmental budgets, conducted the nomination process for the Department's Executive Director, reviewed contracts presented to it, and provided a continuous public forum for oversight of the Department under the Sunshine Ordinance. With respect to performance audits specifically, the Commission's own survey of practice across City commissions indicates that commission-ordered performance audits are rare and have historically arisen in extraordinary circumstances involving significant, documented malfeasance. The most recent example illustrates the point: by Resolution No. 24-28 (February 7, 2024), the Police Commission requested a comprehensive audit of the nonprofit SF SAFE, but it did so only after public reporting had documented the misspending of grant funds, and even then its chosen instrument was to request that the audit be conducted by the Controller's Office rather than to conduct one itself. In the ordinary course, City audits are conducted by the Office of the Controller, whose City Services Auditor holds explicit Charter authority, resources, and professional audit staff to assess services relating to homelessness, and which has in fact repeatedly audited and analyzed HSH and its nonprofit providers during the period in question. Recent events confirm that this architecture works: a 2024 audit of a major PSH provider, requested by City departments and conducted by professional audit staff, led to the City's strictest level of monitoring, corrective action, and, in July 2026, the Department's decision not to renew four of that provider's contracts. A decision by a governing commission to rely on the City's professional audit function, rather than to duplicate it, is an exercise of judgment about the responsible use of authority and public funds, not a failure to use that authority. The Commission addresses the Jury's specific audit recommendation in its response to Recommendation R4.3 below.

<u>**HOC Response to CJG Recommendations**</u>

CJG Recommendation R1.3: "By June 2027, HSH should include aggregated and anonymized CIR data as part of the Director's report to HOC, quarterly, and through the Sunshine Act, make this available as a data dashboard to the public."

HOC Response: The recommendation has not yet been implemented, but will be implemented in the future.

Implementation of this recommendation rests principally with the Department. Within the scope of the Commission's authority, the Commission will formally request that the Department incorporate aggregated, anonymized CIR data (consistent with HIPAA and HMIS privacy requirements) into the Director's report on a quarterly basis, and will calendar the Department's implementation plan for presentation to the Commission no later than the first quarter of 2027, so that reporting can begin by the Jury's June 2027 date. The Commission notes that the quarterly cross-agency review of site-level safety data contemplated by the Department's PSH Resident and Staff Safety Initiative provides a natural foundation for this reporting.

CJG Recommendation R1.4: "By December 2027, HSH should designate the most serious coded incident categories in CIRs as standards in a separate section required in all its nonprofit contracts, tentatively titled, "Safety Standards." The Safety Standards section should also include thresholds for triggering additional, targeted review."

HOC Response: The recommendation requires further analysis.

The design of contract terms is an executive function of the Department, and incorporating incident-based standards and review triggers into several hundred nonprofit agreements raises questions that merit careful study, including how thresholds should be normalized across programs serving populations of very different acuity, how to avoid disincentivizing the honest reporting of incidents (a risk the Controller's 2024 analysis highlighted, finding that most providers already believe incidents are undercounted), and how new standards would interact with the Controller's Citywide monitoring and corrective action policies. Within six months of the publication of the Report, that is, by December 2026, the Commission will agendize this recommendation for discussion with the Department and request that the Department present an analysis of the feasibility, design, and timeline for safety-standards provisions in its contracts, so that the Commission can evaluate implementation well in advance of the Jury's December 2027 date.

CJG Recommendation R2.1: "By December 2026, HSH should begin publishing business intelligence-driven data dashboards for HOC and the public that showcase performance aligned to the Performance Measurement Plan to meet HOC's and the public's need for full transparency on the data and metrics that guide HSH's decision-making."

HOC Response: The recommendation has not yet been implemented, but will be implemented in the future.

Implementation rests with the Department, which the Commission understands to be developing expanded public reporting on the foundation of the Contract Lifecycle Management System launched in July 2026 and its existing published dashboards. Within the scope of its authority, the Commission will request that the Department present to the Commission, no later than its final regular meeting of calendar year 2026, its plan and timeline for publishing performance dashboards aligned to the Performance Measurement Plan, and the Commission will monitor implementation through the Director's report thereafter.

CGJ Recommendation R3.1: "By December 2026, HSH should return contract renewals and extensions to HOC's consent calendar."

HOC Response: The recommendation requires further analysis.

Consistent with its response to Finding F3, the Commission believes the threshold question is not whether to restore the prior administrative practice wholesale, but what scope of contract review best serves transparency without imposing administrative burden disproportionate to its oversight value; the Department's stated reason for the 2025 change was the administrative burden of preparing materials for review of routine renewals. A blanket return of all renewals and extensions, most of which are routine continuations of existing services, could recreate that burden without a commensurate oversight benefit, while well-designed criteria (for example, thresholds based on dollar value, material scope changes, or a provider's corrective action status) would concentrate the Commission's and the public's attention where it matters most. This sequencing also reflects a practical reality: the Department's newly appointed Executive Director took office in July 2026, and the terms on which contracts come before the Commission are among the most consequential features of the working relationship between the Commission and the Department. Settling those terms with the new Director's participation, rather than committing to substantial changes before he has had a reasonable opportunity to assess the Department's operations, will produce a more durable policy. The Commission will take up this recommendation together with Recommendation R3.2: within six months of the publication of the Report, that is, by December 2026, the Commission will agendize the scope of its contract review for public discussion with the Department and determine which categories of renewals and extensions should return to its calendar under the policy described in its response to R3.2.

CGJ Recommendation R3.2: "By December 2026, HSH and HOC should work together to establish new threshold requirements for HOC's review of, and comment on, nonprofit contracts appearing on its consent calendar, taking into consideration that the monetary thresholds for BOS approval of contracts."

HOC Response: The recommendation has not yet been implemented, but will be implemented in the future.

The Commission agrees with this recommendation and will implement it within its authority. By December 2026, the Commission will work with the Department, with the benefit of the new Executive Director's participation, to develop, and will consider for adoption at a public meeting, a written contract review policy establishing clear thresholds and criteria for which nonprofit agreements, including renewals, extensions, and amendments, are presented to the Commission for review and comment. The policy will take into account the monetary thresholds for Board of Supervisors approval so that the Commission's review adds a complementary layer of public transparency for significant agreements below those thresholds, rather than duplicating the Board's review. The Commission views this jointly developed, right-sized policy as the durable resolution of the concerns underlying Finding F3.

CGJ Recommendation R4.1: "By June 2027, the City Attorney should create onboarding and training materials for current commission members and future appointees to explain HOC's authority, including performance audits and how to conduct or commission them, and how to conduct robust contract reviews."

HOC Response: The recommendation has not yet been implemented, but will be implemented in the future.

This recommendation is directed to the Office of the City Attorney, and the Commission defers to that Office's own response as to implementation. For its part, the Commission welcomes the recommendation, will cooperate fully in the development of the materials, and will request that the Office of the City Attorney provide training to the full Commission promptly upon their completion, which the Commission anticipates occurring by the Jury's June 2027 date.

CGJ Recommendation R4.2: "By March 2027, HSH should collaborate with HOC to review and revise the Executive Director's monthly report to HOC to incorporate data and format requests from HOC commissioners, including its Data Officer."

HOC Response: The recommendation has not yet been implemented, but will be implemented in the future.

The Commission agrees with this recommendation and will implement it within its authority. The Commission will agendize a structured discussion of the content and format of the Director's report, gather data and format requests from all commissioners, including the Commission's Data Officer, and transmit consolidated requests to the Department with the goal of a revised report format in use no later than March 2027. The Commission notes that the report in question is the new Executive Director's own report; the March 2027 date allows him a reasonable opportunity to acclimate to the Department before its format is settled, while still meeting the Jury's timeframe.

CGJ **Recommendation R4.3:** "By March 2027, HOC should initiate or commission a performance audit per its chartered authority, to investigate overdoses, including reversals, and deaths at PSH sites with the objective to identify structural or systemic causes and to establish departmental performance standards."

HOC Response: The recommendation requires further analysis.

The Commission takes the subject of this recommendation with the utmost seriousness. Deaths and overdoses in permanent supportive housing demand rigorous, expert examination, and the question before the Commission is not whether that examination should occur, but through what instrument it will be most effective. Several considerations require analysis before the Commission commits to initiating its own audit. First, the Office of the Controller is the City's professional audit function; its City Services Auditor holds explicit Charter authority to assess services relating to homelessness, and it possesses the audit staff, methodology, and data access that the Commission, which has no independent analytical staff, does not. An audit conducted or supported by the Controller may deliver more rigorous results, faster, than one commissioned independently by the Commission. Second, the scope of any audit should be defined so as to complement, not duplicate, work now underway: the Department's PSH Resident and Staff Safety Initiative, funded with $3 million in the FY26-27 budget, includes security assessments commissioned by the Department of Public Health, quarterly cross-agency review of site-level safety data, and new escalation protocols, and the City's ongoing coordination among HSH, DPH, DEM, and the Office of the Chief Medical Examiner bears directly on the data questions the Jury raises. The risk of duplication is not hypothetical: the provider most prominently associated with the concerns in the Report was the subject of a 2024 City audit, has been subject to the City's strictest level of monitoring for most of the past two and a half years, is reported to be under investigation by the Office of the City Attorney, and in July 2026 saw the Department decline to renew four of its contracts. An audit initiated by the Commission that retraced this ground would add cost without adding protection. Third, the Commission's survey of practice indicates that commission-ordered audits have historically been reserved for extraordinary circumstances, and that the City's consistent pattern, including the Police Commission's 2024 request for an audit of SF SAFE, the audit of United Council of Human Services initiated at HSH's request in 2022, and the 2024 audit of HomeRise requested by HSH and the Mayor's Office of Housing and Community Development, is that audits are requested of, and conducted by, the Controller's professional audit function, generally upon documented indications of malfeasance. The Commission should follow that proven channel, and should understand the budgetary and staffing implications, before committing public funds to an audit of its own.

Accordingly, the scope and parameters of the Commission's analysis will be as follows: the Commission will (1) agendize this recommendation for public discussion; (2) designate a member to confer with the Office of the Controller regarding the Controller's capacity to conduct or support a performance audit of overdoses, overdose reversals, and deaths at PSH sites, and the appropriate scope, cost, and timeline of such an audit; (3) request from the Department, under its new Executive Director, a briefing on how the PSH Safety Initiative, the Department's recent contracting actions, and related interagency data work address the structural questions identified by the Jury; and (4) on that record, determine at a public meeting whether to initiate or commission a performance audit under its Charter Section 4.133 authority, and if so, in what form. This analysis will be completed and the matter prepared for discussion by the Commission no later than six months from the publication of the Report, that is, by December 23, 2026, in advance of the Jury's March 2027 date.

Conclusion

The Commission extends its appreciation the CGJ for its work. Like CGJ, the Commission agrees that the homelessness and supportive housing system must be able to see, measure, and act on the safety and outcomes of the people it serves. The Commission believes the commitments set out above, undertaken alongside the Department's current safety and data initiatives and the City's professional audit and monitoring functions, are the most effective and responsible path to that end.

Respectfully,

Katie Albright, Chair
Homelessness Oversight Commission
City and County of San Francisco

cc:

Mayor Daniel Lurie
Lyssette Bareng, Grand Jury Administrative Analyst, Superior Court of California
Ed Cooper, Foreperson, 2025–2026 San Francisco Civil Grand Jury
Mike Levin, Executive Director, Department of Homelessness and Supportive Housing
XX, Clerk of the Board of Supervisors
XX, Office of the Controller
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