



DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

FY2026-27 and FY2027-28 Budget Overview

Homelessness Oversight Commission – January 15, 2026





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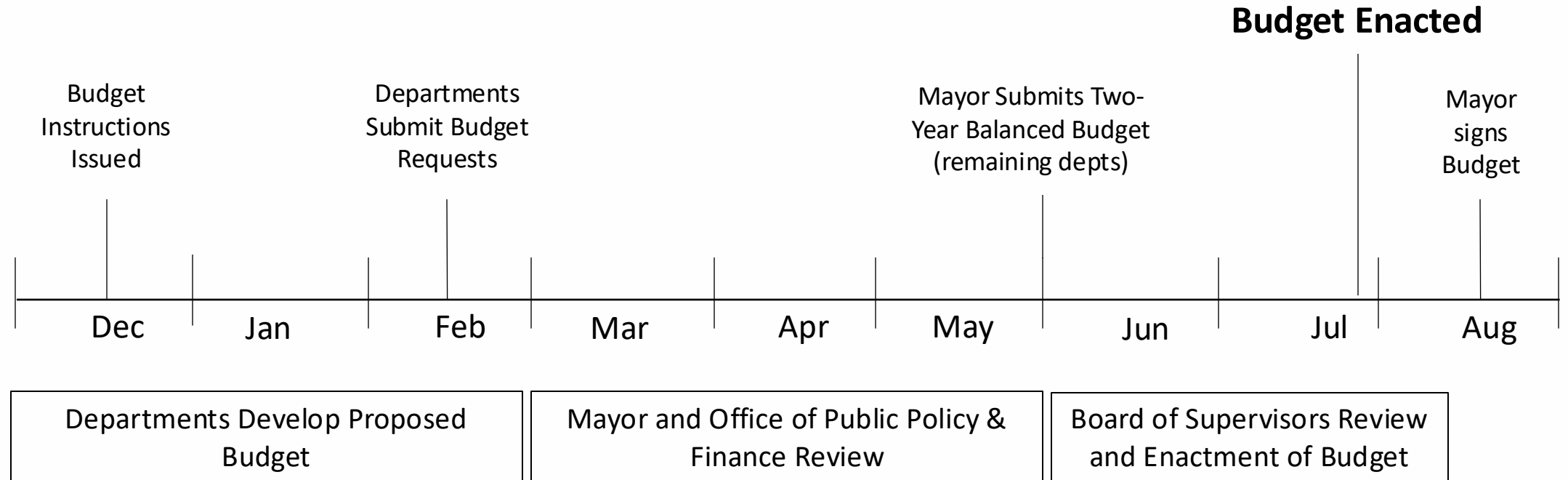
Overview of Budget Process

- Citywide Budget Process
- Citywide Budget Calendar

Overview: Citywide Budget Process

- San Francisco's budget process is a collaborative, multi-stage cycle between Departments, the Mayor's Office and the Board of Supervisors
- The budget process spans two fiscal years (July 1-June 30) involving department budget requests, mayoral review/prioritization, Board hearings and amendments, and final adoption by July
- Some departments have fixed two-year budgets, while other departments' budgets (like HSH) operate on a rolling cycle with annual budget updates to the two-year appropriations
- HSH kicks off its internal budget process in October to collect programmatic needs and identify funding gaps prior to the Mayor's instructions being released in December

Citywide Budget Calendar



Current Fiscal Year
July 1, 2025 – June 30, 2026

New Fiscal Year
July 1, 2026 – June 30, 2027



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Overview of HSH Budget

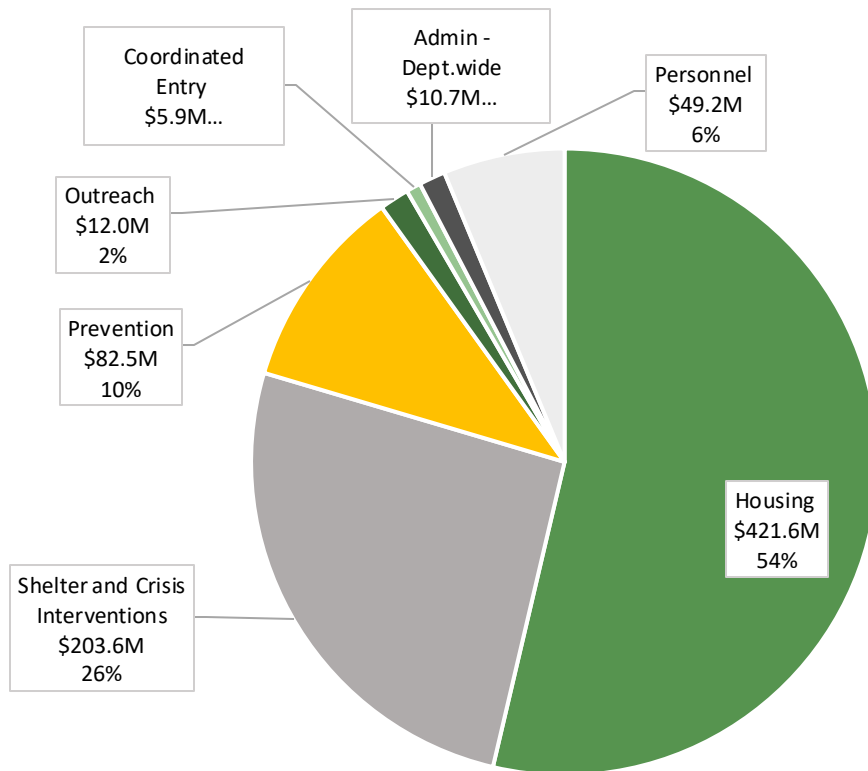
- FY25-27 HSH's Adopted Budget Summary
- FY25-26 Budget by Program Area and Service Type

Overview: HSH's Adopted FY25-27 Budget

<i>Dollars in millions</i>	FY24-25 Adopted	FY25-26 Adopted	Change from FY25	% Change from FY25	FY26-27 Adopted	Change from FY26	% Change from FY26
Total Budget	846.3	785.6	(60.8)	(7.2%)	705.2	(80.4)	(10.2%)
<i>Revenue</i>	530.5	508.6	(21.9)	(4.1%)	431.0	(77.6)	(15.3%)
<i>General Fund</i>	315.8	277.0	(38.9)	(12.3%)	274.2	(2.8)	(1.0%)

Overview: FY25-26 HSH Program Budget

FY25-26 Budget by Service Area



Program/Service Area	General Fund and Other Local	Local – Our City, Our Home *	Federal and State Funds	\$ Total in Millions
Housing	\$159.1	\$205.8	\$56.7	\$421.6
Shelter and Crisis Interventions	\$114.2	\$52.9	\$36.4	\$203.6
Homelessness Prevention	\$8.4	\$74.1	\$0.0	\$82.5
Outreach	\$11.3	\$0.0	\$0.6	\$12.0
Coordinated Entry	\$3.7	\$0.0	\$2.2	\$5.9
Admin - Dept. wide	\$4.9	\$0.0	\$5.8	\$10.7
Personnel (Salaries & Fringe Benefits)	\$31.2	\$15.2	\$2.8	\$49.2
Total Budget	\$332.8	\$348.1	\$104.6	\$785.6
% of Total	42%	44%	13%	

* FY25-26 Our City, Our Home (OCOH) Fund budget includes \$126 million of one-time funding

Overview: FY25-26 HSH Service Type Budget

Budget by Service Type	FY 25-26 Budget (\$ in millions)	% of Total Budget	Est. System Capacity
Housing	\$421.6	54%	14,498 units
<i>Housing – Site-Based</i>	\$255.1	32%	
<i>Housing – Rapid Rehousing</i>	\$73.6	9%	
<i>Housing - Flexible Housing Subsidy Pool</i>	\$67.9	9%	
<i>Housing – Housing Ladder</i>	\$10.6	1%	
<i>Housing - Emergency Housing Vouchers</i>	\$9.9	1%	
<i>Housing - Shallow Subsidies</i>	\$4.5	1%	
Temporary Shelter and Crisis Interventions	\$203.6	26%	4,438 beds
<i>Shelter - Navigation Center</i>	\$56.4	7%	
<i>Shelter - Non-Congregate</i>	\$46.6	6%	
<i>Shelter - Congregate + Semi-Congregate</i>	\$42.9	5%	
<i>Shelter - Shelter Ancillary Services</i>	\$17.4	2%	
<i>Shelter - Transitional Housing</i>	\$19.9	3%	
<i>Shelter – Hotel Vouchers, Drop In Center/Resource Centers</i>	\$20.3	3%	
Prevention & Problem Solving	\$82.5	11%	9,400 households
Outreach	\$12.0	2%	42,000 encounters
Coordinated Entry	\$5.9	1%	12,000+ assessments
HSH Personnel and Administrative Costs	\$60.0	8%	
Grand Total	\$785.6M	100%	



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Mayor's Budget Instructions

- City Fiscal Outlook
- HSH Budget Issues
- Budget instructions
- Timeline

City Fiscal Outlook for FY27 and FY28

- The City projects a General Fund deficit of **\$936 million** for the upcoming two-year budget cycle (\$296M shortfall in FY2026-27, \$640M in FY2027-28)
- Key Drivers of Deficit:
 - Rate of expenditure growth far outpaces City's General Fund revenues
 - Increased salary and fringe benefit costs for City employees
 - Growth in required contributions to voter-approved budget baselines
 - Increased citywide operating costs
- Federal policy shifts pose threats to grant revenue

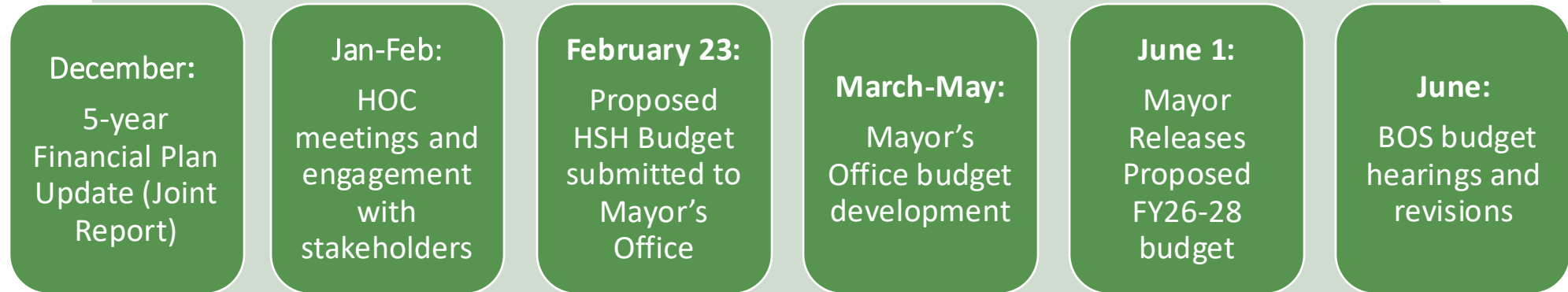
FY2026-2028 Mayor's Budget Priorities

- Reorient city spending towards **key priorities and core services**
 - Safe and Clean Streets
 - Improve Public Safety
 - Transform the Health and Homelessness Systems
 - Maintain Clean, Safe, and Welcoming Public Spaces
 - Economic Revitalization
 - Revitalize Downtown San Francisco
 - Make the City More Affordable and Livable for Families
 - Strengthen the City's Economy, Arts & Culture Sectors
- Continue to **reduce structural deficit**
- **Invest** in long-term operational efficiencies

Current Year HSH Budget Considerations

- HSH's General Fund allocation supports permanent housing, emergency shelter, outreach, and other critical services
- Costs to deliver existing services continue to increase
- Changes to federal HUD funding has unknown impact on funding for 1,700+ housing units and critical services
- Shelter bed expansion funded with one-time state and local funds have created \$36 m structural deficit in HSH's ongoing operating budget starting in FY28-29 to maintain 763 beds
- Our City, Our Home Fund actual revenue (Homelessness Gross Receipts Tax) has exceeded budgeted revenue in the last two fiscal years, resulting in additional fund balance

FY2026-2028 Budget Timeline



FY2026-2028: Upcoming HSH Budget Deadlines

- **January 15:** Homeless Oversight Commission meeting - Present budget instructions for HOC discussion
- **January 20:** Program Performance Review document submitted to Mayor's Budget Office (MBO)
- **January 20 – February 5:** MBO Review and direction on Budget targets and priorities
- **February 13:** Homeless Oversight Commission meeting - Present Department Request for HOC approval
- **February 21:** Proposed HSH budget (both GF and Prop C) submitted to MBO
- **February 26:** OCOH Oversight Committee meeting – Present on Department Request
- **March-May:** Mayor's Office budget development
- **June 1:** Mayor releases proposed FY26-28 Budget
- **Mid- late June:** BOS budget hearings and revisions to finalize and vote in July

Upcoming Budget Meetings

• **Public Homelessness Oversight Commission meetings**

- January 15, 2026: Budget Instructions Overview
- February 13, 2026: Approval of FY26-28 HSH Budget Proposal

• **Meetings with Stakeholders including:**

- Meetings with Provider and Advocacy Groups
- March 16, 2026: Meeting with Youth Commission