Homeless Services

Budget & Funding Framework

November 4, 2026

Purpose

How homeless services are funded, where we are in the City's funding cycles, and how HSPE can time its annual recommendations.

From Measure P to Measure W

A continuation of funding, with a broader budget perspective

- Measure P (2018) raised the real property transfer tax on higher-value sales to support homeless services.
- Measure W (2024) takes effect January 1, 2027. It removes the sunset and adds a higher rate for the most expensive sales.
- Both are general taxes: revenue goes into the General Fund and is appropriated by City Council like any other General Fund dollar.
- Going forward, HSPE will review the City's total homeless services spending, not Measure P as a separate fund.

HSPE Expanded Role

From a funding-source focus to systemwide recommendations

- Folding the former Homeless Commission into HSPE broadened the Panel's charge.
- HSPE advises Council on the development, funding, and effectiveness of the City's homeless services.
- That includes investments across General Fund, state, federal, and other sources.
- Recommendations can address priorities, service gaps, program performance, and resource allocation.



Integrating Funding Recommendations

Two complementary opportunities for HSPE input:

- Four Year Community Agency RFP
- Biennial City Budget Process

Community Agency RFP

Every four years, the City funds community agencies through one RFP. Measure P-supported homeless programs are now included.
The following dates outline the key stages of the Community Agency cycle:

- **FY 2027:** Develop RFP framework and funding categories
- **Early FY 2028:** Council authorization and RFP release
- **Late FY 2028:** Application review and funding recommendations
- **July 1, 2028:** New four-year contracts begin

City Budget Cycle

The budget operates on a two-year cycle.

The following dates outline the key stages of the biennial budget cycle:

- **May 2026:** Public Hearings on draft budget.
- **June 2026:** Council Discussion on Budget & City Council Budget Adoption
- **Winter/Spring 2027:** Mid-Biennial Budget Development
- **June 2027:** Budget Updated

FY27–28 Adopted Budget:
Selected Program Reductions

Provider	Program	Amount	Reduction
BACS	STAIR Center	$1,265,214	$400,554
DBA	Homeless Outreach	$40,000	$40,000
DDH	Winter Shelter	$358,750	$358,750
DST	Street Team	$225,000	$225,000



Measure V:

General Fund Revenue





Measure V

If Approved:	If Not Approved:
$9–10M Estimated annual General Fund revenue, reducing the projected budget gap	**No New Revenue** Greater pressure for additional budget reductions or alternative revenue solutions

Where Are We Now?

FY 2027 is a transition year

- FY 2027–28 budget adopted in June 2026
- Next budget action: mid-biennial update, June 2027
- Next Community Agency RFP awards: FY 2028, with contracts starting July 1, 2028
- This year: assess current investments and set priorities

Discussion