Dear San Francisco Department of Homelessness and Supportive Housing (HSH) Providers:

Thank you for your continued partnership and your response in the wake of the public health crisis, COVID-19. I am in awe of your dedication to people experiencing homelessness. I continue to be deeply grateful and inspired by your commitment in caring for our most vulnerable neighbors during this uncertain time.

Each year, the HSH Contracts team sends providers a communication regarding upcoming agreements, invoicing updates, and end of year reminders. This year, we are issuing a second letter, as there have been changes to the plan for agreements and budget revisions since the first letter was issued in March 13, 2020.

Please share this communication within your organization.

City Budget Outlook
In March 2020, the Board of Supervisors Budget and Legislative Analyst and Controller’s Office issued the Budget Outlook Update (March Joint Report), which outlined the City’s projected General Fund shortfalls. Providers are encouraged to review the report. The City’s budget process and timeline have been extended to address the projections in this report.

Agreements

Revised Plan for Expiring Agreements

Many providers have agreements with HSH with terms that expire on or before June 30, 2020. The Contracts team is working to prepare the information necessary to ensure there is a current agreement in place for the following fiscal year.

Agreements will fall into one category: Six Month Extension, Merged, or Other. Generally, an agreement will be categorized as the following:

1. **Six Month Extension with Prorated Six Month Budget** – Given the City’s extended budget timeline, the Controller’s Office established a new policy to expedite agreement modifications. Agreements that fall into this category include those funded with General Fund with expiring terms. These may include agreements with or without a valid procurement term. These term extensions will use a simplified amendment template.

2. **Merged** – Agreements that fall into this category include those with mixed funding (e.g. General Fund and Housing and Urban Development (HUD) Continuum of Care (CoC) funding). These agreements may be new or amendments with typical terms of three years; or

3. **Other** – Agreements that fall into this category include those in unique circumstances (e.g. those that require a Board Resolution or are funded with non-General Fund, non-HUD CoC funding, such as Emergency Solutions Grants (ESG)).

HSH Contract Analysts will send more detailed and individualized information for each agreement.

For HUD CoC funded agreements, HSH will provide an official subrecipient allocation once it has been received from HUD. In the interim, HSH will continue to use the current allocation as the basis for the new project period’s budget.

**Year-end and Other Reminders**

**Housing and Urban Development (HUD) Continuum of Care (CoC) and Non-General Fund**

Given the City’s projected General Fund deficit, HSH is urging providers to fully utilize their HUD CoC and non-General Fund funding sources. Providers must also review the CoC Eligible Costs when allocating costs in their budget.

**Updated Budget Revisions**

Budget Revisions allow providers to revise their approved budget during the fiscal year to adjust for immediate and unexpected program needs. Given the need for providers to quickly respond to staffing and operational requirements, HSH is providing flexibility within General Fund program budgets on a time-limited basis. Providers may invoice against 110 percent of their total Salaries/Benefits budget and against the total of their Operations budget without exceeding the total program budget. However, providers may not add new line items without HSH approval.

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4 Visit [https://sfgov.org/oca/resources](https://sfgov.org/oca/resources) and click on P-COVID Expedited Amendment Template (5-20).docx for a sample
Please note that given the City’s budget shortfall, requests for budget revisions unrelated to COVID-19, or the health and safety of people experiencing homelessness will not be approved at this time.

**Updated Carry Forward Considerations**
Like previous years, HSH will consider requests for carry forward of unspent funds on a case-by-case basis. However, given the City’s budget outlook, requests for carry forward of funding unrelated to COVID-19, or the health and safety of people experiencing homelessness will likely not be approved.

**May Invoice Procedures**
In order to address potential year-end cash flow issues, nonprofit providers may submit May actual costs and projected June expenditures when submitting the May invoice. May invoices must include an HSH COVID-19 Cost Categorization Spreadsheet for actual May expenditures and a projected COVID-19 Cost Categorization Spreadsheet for estimated June expenses.

Please note that June estimates should not exceed the remaining budget balance and should be close to the previously approved average monthly invoiced amounts. HSH does not wish to overpay and then recoup amounts from providers at the end of the fiscal year.

The June invoice, due no later than July 15, 2020, should include June actuals with an HSH COVID-19 Cost Categorization Spreadsheet for actual June costs. Any difference between the projected and actual costs incurred will be reconciled by HSH and payment will be adjusted accordingly.

**General Invoicing**
Providers must submit all invoices and any required documentation in the format specified in the Appendix C, Method of Payment, after costs have been incurred, and within 15 days after the month the service has occurred. Providers must submit all final invoices, supporting documentation, and HSH COVID-19 Cost Categorization Spreadsheet no later than July 15, 2020. This allows HSH to plan for review and reconcile any issues in order to deliver swift payments and comply with the Controller’s deadlines.

**Advances**
All fiscal year 2019-20 advance recoveries must be made before the close of the fiscal year.

Nonprofit advance requests for 2020-21 funding must be made in accordance with the Appendix C, Method of Payment on executed agreements.

**Updated Joint Fiscal Monitoring**
HSH has paused or rescheduled Joint Fiscal Monitoring visits and self-assessments. HSH Contract Analysts have communicated specific changes to providers. HSH asks that providers work with their Contract Analyst to submit any required documentation by the specified due date.

**Reports and Other Requirements**

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6 Please contact your assigned Contract Analyst with questions related to the HSH COVID-19 Cost Categorization Spreadsheet.
For HSH to conduct year-end processes in a timely manner, HSH asks that providers review their agreements carefully to ensure that all year-end requirements and reports are delivered within the specified timeline. Questions regarding year-end reports should be directed to the assigned HSH Program Manager, as listed in CARBON.

Thank you for your patience and understanding during this time. Providers are strongly encouraged to visit the Provider Updates page on the new HSH website: https://hsh.sfgov.org/get-information/provider-updates/. Please do not hesitate to contact the assigned HSH Contract Analyst, as listed in CARBON, or me directly at gilda.kemper@sfgov.org with any questions.

Thank you on behalf of HSH,

Gilda Kemper, Contracts Manager