To: Board of Supervisors

From: County Executive’s Office
Department of Human Assistance

Subject: Update on County of Sacramento Homeless Initiatives

Supervisorial District: All

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Overview
In the fall of 2016, staff outlined ways to improve Sacramento County’s homeless service delivery system to produce better outcomes. As directed by the Board of Supervisors, staff is preparing a comprehensive package of programs that will achieve these ends. In March, staff will recommend strategies to improve the family homelessness sheltering system, enhance the use of transitional housing, establish a low-barrier triage shelter, and increase the impact of Public Housing Authority resources in conjunction with a new supportive re-housing program employing intensive case management and re-housing supports. This report presents the status of this planning. At this time, staff is recommending that existing emergency shelter contracts be extended for six months, through December 2017, to give the Department of Human Assistance (DHA) time to implement contracts beyond that date in accordance to policies that staff will present in March.

Recommendation
Adopt the attached Resolution authorizing the Director of DHA, or her designee(s), to extend the emergency family shelter contracts CW-59 (St. John’s Program for Real Change), CW-60 (Next Move) and VOA-22 (Bannon Street Family Shelter) effective July 1, 2017, through December 31, 2017.

Measures/Evaluation. Staff will identify measures and evaluation related to specific implementations as they are brought to the Board for approval.

Fiscal Impact
The recommended extensions will assume the Fiscal Year 2016-17 funding at a six-month prorated amount. The six-month extension term of July 1, 2017, through December 31, 2017, will cost a total of $1,036,886 (St. John’s Program for Real Change: $360,390; Next Move $360,781; Volunteers of America Bannon Street Shelter $315,715). The contracts will be funded with $637,040 CalWORKs and $399,846 General Fund, subject to approval by the Board of Supervisors in the FY 2017-18 Proposed Budget.
BACKGROUND

As a result of the September 7, 2016, “Status of Homelessness” presentation to the Board of Supervisors, staff presented a workshop on “Homelessness Crisis Response: Investing in What Works” on October 18, 2016, and a workshop on “Increasing Permanent Housing Opportunities for Persons Experiencing Homelessness” on November 15, 2016. These two workshops discussed the following key concepts concerning homelessness in Sacramento County:

1. Components of an effective crisis response system;
2. Housing First and other low-barrier approaches;
3. Role of shelter partners and shelter redesign;
4. Innovative approaches to meeting high-need populations including low-barrier triage shelters and flexible supportive rehousing programs that provide aggressive outreach, engagement, case management and housing location services; and
5. Increasing permanent housing opportunities for homeless populations through existing stock and new production.

As discussed in the workshops, solutions to homelessness are multifaceted, involve multiple County departments and community partners, require a careful examination what is currently working and what can be improved, and may call for new and redirected resource investment. The presentation of these concepts resulted in community feedback and direction from the Board to return to the Board as soon as possible with more fully scoped solutions and recommendations for funding and implementation of new strategies.

DISCUSSION

This report provides the status for several major County initiatives that would strategically impact Sacramento’s homelessness crisis. On March 21, 2017, staff will present for Board consideration and action more detailed program recommendations, including costs and financing options that could be included for consideration in the Fiscal Year 2017-18 recommended Budget in June. When taken together as a comprehensive package, these initiatives will significantly improve Sacramento County’s homeless situation. The related components of Sacramento County’s comprehensive response currently under development include:

1. Redesign of family homelessness response and shelter system;
2. Strategic use of Transitional Housing;
3. Low-barrier triage shelter to reach persons experiencing long term homelessness and not served in traditional programs;
4. Strategic Use of Public Housing Authority resources, including Housing Choice Vouchers (HCV) and Conventional Public Housing to impact homelessness;
5. Implementing a new Flexible Supportive Housing Re-Housing Program employing intensive case management and re-housing supports for a targeted population; and
6. Planning for No Place Like Home resources for permanent supportive housing developments for persons with serious mental illness.

1. **Redesign of family homelessness response and shelter system (and extension of existing emergency family shelter DHA contracts)**
The 2015 Point-in-Time Count (PIT) identified 238 literally homeless and 13 chronically homeless families in Sacramento County. CalWORKs families experiencing homelessness may be eligible for several kinds of assistance. Recent State changes in CalWORKs homeless programs provide significantly more assistance to them. With these changes and resources administered by DHA, it is expected that the number of homeless families seeking emergency shelter will decrease markedly in the 2017-18 Fiscal Year.

- CalWORKs Temporary Homeless Assistance (THA) provides families with 16 consecutive days of temporary shelter;
- Permanent Homeless Assistance (PHA) benefits provides families with move-in costs and up to two months of rent to prevent an eviction; and
- CalWORKs Housing Support Program, supported in new State funding since 2014 (Sacramento County received $1.803 million in FY 2016-17), provides rapid re-housing assistance, other financial assistance and housing stabilization services to assist families in exiting homelessness.

As of January 1, 2017, both THA and PHA benefits are no longer limited to once-in-a-lifetime and eligible families may receive this aid once in a 12-month period. Prior to the State imposing the once-in-a-lifetime limitation in 1996, the majority of CalWORKs families opted for homeless assistance through their CalWORKs grant, thereby avoiding the trauma of homeless and a disruptive move into an emergency shelter. This change in eligibility is expected to result in a substantial increase in eligible applicants for this assistance and ultimately, in aid granted.

As discussed at the October 18, 2016, workshop, the goal of a redesigned emergency family shelter program is twofold:

1. Improve access for literally homeless families into the emergency shelter system to decrease the number of families forced to live on the street; and
2. Rapidly rehouse families in emergency shelters so a continuous flow of families exiting allows for literally homeless families to receive shelter.

To achieve these goals, Sacramento County would modify requirements in its contracts for emergency homeless family shelters. Since at least one of the shelters is not actually an emergency shelter, but a transitional housing and employment program, necessary changes would significantly alter their programs. In recognition of the need to include a long-term strategy for transitional housing in the County’s homelessness response system, staff is recommending extending current shelter contracts through December 2017. This will provide time to include a transitional housing component to the March 21, 2017, package and to prepare Requests for Proposals for emergency shelters under new requirements and for transitional housing programs that will address the needs of some segments of the homeless population in Sacramento County. The extensions will allow Next Move, St. John’s Program for Real Change and the Volunteers of America Bannon Street Family Shelter to continue to operate and shelter homeless families without interruption, while simultaneously allowing DHA to solicit feedback and collaboration from the Board and community stakeholders, in a thoughtfully designed emergency family shelter, and in the investment strategy for transitional housing (see discussion of Strategic Transitional Housing below).

Going forward, DHA would seek to partner with an experienced emergency shelter provider who will be dedicated to increasing access to families experiencing literal homelessness and to
providing housing location services, with the goal of quickly rehousing families in their shelter. To ensure the most vulnerable families can immediately access emergency shelter, including those not eligible for CalWORKs, the proposed redesign would define a family experiencing literal homelessness as one whose primary residence is a public or private place not meant for human habitation (e.g. car, tent, garage). To safeguard emergency shelter beds as a last resort, families receiving or eligible to receive CalWORKs would be proactively offered and assisted in accessing CalWORKS homeless assistance benefits, prior to entering emergency shelter services or shortly thereafter.

2. **Strategic Role of Transitional Housing in Sacramento County**

Transitional housing is time-limited housing or shelter meant to help homeless people transition to permanent housing, through housing and intensive supportive services for up to 24 months. The goal is for participants to obtain permanent housing in their own name. People living in transitional housing are considered homeless for purposes of HUD funding and the PIT. While transitional housing is often facility-based where individuals and/or families live in the same site where services are provided, it may also be offered in housing throughout the community where the family continues to reside even after services end.

For many years, transitional housing played a more prominent role in the Sacramento community’s response to homelessness. However, born out of research and critical reviews of outcomes and costs, the United States Department of Housing and Urban Development (HUD) has in recent years prioritized federal Continuum of Care funding for permanent housing solutions and has rewarded communities that reduce the length of homelessness. While not completely prohibiting transitional housing, HUD has encouraged communities to analyze its role within the context of local need and other resources. HUD and other research suggests ways to strengthen targeting so that this resource is more efficiently and effectively utilized for populations that require and desire temporary intensive supports to improve long term independence and stability. This may include persons fleeing domestic violence, transition age youth, and those in the early stages of recovery, who require time-limited supports to maintain sobriety.

Sacramento has a variety of existing transitional housing programs, providing 735 year-round beds. According to the 2016 Housing Inventory County, Sacramento has 17 transitional housing programs that include:

- 238 family beds;
- 497 adult-only beds; of which 60 are for veterans; and
- Of the 735 total beds, 133 are for transition age youth.

Mather Community Campus (MCC) is a unique homeless resource that has played an important role in Sacramento County since 1996. It is the largest of Sacramento’s 17 transitional housing programs and includes beds for about 58 families, 183 singles and 50 former foster youth. Operated by Volunteers of America (VOA) and previously by DHA, since 2010, over 500 formerly homeless individuals and families successfully completed the program while in a setting supportive of employment, long-term housing stability, and individual recovery goals. The program is unique in that the federal conveyances of the property to the County restrict future use to homeless populations. Additionally, most of the units are configured without kitchens making transitional housing the only viable use for this property. (Kitchens are required for permanent housing). In late 2016, the local Continuum of Care organization (Sacramento Steps Forward) informed VOA that it would not accept an application for transitional housing in
MCC for federal fiscal year 2017-18. CoC funding supported a significant part of the overall budget, contributing about $2.6 million annually. However, VOA was allowed to apply for, and has since been awarded, $2.6 million to fund a scattered site permanent supportive housing program, which could provide ongoing support for the portion of MCC that contains kitchens. Since the Continuum’s decision last fall, the County has been working with VOA to review all current programs operating at Mather, current funding and potential funding opportunities. Staff will present funding options for Mather Community Campus as part of the March package.

In addition, based on board feedback at the November 15, 2016, Board workshop, staff will return with a framework for offering ongoing funding of transitional housing programs in Sacramento, including appropriate population targeting and recommended program parameters and outcome measurements. Prior to returning to the Board with a recommendation for ongoing funding of transitional housing, staff will engage local transitional housing providers and local Continuum of Care stakeholders to help in framing the recommendation.

3. **Triage Shelter**

Staff has further scoped implementation of a Triage Shelter (called “Triage Center” in previous reports), intended to provide low-barrier emergency shelter services and more intensive re-housing assistance for persons with the highest barriers to housing stability, such as those living on the streets, encampments, or other places not meant for human habitation. The Triage Shelter would accommodate people who may have significant behavioral health issues or other barriers to accessing traditional shelters such as partners, pets, and possessions. It would also serve as an interim step to stabilize and assist participants in the Flexible Supportive Re-Housing Program (see below). To ensure flow and continual capacity, it is essential to link the Triage Shelter to re-housing services and resources.

The following summary data on Sacramento’s homeless population, existing shelter capacity and the County’s current financial support of emergency shelter services helps to frame how a Triage Shelter might address system gaps.

- According to Sacramento’s 2015 Point-in-Time count of persons experiencing homelessness:
  - 1,918 persons of the 2,659 individuals (72 percent of individuals counted) were in households without children;
  - 948 persons (or 35 percent of individuals counted) were unsheltered, with 90 percent of these persons in households without children;
  - A sizeable portion of people experiencing homelessness report behavioral health issues: severe mental illness in 581 persons and chronic substance use in 553 persons (these populations may overlap).

- **Shelter Beds.** In addition to Sacramento’s transitional housing inventory of 735 beds, Sacramento reported a total of 700 year-round emergency shelter beds, 207 seasonal beds, and 86 overflow/vouchers. Excluding the overflow/voucher programs, this inventory includes;
### Population

<table>
<thead>
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<th># of Shelters</th>
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<th>Youth Beds</th>
<th>Seasonal Beds</th>
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<tr>
<td>Total</td>
<td>22</td>
<td>300</td>
<td>394</td>
<td>6</td>
<td>207</td>
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- **Sacramento County Shelter Funding.** Sacramento County supports sheltering (not including support of transitional housing) through several sources, including general fund, Community Development Block Grant, Emergency Shelter Grant, CalWORKs and general funds.

<table>
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<tr>
<th>Program</th>
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<tr>
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<td>Adolescent Emergency Shelter</td>
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<td>Seasonal, incl. Winter Sanctuary</td>
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<td>Motel Vouchers/Return to Residency</td>
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In scoping the program design, costs, and potential challenges, staff is researching the experience in other communities, particularly at San Francisco’s Navigation Centers. The first center became operational in mid-2015 and due to its success, the San Francisco Board of Supervisors has asked that five additional low-barrier shelters to be developed. Program design, siting and funding considerations are summarized below, with some of the San Francisco lessons learned noted. Prior to the Board recommendation in March, staff intends to more fully engage local providers and other community stakeholders to further inform program structure and feasibility.

A. **Target population.** To ensure deep targeting, San Francisco uses a system of referral agencies and criteria intended to reach long-term street homeless, encampments, and people who do not or cannot access traditional shelter. There are no self-referrals or walk-ups. In its first year, 56 percent of the 234 clients (outside of those returning to residency outside the jurisdiction) lived in encampments. Sixty-one percent had been homeless from one to five years, and 30 percent for six years or more.

B. **Low barrier entry and continuation criteria.** Generally, persons are accepted regardless of sobriety, mental health issues, income, identification or willingness to participate in service. The low barrier shelter accommodates pets, partners, and possession, although San Francisco
found they had to limit the amount of possessions allowed. There is no artificial limit on length of stay. Perhaps most importantly, the shelter employs “radical hospitality” emphasizing flexibility and accommodation.

C. Services. It is intended that the County contract with a provider to operate the Triage Shelter. Basic sheltering services (safety, food, beds, hygiene, accessible service) are offered on a 24/7 basis, with no curfew. Services that route clients quickly to housing is a priority service from the first day. Re-housing services may be structured through shelter case managers or wired to specific external housing resources, such as the new flexible supportive re-housing program or other Continuum of Care resources. In any case, re-housing resources must be identified upfront and the population targeting should match those resources. Other services such as benefits and healthcare may be co-located onsite with other services. Offsite services such as identification and behavioral health services, with referral and transportation facilitated by the shelter.

D. Siting Considerations. Siting is one of the more challenging aspects of any new shelter. It is anticipated that the County’s Request for Proposals (RFP) would identify County-owned or controlled sites and allow providers to propose a new site or adaptation of an existing shelter. In advance of the final funding approval and the RFP, the County will create a workgroup from various County departments, such as Planning, Economic Development and General Services to assist in proactively identifying and evaluating potential sites. Site considerations should include:

- Whether current zoning allows emergency shelters. In the unincorporated area, a shelter is allowed in general commercial and light industrial zones subject to development standards in Section 3.5.3A. of the Zoning Code, including 100-bed limit, design review, locational and transit requirements. Siting in an incorporated city would require adherence to that jurisdiction’s entitlement processes;
- Impacts on nearby neighborhoods – a community vetting processes would be necessary in most cases;
- Access to services; and
- Whether new construction (or prefab construction) or substantial rehabilitation is required and potential costs.

E. County role. In addition to contracting with a provider to operate the shelter and identifying potential County sites, the County will maintain ongoing active involvement to

- Ensure appropriate targeting;
- Address operational challenges;
- Assist the provider in building capacity to successfully engage and shelter the target population; and
- Evaluate outcomes.
Update on County of Sacramento Homeless Initiatives
Page 8

F. Costs and Funding. Cost components include:

- One-time capital costs dependent on the site. Community Development Block Grant (CDBG) funds are a potential source for some of the capital costs, but federal or state sources for shelter capital costs are, in general, limited. These one-time costs could be significant.

- Ongoing, operational costs of Triage Shelter provider. Dependent on whether the case management model utilizes shelter staff for re-housing services or only makes referrals to existing re-housing programs (or a combination), estimates for operating costs of a 75-person shelter range from $1 to $2 million annually.

- County administrative costs, anticipated to be more extensive in early implementation year. San Francisco has a full-time person dedicated to Navigation Center operations oversight.

Next Steps. County staff will continue to scope design, costs and siting of the Triage Shelter and seek input from community partners to more fully inform design and feasibility. Staff will seek assistance from the appropriate County departments in identifying potential sites. Based on Board action on the recommended program in March, DHA will request funding in the County’s FY 2016-17 Recommended Budget process.

4. Strategic Use of Public Housing Authority (PHA) Resources

There are two primary federal public housing resources administered by the Sacramento Housing and Redevelopment Agency (SHRA) within Sacramento County:

- The Housing Choice Voucher program (formerly Section 8) is a major rental assistance program of the federal government that helps families with housing costs on the private rental market. The Board of Supervisors acting as the Housing Authority of the County (County Housing Authority) is the governing body for the HCV program. Sacramento County has approximately 12,000 Housing Choice Vouchers (HCVs) available countywide, with an estimated turnover of 650 vouchers annually. (There are subsets within the turnover vouchers, for example, project-based vs. tenant-based that may affect availability to serve specific populations.)

- There are 2,700 public housing units with an estimated total turnover of 260 units. The County Housing Authority is the governing body over 1,013 units. Unit types (bedroom counts/facility) may impact availability to serve a specific population.

SHRA also administers specialty HUD vouchers targeted to persons experiencing homelessness, including 519 Shelter Plus Care vouchers for chronically homeless households through the Continuum of Care and 512 HUD-Veteran Affairs Supportive Housing (HUD-VASH) vouchers for disabled veteran households experiencing homelessness.

As encouraged by HUD’s Public and Indian Housing, the federal oversight agency of PHA resources, in Notice PIH 2013-15 and by the success of communities who are strategically using the most significant federal public housing resource to address homelessness, the committee identified possible local options for increasing use of HCV and improving access in conventional public housing units. The programs are governed by parameters within the federal regulations, but flexibility is permitted through locally adopted Administrative Plan and Continued
Occupancy Plan (ACOP), currently approved by the SHRA Commission acting as the Housing Authority Commission.

The following highlights four potential approaches being explored by SHRA, County, and City of Sacramento staff over the past several months.

HCV and Conventional Housing

A. “General Homeless Preference”. Current preferences within HCV and Public Housing include veteran status, residency, permanent disability, loss of housing through governmental action and households who are rent burdened. This modification would apply to the current wait list practices and would create a preference to include persons experiencing homelessness.

Providing a general homeless preference will be a significant amendment to the existing preferences for homeless families. This would have an unknown impact on persons currently on the waitlist, but homeless families may be prioritized over other households on the waiting list. There are over currently 70,000 + (unduplicated) families on 11 waiting lists for HCV and public housing. An extensive public outreach process would be initiated to ensure: 1) all interested parties are notified, 2) fair housing issues are addressed, and 3) feedback is received on this recommendation.

B. “Limited Preference Set Aside” for chronically homeless or other highly vulnerable homeless population. This approach would allow the County Housing Authority to establish a set number and/or time period for turnover units to be utilized for the target population. This approach ensures that households qualifying for housing assistance receive essential supports in housing location and case management, as could be provided by the Flexible Supportive Re-Housing Program. These services are essential to provide some level of assurance to owners that tenants would be adequately supported to maintain housing. Outreach must be initiated to the effected waitlists.

HCV Only

C. Offer Housing Choice Vouchers as operating support to incentivize new supportive housing projects (“Project-based HCV”). New supportive housing projects require ongoing support for operating cost –such as provided through HCV or HUD-VASH - to be able to reach populations with extremely low or no income and to compete for tax credits and other State funding, such as No Place Like Home. One option is to annually utilize a portion of the turnover vouchers as project-based support for new supportive housing.
D. “Move-On Program” for current supportive housing tenants. This option facilitates the ability of current permanent supportive housing residents who are no longer in need of intensive supports to participate in a voluntary program that continues their rental subsidy. The program would be structured to consult with the service provider and management company on the appropriateness of the move from more intensive services to community services. In turn, this creates new supportive housing capacity to serve a literally homeless person who needs both the affordable rent and the intensive supportive services.

Next steps. Working with County staff, SHRA will provide a more detailed discussion and recommendations on housing authority resources for Board direction (acting as the County Housing Authority) on March 21, 2017. Based on Board of Supervisors, acting as the County Housing Authority, direction, SHRA staff will begin the public comment process (including outreach to the cities within Sacramento County) for amending its Public Housing Authority Plans including the HCV Administrative Plan and ACOP and return to the County Housing Authority for final action prior to submitting the administrative documents to HUD for approval. The Housing Authority anticipates a several month process from the County Housing Authority (Board) direction to HUD approval. Additionally, Housing Authority staff will seek concurrent guidance and clarification from HUD regarding potential amendments sought to ensure a timely and orderly process.

5. Flexible Supportive Rehousing Program

The November 15, 2016, “Increasing Permanent Housing Opportunities for Persons Experiencing Homelessness” workshop presented the concept of a new local program to re-house persons who have experienced long-term homelessness, typically with complex health and behavioral health conditions who are frequent users of County or other high-cost systems of care. Traditional approaches have often not worked for these persons to resolve their homelessness, and as a result, they may have given up hope on finding a pathway to a home. This approach recognizes that a subset of the homeless population requires specialized “whatever it takes” engagement and services offered through intensive case management and specialized re-housing assistance until housed. The highly flexible structure of the program is intended to accommodate any highly vulnerable subpopulation and to adjust scale based on resource availability. It would provide a highly flexible and locally responsive complement to the federal scattered site supportive housing programs offered through the CoC, including Shelter Plus Care and the HUD-VASH program.

Since the workshops, staff has continued to research similar programs through interviews, refining how this approach would work in Sacramento, and scoping approximate costs and potential resources. The discussion below incorporates lessons learned from the Housing for Health program operated by Los Angeles County Department of Health Care services and similar approach elsewhere that focus on a relatively small portion of the homeless population but one that represents a public higher proportion of public cost and impact. These costs are often spread across a number of public systems; not only services targeting the homeless, but also County behavioral health and substance use disorder services, healthcare provision, jails, probation, and even child welfare. In Los Angeles, the program director suggests this populations “utilize[s] $50,000 to $150,000 per year in avoidable costs in emergency medical services,” whereas the program can “put them in supportive housing at $20,000 a year.” In Santa Clara, a recent Pay for Success initiative targeted 2,800 persistently homeless residents with average costs of about $83,000 per year in public services.
A. Service Delivery. The program uses the skills and strengths of the key community partners, allowing each to “swim in their lanes”, but leverage each other’s strengths. Contracts would be structured multi-year and the County would explore a per unit per month contracting model.

- **Intensive case management (ICM).** Highly skilled and trained intensive case managers provided through contracted service providers will be assigned participants to build trust, offering a stabilized setting to address immediate issues, and providing support from street engagement until placement in permanent housing and for ongoing stability, as needed. It is expected that most of these persons will need long-term affordability and ongoing services, however, flexibility is key and services will be individualized and may be stepped down. Anticipated client ratios are in the range of 1 to 15.

- **Re-Housing Specialist(s).** Working with ICM providers and the County, a property related service provider (PRSP) through one or more agencies will be responsible for housing placement. Housing placements will be aggressively pursued in a variety of existing housing situations and may include: nonprofit owned housing, master leased buildings, scattered site housing, private market housing, and shared housing. While ICM managers may secure housing for their clients directly, they will also work with the PRSP who will be able to match clients to housing and will be responsible for the ongoing relationship with owners and tenants over the long-term on property related matters. Anticipated client ratios are in the range of 1 to 100.

B. County Role. County DHA would administer provider contracts, but more importantly, collaborate closely with partners to provide ongoing support and direction. County staff in Los Angeles attribute success in part to the weekly client level review and case conferencing with providers.

C. Targeted Population. The primary target population is persons experiencing long-term homelessness who are frequent users across multiple public systems of care and who require intensive services. For this population, even the most high-intensity and high-cost preventative services may prove less expensive than the downstream cost of remediation. By targeting high-intensity services to frequent users, the program can meet dual goals of stabilizing long-term homeless in permanent housing and reducing public costs. Program targeting will seek to incorporate flexibility and be informed by ongoing experience of program operators. Additional linkages for client referrals will be explored, including through existing outreach programs, law enforcement, and once operational, the Triage Center.

D. Housing Resources. The program is intended to administer multiple housing resources, including limited preference HCV with the County functioning as a partnering agency with SHRA. These services are considered essential for successful use of the HCV. However, a flexible rental subsidy pool beyond HCV may also be needed to house people who cannot qualify for HCV. For example, even with employing the minimum screening as required by HUD, about 30 percent of clients in the Los Angeles program do not qualify for the HCV program.
E. **Costs.** Using costs roughly based on Los Angeles’s experience of approximately $7,800 per person (based on the Los Angeles model of $450 per unit month for intensive case management and $200 PUM for property related services), the following slots could be created depending on funding levels. These amounts do not include housing subsidies or County administrative costs.

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F. **Funding.** The following identifies potential funding sources for this program. Federal funding with less flexibility should be matched with general fund and philanthropic funding to maximize flexibility. In addition, the program could leverage new State competitive funding sources that encourage or require supportive re-housing assistance for homeless populations. In the coming weeks, the County will continue to refine costs and align potential resources, and determine the level of general fund support needed. Potential sources include:

- Existing federal Emergency Shelter Grant funds (approximately $422,000) provided as a County entitlement and administered by SHRA. These funds are currently used for shelter and rapid re-housing;

- New federal ESG funds (approximately $445,000 annually) available since 2016 from the State Department of Housing and Community Development to Sacramento County and currently administered by SHRA. These funds are currently used for Rapid Re-housing, but may be used for shelter, outreach, or rapid re-housing;

- Anticipated new one-time State ESG funds, also passed through to the County’s ESG administrative entity, SHRA. SHRA currently uses these funds for rapid re-housing;

- Competitive State funding to counties that could potentially be leveraged include the new upcoming $10 million Bringing Families Together pilot for re-housing child-welfare involved families; the new upcoming Housing and Disability Income Advocacy Program for outreach, case management, and income stabilization for re-housing programs; and the recently announced Proposition 47 funding for treatment services for justice-involved individuals, some of who may need re-housing assistance;

- Philanthropic opportunities, such as the Getting to Zero campaign spearheaded by Sutter Health and intending to raise up to $20 million for innovative housing first interventions in three counties, including Sacramento;

- Support from the CalWORKs Housing Support Program for high need families or for housing location services; and

- County General Fund.
6. Planning for No Place Like Home (NPLH)

In 2016, the State of California passed legislation redirecting Mental Health Services Act funds from counties to a state fund, enabling the State to issue bonds for the construction and rehabilitation of permanent supportive housing for homeless individuals with serious mental illness. This program is intended to assist local communities in preventing and addressing homelessness. Counties are the lead agencies in competing for NPLH funds starting in late 2017, with much of the year devoted to organizing and planning to meet the requirements and goals of the program, and preparing proposals to compete for funding.

Housing, particularly permanent housing, for homeless individuals with serious mental illness is a significant need throughout Sacramento County. To prepare for the NPLH application process, County staff is leading a team of experts from County departments, partner agencies, and cities to develop the technical and programmatic components of an application. Staff will also be convening an advisory committee consisting of representatives of various advisory and advocacy groups, to ensure that our application and program addresses all consumer concerns and needs. The County Executive Office is also chairing a Steering Committee, consisting of key County department heads, staff from Board of Supervisor offices on the City-County Homelessness two-by-two, a representative of the office of the Mayor of Sacramento, SHRA, the Mental Health Advisory Board, and the Human Services Coordinating Council. The Steering Committee will provide policy formulation related to No Place Like Home, ensure consistency between the new program and existing policies, and finalize recommended documents and applications to the Board of Supervisors for submittal to the State.

At this time, the State is still developing specific requirements and processes for submitting application. The State is anticipating the release of specific documents related to funding in the Fall of 2017. Staff will provide regular reports to the Board of Supervisors on the progress of planning, including any interim policy recommendations, throughout 2017.

Next Steps

1. On March 21, 2017, staff will return to the Board with a full package of recommendations to reduce homelessness in Sacramento County. The recommendations will include strategies to improve the family homelessness sheltering system, strategies to enhance the use of transitional housing, a low-barrier triage shelter, and a new supportive re-housing program employing intensive case management and re-housing supports.

2. Working with County staff, SHRA will provide a more detailed discussion and recommendations on housing authority resources for Board direction (acting as the County Housing Authority) on March 21, 2017. Based on County Housing Authority direction, SHRA staff will begin the public comment process (including outreach to the cities within Sacramento County) for amending its Public Housing Authority Plans including the HCV Administrative Plan and ACOP and return to the County Housing Authority for final action prior to submitting the administrative documents to HUD for approval.

3. Staff will continue planning and community engagement on NPLH and project planning and continue to participate and monitoring information at the State level.
Update on County of Sacramento Homeless Initiatives
Page 14

Respectfully submitted,

APPROVED:
NAVDEEP S. GILL
County Executive

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CYNTHIA CAVANAUGH,
Director of Homeless Initiatives

By: __________________________
PAUL G. LAKE,
Chief Deputy County Executive

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ANN EDWARDS, Director
Department of Human Assistance

Attachment:
Resolution