



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org

Staff Report
September 14, 2010

**Honorable Mayor and
Members of the City Council**

Title: Update on Homeless Service Delivery

Location/Council District: Citywide

Recommendation: Conceptual approval of a plan to create a sustainable organization, Transition Oversight Committee, staffing, and resources focused on ending homelessness.

Contact: Cassandra Jennings, Assistant City Manager, 808-8888
Derrick Lim, Manager, Neighborhood Services, 808-2260

Presenter: Cassandra Jennings, Assistant City Manager

Department: City Manager's Office

Division: Not applicable

Organization No: 02001011

Description/Analysis

Issue: The County Department of Human Assistance (DHA) applies for and administers over \$28 million of federal, state, and other public funding grants that maintain the homeless Continuum of Care (CoC). This funding supports over 30 public/private homeless service and housing programs, including 3,000 emergency shelter, transitional, and permanent supportive housing beds. The County General Fund and administrative fees from federal and state grants fund DHA to maintain CoC funding. The County's current 2010-2011 budget has identified funding for administering the program through February 2011. See Attachment 1 for an overview of Sacramento's efforts to address homelessness.

While DHA continues to look for non-general fund sources for staffing through the end of Fiscal Year 2011, the current structure for delivering homeless services is not sustainable, effective, or efficient (Attachment 2). The homeless delivery system consists of multiple funding streams, disparate policy approaches, and multiple layers of authorization and funding commitments. General fund shortfalls and stakeholder discussions (e.g., government, non-profit, advocates, and consumers) on the long-term viability of the system reveal

fragmented authorities, varying levels of funding commitments, and service delivery systems that significantly limit effectiveness, efficiency, and sustainability (Attachment 3). This is an opportunity for a broader and more innovative public/private service delivery approach (Attachment 4).

DHA hosted several Homeless Sustainability Meetings in May and June 2010. Over 60 participants were invited, and 30 stakeholder agencies participated. These facilitated meetings focused on funding identification, and administrative and supportive services required for CoC sustainability. Alternative organizational models with the capacity to administer CoC grants in compliance with Department of Housing and Urban Development (HUD) grant requirements were also considered. The outcome of these meetings is the determination that the City and County of Sacramento cannot implement any new models by the end of February 2011 because DHA funding for CoC staff ends. More time is needed to develop and implement long-term sustainability options.

This report lays out a conceptual plan and timeline to design and implement a new organizational structure committed to ending homelessness in Sacramento, while there is still funding for a smooth transition and continued program service. Based on best practice review, input from the Sacramento Steps Forward Policy Board, and discussions from the Homeless Sustainability Meetings, staff recommends exploring the creation of a joint nonprofit /JPA (Joint Powers Authority), with additional community discussion, and a target operational date of June 30, 2011. Such an organization would administer and integrate homeless service systems and include the Continuum of Care, Homeless Prevention and Rapid Re-Housing Program (HPRP), support services, and data management. The vision for the new organization includes a Board of Directors representing private and public leadership from key stakeholder groups, an Executive Director, and staff. Sustainable operational funding must be identified for this new entity.

Transition Design Team: Sacramento Steps Forward, County Department of Human Assistance, Sacramento Housing and Redevelopment Agency, and City of Sacramento are leading the transition effort. Staff to the transition team is focused on coordination of resources and efforts bringing stakeholders and experts to explore and develop a new structural model. Programs and functions should include the Continuum of Care, Homeless Prevention and Rapid Re-Housing Program, support services, and data management. Staff is working with consultants to facilitate stakeholder discussions and provide analytical support.

Oversight Committee: The Oversight Committee oversees and directs the work of the transition team. Oversight Committee members include Bruce Wagstaff, Director, of the Sacramento Countywide Services Agency; LaShelle Dozier, Executive Director, SHRA; Cassandra Jennings, Assistant City Manager; Fred Teichert, Executive Director of the Teichert Foundation and Policy Board member of Sacramento Steps Forward.

Process: Designing and starting a new organization includes community engagement and outreach to public sector partners. Stakeholder participation is encouraged through Sacramento Steps Forward, the Policy Board, and Interagency Council to End Homelessness. Periodic presentations will be scheduled with governing bodies and elected officials.

Research on best practices is ongoing. Sierra Health Foundation is sponsoring a study mission to the Community Shelter Board, a nationally recognized nonprofit in Columbus, Ohio, and Safe Passages, a nonprofit/JPA in Oakland, California. A group of community leaders and staff will visit these organizations and bring back recommendations to help design the new organization.

Staff will return to the City Council and Board of Supervisors later this fall with specific recommendations to transition operations by the end of the Fiscal Year 2010/2011.

Timeline:

- August - September: Community forums and discussions
- August - September: Analysis of best practice organizational models, site visits
- October: Policy Board meeting to review organization model and transition plan
- November: Governing Board action on organizational model and transition plan
- November - April 2011: Transition work

Policy Considerations: The Sacramento City Council and County Board of Supervisors unanimously adopted the Ten Year Plan to End Chronic Homelessness in the fall of 2006. This report is consistent with the City of Sacramento's focus on having a sustainable budget and Sacramento Steps Forward's principle of developing sustainable funding from multiple sources.

Environmental Considerations:

California Environmental Quality Act (CEQA):

This report concerns administrative activities that will not have any significant effect on the environment and that do not constitute a "project," as defined by the following sections of the CEQA Guidelines (Title 14 Cal. Code Reg. § 15000 et seq.): Sections 15061 (b)(3);15378(b)(2).

Sustainability Considerations: Local government, non-profits, and homeless advocates are acutely aware of the urgency and necessity to strategically plan, design, and operate sustainable homeless services within existing resources.

Other: None

Commission/Committee Action: The report was presented to the SHRA

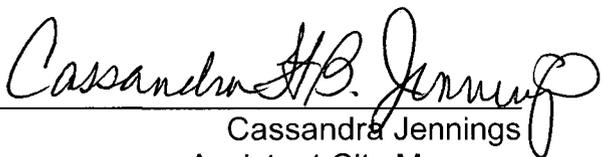
Commission at their September 1, 2010 meeting for review and comment. The Interagency Council to End Homelessness and Policy Board of Sacramento Steps Forward have received report backs on the status of homeless service delivery and efforts to address its sustainability.

Rationale for Recommendation: Significant general fund reductions at the City and County require new ways of delivering and sustaining homeless services. The timing and complexity of multiple funding streams, disparate policy approaches, and multiple layers of authorization and funding commitments provide an opportunity for broader and more innovative public/private service delivery approach to homeless services.

Financial Considerations: At this time no funding is being recommended; however, future reports will identify potential resources required to establish a new homeless service delivery system.

Emerging Small Business Development (ESBD): Not applicable.

Respectfully Submitted by: 
Derrick Lim
Manager, Neighborhood Services

Approved by: 
Cassandra Jennings
Assistant City Manager

Recommendation Approved:

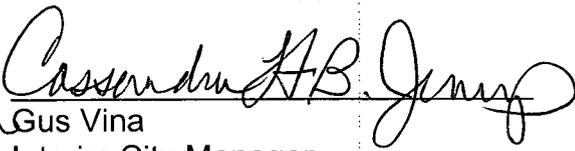

Gus Vina
Interim City Manager

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The Continuum of Care is a community response to homelessness that covers an array of services from prevention to shelter and housing. Like many communities, Sacramento County receives Supportive Housing Program (SHP) funding, which is currently about \$14.7 million per year from the Department of Housing and Urban Development (HUD). These are annual competitive funds for strategies to end homelessness. Sacramento County also receives \$4 million per year of Shelter Plus Care (S+C) funding. The County Department of Human Assistance is the main applicant for SHP and S+C funds. Currently the Continuum of Care supports 3,000 households per night in shelter/housing and services. In addition to HUD, County, City, and State funding, private sources contribute to homeless programs in our community.

The Policy Board to End Homelessness (a public/private community board) is the lead organization in Sacramento to plan programs and services. The Interagency Council to End Homelessness also involves a wide range of stakeholders in the planning process for the Continuum of Care. The community is awarded points in the annual application to the degree it coordinates an inclusive and outcome-oriented community process to end homelessness. Strategic planning is also required to develop local action steps for HUD mandated objectives, progress on discharge planning from other publicly funded institutions, coordination on homeless activities including the 10-Year Plan to End Chronic Homelessness (now named Sacramento Steps Forward), and a fair and impartial project review and selection process to receive HUD funds.

While HUD SHP funding is critical to continued operation of homeless programs in our communities, the funding is not self-supporting for the community or individual programs. HUD has a number of unfunded mandates to consider. These include:

- Homeless Management Information System (HMIS), a computer system to collect information for HUD on County-funded homeless programs. Technical support for the system is included;
- annual shelter counts, and the biannual Homeless Street Count and report;
- data analysis and evaluation;
- monitoring oversight in excess of the 5% received from HUD;
- strategic planning activities;
- annual application process for the HUD funds;
- Independent ranking process of program proposals for new and continued funding.

Additional challenges include rising program costs with no increase in grant funding.

Sacramento's Ten Year Plan to End Homelessness

Sacramento's City Council and County Board of Supervisors unanimously adopted the Ten Year Plan to End Chronic Homelessness in the fall of 2006. The goal was to provide 1,600 chronic homeless individuals with permanent housing and supportive services (PSH) over ten years. In the first three years of implementing this plan 515 disabled/chronic homeless people have moved from the streets and shelters to permanent supportive housing. Another 1,372 other homeless people have been housed.

Housing Goals for the First Three Years of the Plan:

- Create 218 new permanent leased housing opportunities.
Results: 254 leased units/beds of Permanent Supportive Housing created in the first three years; 21 new leased units are in the pipeline.
- Develop 280 units of permanent housing for chronically homeless people.
Results: 139 newly developed permanent units created in the first three years. Another 203 units are under construction or in the pipeline.

A total of 393 PSH units have been created in the first three years of the Ten Year Plan. Chronic homelessness decreased by 35% in Sacramento County from 2007 to 2009.

The Initial Ten Year Plan focused on chronically (long-term & disabled) homeless individuals, the expansion of permanent supportive housing units/beds, and a "housing first" approach. This approach was successful in significantly decreasing the chronic homeless population by 35%.

The severe economic recession of the past three years, however, has increased overall homelessness around the country and in our community. Extremely high unemployment rates and the home foreclosure crisis have hit families hard. Families that have never experienced homelessness are showing up at shelters. Overall homelessness increased 14% in Sacramento County between 2007 and 2009. *Note: there is no homeless count in 2010; so the only numbers available are from the 2007, 2008, and 2009 homeless counts, which set a strong baseline to measure progress.*

In 2009 the Oprah Winfrey Show highlighted the "Tent City" in Sacramento. Mayor Kevin Johnson became the chairperson for the Policy Board to End Homelessness and the Initiative to End Homelessness was renamed Sacramento Steps Forward. The point of re-branding the initiative was to rally the community towards a shared and collective effort to end homelessness. Sacramento Steps Forward set new three year goals based on the expansion of the Ten Year Plan to End Homelessness to include families and all other homeless people. These new goals acknowledge and include the new Homeless Prevention and Rapid Re-Housing Programs (HPRP) goals:

- **Permanent Housing** – Provide permanent housing for 2,400 individuals and families (400 Permanent Supportive Housing units for the chronically homeless and 2,000 households housed through HPRP), moving people to permanent housing as rapidly as

they are ready.

- **Services** – Provide a safety net and pathways to ensure all homeless individuals and families transition to permanent housing.
- **Funding** – Fully fund permanent housing and services needed to end homelessness.
- **Advocacy** – Build community will throughout the region to fully support permanent housing and services needed to end homelessness.
- **Accountability** – Continuously evaluate and optimize permanent housing and services needed to end homelessness.

Sacramento Steps Forward's Other Accomplishments

Winter Shelter expanded through Policy Board leadership and the efforts of public and private partners despite a 40% decrease in funding. Sacramento Steps Forward partners collaborated to provide over 250 shelter and housing beds per night. The former winter shelters provided about 174 beds per night at a much higher cost.

The Sacramento Community Regional Foundation kicked off a fundraising campaign to leverage federal funds. The campaign included private donations and a "One Day to Prevent Homelessness" drive involving over 80 faith-based congregations. Donations were collected based on one-day housing costs of their congregants. KCRA Channel 3 sponsored a 15-hour telethon, raising over \$200,000. In May 2010 the campaign exceeded the \$400,000 goal. The \$400,000 in private funds secured \$1.6 million in federal TANF (Temporary Assistance for Needy Families) - ECF (Emergency Contingency Funds) funds for Homeless Prevention & Rapid Re-housing programs to assist about 600 homeless or at risk households through new HPRP programs.

Homeless Prevention & Rapid Re-Housing Program (HPRP)

HPRP is one piece of the American Recovery and Reinvestment Act (ARRA) of 2009. This one-time 2-3 year funding provides assistance to homeless and at-risk families and individuals. HPRP is a rare opportunity to shift core community strategies of delivering homeless assistance. Communities throughout the country have documented success in more effectively preventing and ending homelessness through rental subsidies and housing stabilization services for homeless and at-risk households that have low to moderate barriers to housing stability.

HPRP allows two primary activities:

1. Financial assistance to help pay for housing/utilities so at-risk people stay in their homes and homeless people can quickly get re-housed; and

2. Services that assist people to obtain or retain housing - e.g., legal services, housing search and placement, stabilization services (including linkage to obtaining/increasing income).

Funding for HPRP in Sacramento:

- City of Sacramento has been awarded \$2.375 million of HPRP from HUD;
- Sacramento County has been awarded \$2.397 million of HPRP from HUD;
- SETA has dedicated \$1 million in Community Services Block Grant (CSBG) ARRA funding;
- TANF-ECF is available on an unlimited basis for one year with a \$.20 match for every \$.80 spent on families with children; and
- City of Sacramento has committed more than \$230,000 in Community Development Block Grant (CDBG) ARRA funding to this effort.

Except for Community Services Block Grant funding administered by SETA, SHRA administers the HPRP funds working in collaboration with the Sacramento County Department of Human Assistance (DHA).

Countywide services launched on October 1, 2009, focused on re-housing homeless individuals and families in shelters. Volunteers of America, Salvation Army, and Lutheran Social Services provided these services.

- Dividing the County geographically, each "core" provider used a common assessment tool to understand a family's barriers to housing stability and the likelihood of success with short-term help.
- Comprehensive services included housing search and relocation, short-term financial assistance (rent and utility arrears, shallow rental assistance, and help with deposits) and ongoing stabilization services.

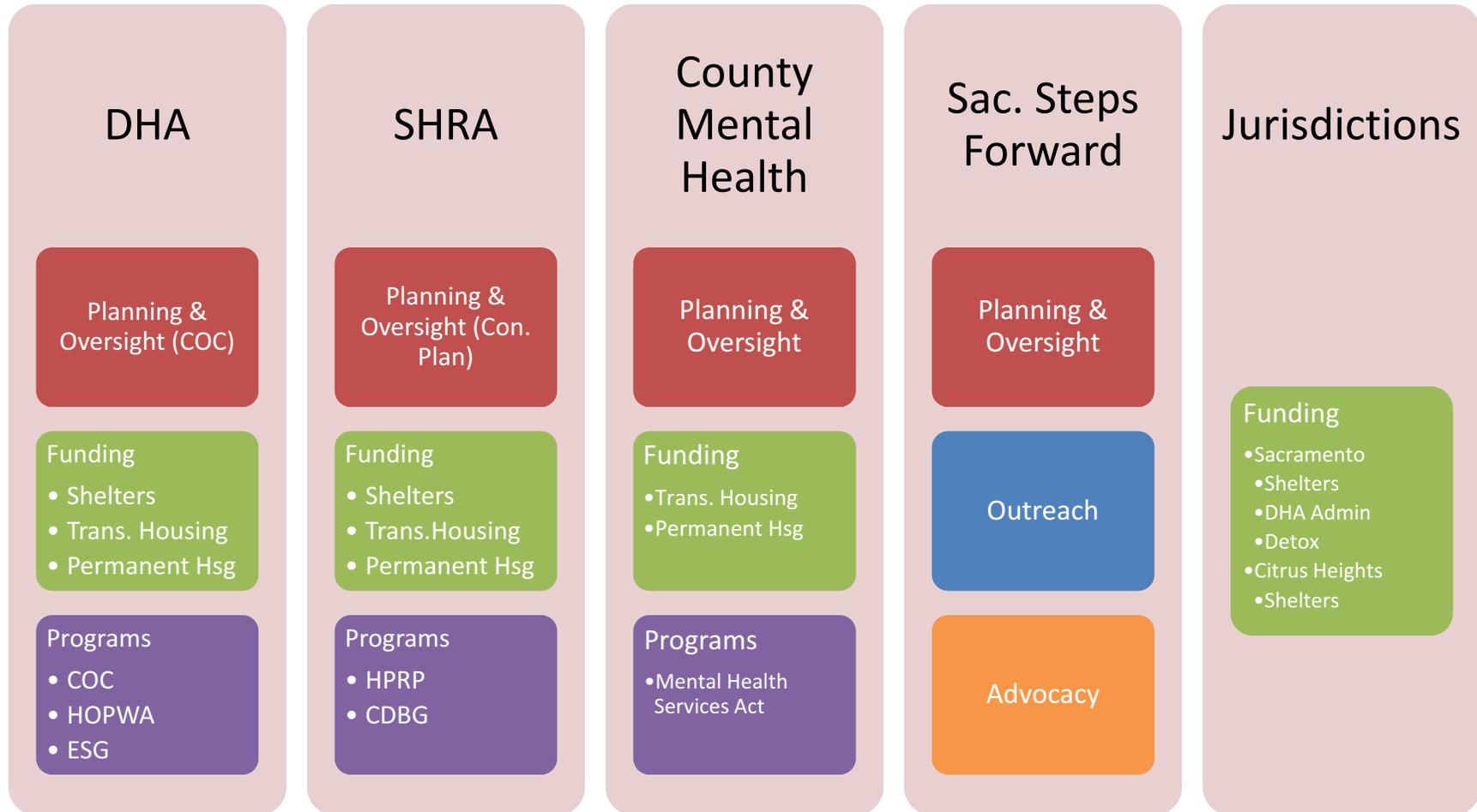
In November and December 2009, prevention services were offered.

- Legal Services of Northern California (LSNC) worked with the core provider to help households who were about to be homeless and facing eviction.
- Other households were prescreened by 2-1-1 Sacramento and social workers at CalWorks bureaus. Referrals were made to core providers for HPRP assistance.

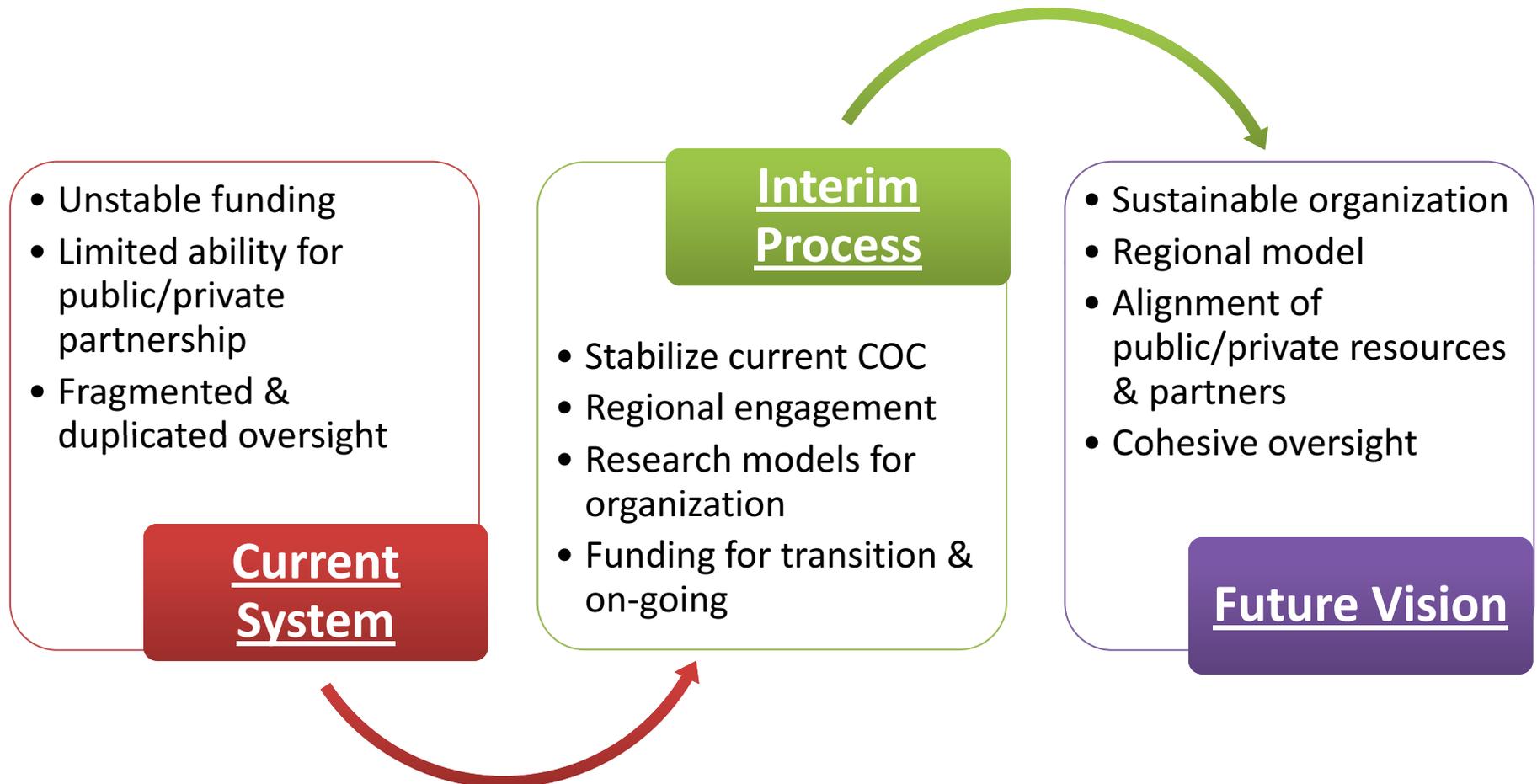
Sacramento's HPRP set a goal to assist up to 1,800 families and individual households over a two-year period ending September 2011. In the first nine months (Oct. 2009-June 2010), 1,028 households received housing assistance; 368 households averted homelessness; and 660 households stabilized with prevention services. Of all clients assessed to date, 80 percent have been deemed eligible for the program, including:

- 75% of homeless families with children
- 66% of homeless households without children
- 94% of prevention families with children
- 86% of prevention households without children

Current System



Sustainability Approach



Future Vision

