



REPORT TO COUNCIL City of Sacramento

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PUBLIC HEARING
May 16, 2006

Honorable Mayor and
Members of the City Council

Subject: FY2006/07 Proposed Budget Strategic Plan Focus Area: Safe and Affordable Housing - Ten-Year Plan to End Chronic Homelessness ("Ten-Year Plan")

Location/Council District: Citywide (All)

Recommendation:

This report provides information on the FY2006/07 Proposed Strategic Planning – Strategic Budgeting effort, provides the City Manager's funding recommendations related to Safe and Affordable Housing (Attachment A, page 4) and requests City Council direction and an intent motion on funding recommendations.

Contact: Cindy Cavanaugh, Assistant Director, Housing Policy and Development (SHRA), 440-1302; Leyne Milstein, Budget Manager, 808-8491

Presenters: Cindy Cavanaugh, Assistant Director, Housing Policy and Development (SHRA); Leyne Milstein, Budget Manager

Department: SHRA; Finance

Division: Housing Policy; Budget, Policy & Strategic Planning

Organization No: 1140

Description/Analysis:

Issue: During the Strategic Planning Workshop on February 21, 2006, the City Council identified five focus areas: Public Safety; Sustainability and Livability; Safe and Affordable Housing; Economic Development; and Culture and Entertainment as the "Vision for 2007." Through this Strategic Planning approach, the Mayor and Council identified high priority programs and services based on the theme that Sacramento will be the most livable city in America.

In the Safe and Affordable Housing focus area, the City Council identified chronic homelessness as a serious issue facing the City of Sacramento. In 2005,

Council adopted a conceptual "Ten-Year Plan" in support of implementing a strategy to end chronic homelessness. The vision for this focus area is to:

- Work to end homelessness in Sacramento by providing affordable housing opportunities and services.
- Develop facilities, services, and partnerships to end homelessness.

Planning is underway to develop implementation strategies and a more detailed plan will be presented to the City Council in Summer 2006. Attachment B (page 5) outlines in detail the current efforts to promote the Mayor and Council's vision, identifies the most immediate gaps in the City's current efforts to ending chronic homelessness, and offers funding opportunities in this focus area. It is anticipated that the final Ten-Year Plan will identify the additional funding gaps, especially in the area of supportive services.

Policy Considerations: This report and the recommendations contained therein are consistent with the City's sustainable budget policy. On an ongoing basis, the Strategic Planning - Strategic Budgeting process allows the Mayor and City Council to focus funding on specific, priority programs and services. Strategic Planning - Strategic Budgeting will help the City of Sacramento to:

- (1) Determine Council's citywide priorities, align the resources needed to successfully accomplish these priorities and determine what actions need to be taken today to assure that vision becomes reality;
- (2) Ensure the future growth and livability of our community by proactively addressing significant challenges and issues; and
- (3) Work across City departments and coordinate with other agencies to improve services and quality of life for City residents.

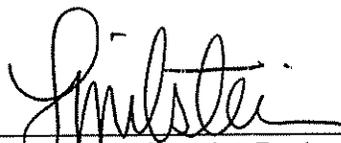
Environmental Considerations: This report concerns administrative activities that will not have any significant effect on the environment, and that do not constitute a "project" as defined by the California Environmental Quality Act (CEQA) [CEQA Guidelines Sections 15061(b)(3); 15378(b)(2)].

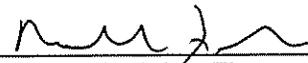
Rationale for Recommendation: Based on an analysis of all the focus area recommendations which totaled over \$25 million, staff recommends funding \$98,500 for the establishment of a Homelessness Leadership Group. This will provide the appropriate balance of one-time and ongoing resources while leveraging non-General Fund resources.

Financial Considerations: Working collaboratively, City staff has estimated a total cost of \$98,500 to address the issues identified in the gap analysis. Attachment C (page 8) provides a detailed breakdown of the costs for each issue.

There is no General Fund impact related to this report. Funding will come from the Community Development Block Grant (CDBG). Additional reports related to the CDBG funding of this portion of the Ten-Year Plan will be made with the CDBG Annual Action Plan in October.

Emerging Small Business Development (ESBD): None.

Respectfully Submitted by: 
Leyne Milstein, Budget Manager

Approved by: 
Russell Fehr, Finance Director

Recommendation Approved:

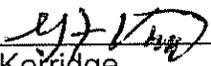

for  Ray Kerridge
City Manager

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Attachment A

City Manager's Recommendation

	<u>One-time</u>	<u>On-going</u>	<u>FTE</u>
<u>Homelessness Leadership Group (CDBG)</u> Successful implementation of the 10-Year Plan to End Chronic Homelessness depends on strong leadership from both the public and private sectors in Sacramento County. The leadership team will promote collaboration among the various entities and stakeholders committed to ending homelessness in Sacramento.	\$98,500	N/A	N/A

Attachment B

Gap Analysis

A. FOCUS AREA

Increase opportunities for all Sacramento residents to live in safe and affordable housing.

B. VISION

(DESCRIPTION OF STAKEHOLDERS UNDERSTANDING/PERCEPTION OF COUNCIL'S INTENT)

From *General Plan Vision and Guiding Principles* (adopted by Council on November 22, 2005):

- Work to end homelessness in Sacramento by providing affordable housing opportunities and services.
- Develop facilities, services, and partnerships to help end homelessness.

C. GOAL

Adopt and implement the Ten-Year Plan to End Chronic Homelessness ("Ten-Year Plan").

D. BACKGROUND/HISTORY/CURRENT EFFORTS

(DESCRIBE CURRENT PROGRAMS AND EFFORTS TOWARDS COUNCIL'S GOAL)

In June 2004, the City Council adopted a resolution in support of developing a Ten-Year Plan to End Chronic Homelessness in Sacramento. Mayor Heather Fargo and County Supervisor Roger Dickinson subsequently convened a group of community leaders, local officials and representatives of the business, philanthropic and public sectors to oversee development of the Plan. Over the course of six months, this group and a technical working group met to review local, state, and national data, research and best practices related to addressing the challenges faced by chronically homeless persons and the communities in which they live. The draft conceptual Plan, with "housing first" or "housing plus" as the centerpiece strategy, was approved by Council on December 6, 2005.

Since adoption, the leadership group and a smaller working group have been developing a more detailed implementation framework for several of the key early strategies:

- Housing First (Units through Leasing and Units through Development)
- Leadership Development
- Outreach and Central Intake
- Serial Inebriate Program
- Prevention

These implementation strategies and details will be incorporated into the Plan and presented for adoption by the governing bodies in Summer 2006. Implementation details for Leadership Development, still in draft form, are included in Exhibit 1 (page 9).

F. GAP ANALYSIS NARRATIVE

(DESCRIBE ANY GAP BETWEEN CURRENT EFFORTS AND FULLY ADDRESSING COUNCIL'S ISSUE, INCLUDING FTE AND FUNDING NEEDS)

Implementation will be a joint effort among the participating jurisdictions (City of Sacramento, County, and other cities in the County). The Leadership group is recommending that plan oversight and coordination be done for the first two years by the Community Services Planning Council (CSPC). In addition, it is recommended that each participating jurisdiction have a single point person

with decision-making authority or direct access to decision-makers who is designated to oversee homelessness issues and programs and to work with the new leadership structure (Policy Board and Interagency Council) and other agencies to coordinate policies and programs.

The working group is finalizing Implementation details for all of the key strategies. Some resources have been identified or even allocated, some are preliminarily identified, and some have not yet been identified. Some of the identified gaps have not yet been quantified. This list will evolve, but the following are *tentatively* identified as gaps. Additional detail will be provided in the final Ten-Year Plan.

City Contact

- **Key City contact on homelessness should be identified.** The acting Area Four Manager currently sits on the County and Cities Board on Homelessness ("current Board") and participates in implementation planning for the Ten-Year Plan. Other departments, such as Police, participate on the current Board. SHRA oversees development of the Ten-Year Plan and some City homelessness expenditures, sits on the current Board, and co-chairs the Housing Committee of the current Board.

Leadership

- **The new leadership structure needs funding for staff.** It will be recommended that CSPC staff the new leadership for the first two years at an estimated cost of \$197,000 for year one \$206,500 for year two. The City share of 2007 is recommended at 50 percent (\$98,500); it will be requested that the County fund an equal share. Community Development Block Grant has been tentatively identified as a funding source. The amount may be reduced to the extent that private fundraising is successful and/or other jurisdictions within the County participate in funding.
- **Private leadership is needed for the first Policy Board.** The City will help to appoint and activate the first Policy Board. Best practices (and new HUD rules) highlight need for more private sector participation in leadership. This has been challenging in the past.

Housing First- Units through Leasing

- **Gap exists primarily in funding wrap-around services for individuals not qualifying under the Mental Health Services Act (MHSA).** Program delivery will be through a non-profit service provider. Gap is estimated at \$435,000 annually beginning in 2007 and an additional \$135,000 annually beginning in 2008, for an ongoing annual gap of \$570,000. Funding has been tentatively identified to serve MHSA-eligible chronically homeless individuals.
- **Ongoing program evaluation will be critical.** SHRA has been lead on program development (adaptation of AB 2034); ongoing program evaluation (day-to-day) may be done by SHRA as well (not yet determined). FTE and funding sources have not been developed, but will likely be developed within SHRA budget.

Housing First – Units through Development

- **Non-quantified funding gaps for capital, operating and services have been identified.** Target is to develop 50 units a year for permanent supportive housing for the homeless. Potential local sources include tax increment for capital, project-based vouchers for operating, and MHSA funds for services. Plan recommends that new leadership structure identify and seek service funding.
- SHRA will be lead in overseeing development of units. FTE and funding sources have not been developed, but will likely be developed within SHRA budget.
- **Gap may exist in non-profit capacity to deliver units.** Technical assistance (funding or FTE) to develop capacity may be needed. Capacity to own, manage and provide services

would ideally exist in a single entity.

Outreach and Central Intake

- **Gap to be identified.** CSPC and Sacramento County Department of Human Assistance (DHA) will coordinate implementation. Additional planning is needed; however, it is anticipated that DHA will donate office space and DHA, Sacramento County Division of Mental Health, and Loaves and Fishes will provide staff for central intake.
- **Gap to be identified.** Outreach will be primarily carried out through existing outreach/services providers (e.g., law enforcement, shelter, food closet, health care system). Effectiveness will need to be evaluated in the short term as to whether additional outreach or training is needed.

Prevention: Serial Inebriate Program

- **No gap identified.** All resources to implement program have been identified.

Prevention: Single Room Occupancy Preservation and Replacement

- **No current gap.** Program to rehabilitate 100 units and develop 200 new efficiency units has been approved by Council with \$15 million in capital funds from Downtown Tax Allocation Revenue Bond. Sources have been preliminarily identified for operating and service funding. Funding gap may be identified in future for additional capital or operations/services.

**G. GAP ANALYSIS ASSUMPTIONS
(PROVIDE SPECIFIC ASSUMPTIONS RELATED TO FTE AND FUNDING AS IDENTIFIED IN SECTION D)**

Leadership

CSPC has providing staffing estimates to include director, support staff and consultant (to assist with Continuum of Care application). CDBG funds have been tentatively identified as source.

Housing First Units through Leasing

Estimates based on AB 2034 program modified for target population- 50/50 split between service funding and leasing payments. \$510,000 in leasing funding has been preliminarily identified and \$75,000 in service funding has been identified, leaving a gap of \$435,000 in 2007.

H. RECOMMENDATION

- Key City staff recommended be identified from existing staff.
- \$98,500 in funding for staffing Leadership group. Explore use of CDBG for this purpose.

**I. PERFORMANCE MEASURE(S)
(OUTLINE PERFORMANCE MEASURES TO BE TRACKED AND REPORTED ON ASSOCIATED WITH THE PROGRAMS/SERVICES RECOMMENDED. THE MEASURES SHOULD HELP DETERMINE IF THE GOAL/ISSUE IS BEING MET)**

Annual report on progress in reaching goals is anticipated from Leadership Group. Key numerical goals include:

Units through Leasing: Estimated 90 individuals to be assisted (Leasing rates not yet estimated)

Units through Development: Ten-Year Plan estimates 50 units to be developed per year.

Attachment C

Focus Area Summary

Focus Area: Increase opportunities for all Sacramento residents to live in safe and affordable housing.
Vision: Work to end homelessness in Sacramento by providing affordable housing opportunities and services. Develop facilities, services and partnerships to help end homelessness.
Goal: Adopt and implement the Ten-Year Plan to End Chronic Homelessness

Funding Source	Issue	Description	FY07 GF Cost	Offsets/ Revenue	Net GF Change	One-Time Costs	Ongoing GF Costs	Other Fund Cost	Net FTE Change
CBDG	Leadership Group	Provide funding for staffing Leadership group.	\$0	\$0	\$0			\$98,500	0.0
	ID Key Staff	ID Key City contact on homelessness issues (existing staff)	\$0	\$0	\$0				0.0
Totals:			\$0	\$0	\$0	\$0	\$0	\$98,500	0.0

Exhibit 1**Leadership for the 10-Year Plan to End Chronic Homelessness**

Successful implementation of the 10-Year Plan to End Chronic Homelessness depends on strong leadership from both the public and private sectors in Sacramento County. The leadership team will promote collaboration among the various entities and stakeholders committed to ending homelessness in Sacramento. While the immediate focus is on ending chronic homelessness, the Policy Board and Interagency Council are also charged with oversight of the entire homeless services Continuum of Care and will replace the current City-County Board on Homelessness.

The Leadership structure has four elements:

1. A **Policy Board** of high-level public and private sector community leaders to provide strategic direction, oversight, and advocacy for the plan
2. An **Interagency Council** of service providers and community stakeholders to plan and coordinate service delivery and recommend policies and strategies to the Policy Board
3. Input from homeless: A process for gaining input from homeless and formerly homeless populations and neighborhood and civic groups into the implementation of the plan; and
4. Public agency leadership: A point person (one with decision-making authority or with direct access to decision-makers) from each participating jurisdiction (county, cities and other public agencies) who is designated to oversee homeless issues and programs and to work with the Interagency Council and other agencies to coordinate policies and programs.

POLICY BOARD

The Policy Board is charged with:

- Building political will countywide;
- Overseeing plan implementation;
- Developing resources;
- Recommending funding priorities; and
- Reporting to the community on progress in achieving plan goals

Membership

The Policy Board consists of 15 members representing public officials, business, foundations, faith-based and other community organizations. Reflecting the HUD requirements, for the Continuum of Care, the composition is a proportion of 65 percent private sector and 35 percent public sector with members as follows:

- **Mayor of Sacramento** or designated City Council Member
- **Chair of the Board of Supervisors** or designated Supervisor

- Two **mayors of other cities** in Sacramento County or their designated City Council members (selected by the Mayors and Board Chair Forum.)
- **Two representatives from two local Foundations** (Board Member or CEO)
- Two **Business representatives**
- **Representative of faith-based organization addressing issues of homelessness**
- Two **Civic Leaders**
- **Interagency Council** representative
- **Homeless or formerly homeless individual**
- **One nonprofit service provider**
- **Law Enforcement** representative (selected by the Criminal Justice Cabinet)

The Policy Board will have a Chair and Vice Chair, elected by the body, one from the public sector and one from the private sector, with staggered 2-year terms and the Chair position rotating between the private and public sectors.

Initial appointments to the Policy Board will be made by the Board of Supervisors and City Council.

Subsequent and on-going appointments will follow a process of nomination, application, and appointment by the body for 1 or 2 year terms.

INTERAGENCY COUNCIL

The Interagency Council is charged with:

- Coordinating and developing standards for services for the homeless;
- Developing new service programs and systems based on “best practice” models;
- Making improvements in service delivery based on data and program evaluation reports; and
- Recommending programs, policies and initiatives to the Policy Board.

Membership

The Interagency Council consists of 15 to 21 members representing specific service sector and stakeholder interests who are appointed by the Policy Board. The sectors represented are:

- City of Sacramento
- Other cities in Sacramento County
- Sacramento County Department of Human Assistance
- Sacramento County Department of Health and Human Services
- Sacramento Housing and Redevelopment Agency
- United Way California Capital Region
- Foundation/s/
- Housing developer/s/
- Housing provider/s/
- Criminal Justice system representative/s/
- Disability community representative/s/
- Veterans system representative/s/
- Foster youth and homeless youth services provider/s/

- Employment Services representative/s/
 - Educational Services representative/s/
 - Faith Community representative/s/
 - Consumers/Homeless advocate/s/
 - Homeless Services provider/s/
 - Business associations
-

Continuum of Care. The Interagency Council will be responsible for preparing and presenting the annual Continuum of Care Plan and application for McKinney-Vento Act funding to the Policy Board. The Council will establish a process, and may create a subcommittee, for developing the plan to assure that those participating in the planning process are representative of the community and those served.

Homeless Management Information System: Critical to the work of the Policy Board and Interagency Council is a robust, accurate and comprehensive database of information about homeless individuals, programs and services. The data are necessary for evaluating the effectiveness of programs and initiatives, planning program improvements and enhancements, and reporting to the community on progress made toward ending chronic homelessness. Improvements in the current HMIS system and reporting are essential in order for the Policy Board and Interagency Council to operate effectively.

Staff support for Policy Board and Interagency Council – \$196,575, year one; \$206,404, year two

Staffing includes a director and support staff, consultant services for preparing the Continuum of Care and for grant writing, operating costs and one-time expenses (year one) for computers and other equipment. Sources of funding for staffing include Sacramento County (50%), City of Sacramento (50%) Community Development Block Grant funds. The Community Services Planning Council will provide staffing services for the Policy Board and Interagency Council for two years to support transition to the new leadership structure.