

Summary of Modifications and Re-Housing Strategies

The Sacramento COVID-19 Homelessness Response Team (“Team”) recommends modification of the Sacramento COVID-19 Homelessness Response Plan (“Plan”) to facilitate positive exits of households from temporary COVID-19 isolation/quarantine into stable permanent housing. Re-housing strategies include activities and funding for: 1) re-housing assistance into existing housing; and 2) development of new permanent supportive housing through motel acquisition and conversion. The existing Plan is modified as follows:

1. The total number of COVID-19 isolation/quarantine units as modeled in the original Plan will be reduced from nearly 900 units to approximately 600 units. However, the period of operation will be extended by up to 90 days to accommodate re-housing activities and a more organized closing of the isolation/quarantine program. If all motel units are able to operate through the end of September, an additional 53,000 bed nights would be provided, for a total of approximately 93,000 bed nights.¹
2. This strategy will re-allocate existing Plan funding to support an extended isolation/quarantine period and a portion of the re-housing activities and allocate an additional \$4.3 million in local Federal Coronavirus Relief Fund to (CRF) to re-house **up to** 500 households into existing housing with short-term services and rental assistance for up to 12 months.

Re-housing assistance into existing housing activities includes matching clients to existing re-housing programs, including prioritizing some of those programs for this effort, and expanding the County Flexible Housing Pool (FHP) to serve an additional 225 households, and funding Room and Board placements, serving 25 households.

3. The City Council and Board of Supervisors have approved Multifamily Lending and Mortgage Revenue Bond Policies which the Sacramento Housing and Redevelopment Agency (SHRA) has successfully utilized on several occasions to acquire and

¹ Since adoption of the Plan, the Federal Veterans Administration has sheltered 138 Veterans in motels through the Services for Veteran Families (SSVF) program for veterans experiencing homelessness. In addition, from 3/17/20 through 5/24/20, County DHA’s motel voucher program has served 56 households for 706 total bed nights.

rehabilitate motels for use as permanent supportive housing. Based on jurisdictional approval and allocation of State or local CRF or other local funding, motels would be acquired for use as permanent supportive housing for persons experiencing homelessness, including persons residing in isolation/quarantine units. On May 5th, SHRA presented the outline of such an approach to the Sacramento City Council; and the California Governor's Budget May Revise provides for State funding for motel acquisition, including the use of State CRF.

4. Re-housing at an accelerated pace will require the willingness and best efforts of all parties as well as support across partner agencies and the broader community to expedite re-housing. Each team entity, the County Department of Human Assistance (DHA), County Department of Health Services (DHS), City of Sacramento, Sacramento Steps Forward (SSF) for the Continuum of Care (CoC), and SHRA, is asked to assist in case conferencing to accelerate housing placement, make connections to services, including behavioral health services, and remove barriers to permanent housing stability. Additionally, a full-time coordinator would be assigned through agency-assigned or limited-term staff at SSF.

Background

The Sacramento COVID-19 Homelessness Response Plan was adopted by the Board of Supervisors and Sacramento City Council on April 7, 2020, and by the Sacramento Continuum of Care on April 8th. Recommended by the Sacramento Homelessness COVID-19 Response Team comprised of Sacramento County, the City of Sacramento, Sacramento Steps Forward (SSF), and the Sacramento Housing and Redevelopment Agency (SHRA), the Plan recommended strategies and actions necessary to slow the spread of COVID-19 and mitigate impacts for persons experiencing homelessness. Collectively, the Plan allocated more than \$15 million to use for COVID-19 specific response for persons experiencing homelessness. The Plan provided for direct services in three areas for people experiencing homelessness:

- 1) Keeping existing shelters safe and operational through education and provision of supplies;

- 2) Expanding sheltering capacity, focusing on isolation/quarantine opportunities in approximately 850² motel units administered by DHA and 59 trailer units administered by the City of Sacramento; and
- 3) Supporting encampments through outreach, supply delivery, and increased sanitation.

Based on the information available at that time on the potential virus trajectory in Sacramento, the COVID-19 Homelessness Response Plan was developed in late March and adopted in early April, and created strategies to slow the spread of the pandemic and mitigate impacts for persons experiencing homelessness. Weekly updates on Plan implementation are posted on SSF and County websites.

Local Experience with COVID-19

When the plan was originally developed, Sacramento knew very little about the prevalence and trajectory of COVID-19 in the homeless population or the severity of the pandemic. Experience with the virus and its impact on the homeless community since the plan adoption has informed implementation in real time and can inform strategies going forward.

- Since opening the first Preventative Quarantine Motel on April 8th, and the Medically Supported Isolation Care Center on April 15th, there have been very few incidents of COVID-19 among the homeless population. The vast majority of the referrals (88%) and enrollments (74%) have been from priorities 6 (65+ years with pre-existing conditions, no symptoms) and 7 (all ages with pre-existing conditions, no symptoms, clients who do not present any symptoms of COVID-19, but are either over the age of 55 years or have other underlying health conditions).
- Sacramento County Public Health began testing in congregate shelters on April 27th. Tests were offered to 398 guests in eight shelters, and 183 consented to testing. All 183 test results were received from the Sacramento County Public Health Laboratory and found negative for COVID-19. Additional testing has since occurred in the isolation/quarantine units (2 positives out of 179

² The original goal of 850 isolation/quarantine units was reduced by approximately 25 units with the transfer of program funding to SHRA administration of Federal funding sources on April 21, 2020.

tests) and encampments (52 tests, no positives), as of May 22nd.

- 60 beds were added to existing shelters based on subsequent Centers for Disease Control (CDC) guidance and ability of the shelters to create adequate social distancing for the sleeping arrangements.
- Management of the isolation/quarantine units was built around strict stay-at-home orders in Sacramento County. Enforcing shelter in place for the motel guests will be more challenging with the phased lifting of this order, which began on May 22nd.

Isolation/Quarantine Implementation to Date

As of May 17, 2020, three motels with 420 rooms and the 59 trailers (479 units in total) were available for isolation/quarantine. The fourth motel, online in early June, added an additional 100 rooms, bringing the total to just under 600 units. Clients receive basic sheltering services and meals; however, ongoing client engagement and case management services are limited. While operations have generally gone smoothly, the sheltering model is not optimal beyond a short-term period. The following observations are noted:

- While the intent of the sheltering was COVID-19-related, many guests are simply seeking shelter for some period of time. Approximately 20 percent of the guests who entered through the referral system have self-exited isolation/quarantine units for various reasons, including not adhering to program rules and policies.
- While guests generally have been willing to follow isolation rules, it is likely that people will not want to stay in their rooms once the order is lifted. Managing the population and impacts on neighboring businesses and communities will be more challenging.
- While individual rooms have amenities compared to congregate settings, it has also meant damage to rooms can occur. While shelter management has mitigated room damage through frequent changing of rooms, damage, sometimes significant, still occurs.
- Onsite shelter staffing provided by Goodwill Industries will be more limited once their staff return to normal jobs as Goodwill stores reopen.

- In siting the motels, Team staff have messaged to neighbors that this is a short-term response. Extensions will require additional outreach and communication.

Re-Housing Strategy Detail

Strategy 1: Re-Housing into Existing Housing

The Sacramento community offers re-housing services for persons experiencing homelessness through a variety of programs funded through local, State and Federal funding and administered by a local and Federal government and agencies. These programs typically provide assistance in locating and securing housing, rental assistance, and supportive services, with the length of assistance ranging from several months to ongoing support (as provided in scattered-site Permanent Supportive Housing). The Inventory of Existing Re-Housing Programs at the end of this report summarizes existing re-housing programs in Sacramento, including target population(s) and administrative agencies. Staff estimates that approximately 250 households could be served by facilitating placement into existing re-housing programs within their current program capacity.

To re-house an additional 225 households, this strategy augments the County's Flexible Housing Pool (FHP) by \$4.3 million and recommends a contract for \$300,000 to facilitate the re-housing of up to 25 households in Room and Board Facilities (for an estimated total of 500 households to be re-housed through existing and expanded capacity). Administered by the County Department of Human Assistance (DHA), the FHP provides two kinds of services through contracted providers: 1) intensive Case Management Services that are flexible and individualized, connecting clients to community-based health, behavioral health, income/employment and other services essential to permanent housing stability and; 2) Property Related Tenant Services (PRTS) that assist with locating and securing permanent housing, and provide financial support to help clients maintain housing. The City of Sacramento would separately contract for Room & Board placements, leveraging existing relationships developed through the Pathways to Health + Home program, to target medically fragile, elderly households.

To reduce the number of exits to unsheltered locations, this strategy also will facilitate placement or return into existing shelter and transitional housing programs for those clients who have not secured permanent housing by the end of the isolation/quarantine program. Including both

shelter and housing programs, placements are anticipated in the following areas:

- Existing Rapid Re-Housing programs, including clients currently enrolled (but not yet housed) in re-housing programs and new enrollments of qualifying clients;
- Expanded County DHA Flexible Housing Pool;
- Permanent Supportive Housing through Continuum of Care, VA's HUD-VASH program, and Shelter Plus Care ³;
- Facilitated re-unification or assistance with other self-resolved placements; and
- Shelter and Transitional Housing Programs, including new shelters coming on line in the City of Sacramento.

This strategy will employ a modified 100-day challenge approach, utilized successfully in Sacramento in several 100-day challenges with homeless subpopulations, including veteran and youth populations. Utilizing a "by-name" list, this intensive, short-term effort focuses the efforts of multiple agencies to remove barriers and facilitate re-housing. Each agency in the COVID-19 Homelessness Response Team (Sacramento County Departments of Human Assistance and Health Services, the City of Sacramento, SHRA, and SSF) will be asked to contribute staff over a limited period toward this effort. Funding also is recommended for administration, including: 1) overall coordination through SSF staffing and; 2) DHA case conferencing and client services in the FHP.

Work in the next several months includes:

- Initial client engagement and assessment by County Behavioral Health Services for unlinked clients, and facilitated linkage for enrolled clients.
- Initial client assessment, including utilizing the Vulnerability Index-Service Prioritization Decision Assistance Tool (VI-SPDAT) or other appropriate assessment tools needed to identify housing assistance needed; current or past program enrollment history;

³ HUD has encouraged CoCs to assess and to identify the most vulnerable to COVID-19 when prioritizing for coordinated entry.

problem solving based on household strengths and needs; and understanding household characteristics that may qualify the household for program services (e.g., veteran status).

- Facilitating connection for existing clients of re-housing programs and enrollment of new clients into existing programs, including Pathways to Health + Home and County Behavioral Health re-housing programs, based on client assessments.
- Referral of clients into the expanded Flexible Housing Program.
- Ongoing problem-solving and removal of barriers through case management conferences as housing placements are facilitated.

Strategy 2: Motel Acquisition and Conversion

This strategy would take advantage of the opportunity to purchase existing motels for use as permanent affordable housing. Motels with kitchens could be purchased by SHRA and/or an affordable housing developer and available for occupancy within five to six months in their current condition with minimal improvements. Within approximately three years of operation, the properties would be completely rehabilitated using traditional affordable housing funding sources. The motels have yet to be identified and will be vetted through the local jurisdictional process prior to implementation.

According to the April SHRA report to the Sacramento City Council, the average cost to acquire a 124-unit motel with kitchens is approximately \$15 million. Operating costs would be approximately \$1.4 million a year and would cover operations and typical resident services, but would not include case management supportive services. Operating costs for an estimated three-year period (prior to securing traditional affordable housing financing for rehabilitation and ongoing operations) would total \$4.2 million, for a total initial investment of about \$20 million. SHRA will explore funding opportunities that may include State CRF funding that may be suitable for acquisition and initial operating costs. Local funding could also be allocated for initial costs depending on the location of the motel to be acquired.

The Team recognizes the value of developing new affordable permanent housing, especially permanent supportive housing with ongoing supportive services. DHS is exploring new ways to bring behavioral health services to site-based developments, including the billing of Medi-Cal for mental health and alcohol and drug treatment services and partnering with Federally Qualified Health Center's (FQHCs) for on-site health services.

The Team recommends that SHRA work with DHS to explore funding and implementation ideas for this strategy and return to the governing bodies with identified projects for approval and funding, as needed.

Implementation Leads

As with all elements of Plan implementation, a fully collaborative effort is anticipated for the re-housing strategies. Agency leads are identified as follows:

Strategy	Lead
Overall Coordination	6 to 8-month assignment of existing SSF Staff is anticipated
Initial client engagement and connection/qualification to Rapid Re Housing/Permanent Supportive Housing	Approach to be developed by coordinator and team
Expand Flexible Housing Pool	DHA
Room & Board Placement Contract	City
Transition to shelter and transitional housing	SSF
Facilitate placement into existing PSH	SSF and VA
Develop new Permanent Supportive Housing	SHRA
Connection to benefits, services	DHA, DHS

Funding

Re-Housing Assistance into Existing Housing

Estimated costs for the re-housing assistance are shown in the table below. Both of these components are funded for a year, anticipating that, on average, clients will require a year of rental assistance and case management to help them sustain their housing placement.

Costs	Flexible Housing Pool	Room & Board Placements
One-time placement fee	-	\$2,000
Monthly PRTS rate ⁴	\$250	-
Monthly ICMS rate ⁵	\$450	-
Avg. Monthly Rent	\$1,100	\$850
Avg. Months of Assistance	12	12
Total Average per Household	\$21,600	\$12,200
Total Households Served	200	25
Total Cost	\$4,325,400	\$301,950

The existing funding committed to the original Plan is \$15,117,300. The total cost for the modified Plan is estimated at approximately \$19,417,300, an increase of \$4.3M. The modified Plan reallocates funding within the approved amounts to extend sheltering and encampment activities and for a portion of the re-housing activities. The increase in funding noted above is for the new re-housing components and contemplates an equal allocation from the City and County Coronavirus Relief Fund (CRF) for the total of \$4.3M that is needed. The table below shows original allocations by component from the April 7th Plan and the recommended modifications and additions.

⁴ "PRTS" = Property Related Tenant Services - the monthly cost per household to provide housing search and placement activities, process rent payments, liaison with landlords, etc.

⁵ "ICMS" = Intensive Case Management Services - the monthly cost per household to provide "whatever it takes" intensive case management services

Component	Original Allocation	Re-Allocation	New Allocation	New Budget	Difference
Supporting Existing Shelters ⁶	\$100,000	\$70,535	\$0	\$170,535	\$70,535
Encampment Response ⁷	\$1,250,000	\$0	\$0	\$1,250,000	\$0
Isolation/Quarantine Motels & Trailers ⁸	\$13,767,300	(\$1,138,140)	\$0	\$12,629,160	(\$1,138,140)
Re-Housing ⁹	\$0	\$781,342	\$4,300,000	\$5,081,342	\$5,081,342
SHRA Administration	\$0	\$286,263	-	\$286,263	\$286,263
TOTAL	\$15,117,300	\$0	\$4,300,000	\$19,417,300	\$4,300,000

Development of new Permanent Supportive Housing through Motel Acquisition and Conversion

Funding for purchase and operation of motels in partnership with SHRA will be allocated by the jurisdiction where the projects are located as they are identified. SHRA estimates that acquisition of a motel and operations for three years as interim housing costs approximately \$20 million. Motel acquisition/conversion funding is not included in the table above or allocated in the Plan.

⁶ Originally included shelter contract augmentations and supplies for existing beds. Expansion of existing shelter programs was budgeted, but shown within isolation/quarantine line item; re-allocating a portion of these costs to appropriate category.

⁷ Includes sanitation stations (DHA), outreach/navigation, meals and supplies, and oversight/administration of the referral process.

⁸ Originally included \$286,400 for expansion of existing shelters; \$130,535 moved to "Support Existing Shelter" category (Mather and North 5th expansion); and \$155,865 reallocated. Originally included \$200,000 for outreach/referrals; \$100,000 reallocated to support re-housing oversight. \$595,028 of motel leasing/operations reallocated to SHRA administration and re-housing.

⁹ Re-housing includes rental subsidies, housing case management, property related tenant services, and coordination of re-housing activities. This strategy also allocates \$360,000 for DHA staff for FHP case conferencing and services and \$100,000 for SSF staff for overall coordination.

Additional CARES Funding

On June 9, 2020, the US Department of Housing and Urban Development (HUD) announced the award of \$2.96 billion through the CARES Act to the Emergency Solutions Grant Coronavirus program (ESG-CV). This is the second allocation of ESG-CV; the first allocations were previously committed by the City Council and Board of Supervisors to support operations of the isolation/quarantine units in the COVID- 19 Homelessness Response Plan. In the second allocation, the City of Sacramento received \$10,205,871 and the County of Sacramento received \$11,878,700. There is a broader effort with the City, County, and SHRA to prioritize these funds, which can be used to support operations of emergency shelters; provide supportive services for people experiencing homelessness; rapidly re-house people experiencing homelessness; and prevent people from becoming homeless.

Staff will bring a complete recommendation for those funds when more details are known. Initial recommendations from the Team for activities related to these funds include:

- Expansion of FHP to support re-housing out of year-round shelters, focusing first on those that expanded/supported the COVID-19 Response Plan;
- Expansion of shelter contracts currently funded with one-time dollars, focusing first on those that expanded/supported the COVID-19 Response Plan; and
- Additional rent subsidies beyond the budgeted 12 months for clients re-housed out of the COVID-19 isolation/quarantine units to sustain housing.

Challenges and Opportunity - Transitioning over 500 households to permanent housing over the next several months is unprecedented. Across Sacramento's shelters, an average 38 percent of persons exiting shelter move to permanent housing destinations. Re-housing outcomes are dependent on a number of factors, including availability of affordable rental housing and landlord incentive; provider services and client engagement; and, most important to housing retention, client level of care. Specific challenges include:

- Delivering re-housing services during and after the pandemic will continue to be a challenge. Provider staffing may be limited and both initial and ongoing client assistance requires creative

solutions and use of technology, such as live streaming or video calls for intakes, case management and housing inspection.

- Client needs and barriers are not entirely known; however, it is anticipated that many clients will need a greater level of assistance than what is available through a traditional rapid re-housing program. Based on those clients who have received a VI-SPDAT assessment (38 percent of participants), approximately 62 percent of the clients qualify for Permanent Supportive Housing (PSH). While many can be successful with rapid re-housing assistance, a portion may need ongoing services and financial assistance to stabilize in housing.

When the subsidy ends, Rapid Re-housing programs rely on the ability of clients to pay rent through employment or public benefits. Employment for many will be challenging given the anticipated impact on employment and jobs due to the pandemic. Additionally, based on assessment information to date, a large portion of the isolation/quarantine population is older – 25 percent of clients were over 62 years of age and 57 percent were over 55 years of age. To ensure long-term stabilization, housing choice vouchers should be maximized and accelerated in order to secure PSH for those who are in the greatest need of it.

- One or more the current locations providing isolation/quarantine sheltering may not be able to continue through September. Providing re-housing supports to people dispersed or living unsheltered is much more difficult than providing these services in coordination with a sheltering program. The isolation/quarantine units have provided us an opportunity to potentially re-house households which would not have accessed services outside of the current pandemic.

Sacramento anticipates assistance in this effort from the United States Department of Housing and Urban Development (HUD) and Community Solutions. HUD is providing technical assistance focused on re-housing to eight communities in California, including Sacramento. The Team will continue working with Community Solutions, a national intermediary, which is assisting select communities in implementing re-housing strategies and is also exploring the development of an acquisition fund using philanthropic funding.

Inventory of Existing Re-Housing Programs

Existing Re-Housing Program	Administrator	Funding Source	Target Population
Flexible Housing Pool	County DHA	HEAP, MHSA, other	Flexible
Behavioral Health Services	County DHS	MHSA	Persons qualifying for County BHS
Emergency Solutions Grant (ESG) Rapid Re-Housing Program	SHRA	City ESG	Flexible
Supportive Services for Veteran Families (RRH)	VA	Federal grants to nonprofits	Veteran Households
HDAP	County DHA	State competitive funding	Persons with disability applying for SSDI
Pathways to Health + Home	City	Private & Federal (CMS) match	Frequent users of health services & law enforcement referrals
Continuum of Care Rapid Re-Housing*	SSF	Federal	Prioritized through Coordinated Entry (lower barrier HH)
Continuum of Care PSH	SSF	Federal	Prioritized through Coordinated Entry (higher barrier HH)
CalWORKs Housing Support Program ¹⁰	County DHA	State/Federal	Families with children
HUD VASH (PSH)	VA	Federal	Veteran Households

¹⁰ Target populations for these programs are generally youth and families and not likely matching to the isolation/quarantine population.