

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
December 12, 2018
4:15 PM

To: Board of Supervisors

From: Office of the County Executive
Department of Health Services

Subject: Adoption Of County Of Sacramento Homeless Plan And
Authorization To Accept The County Noncompetitive
Allocation Award Under The No Place Like Home Program

Supervisory
District(s): All

Contact: Cynthia Cavanaugh, Director of Homeless Initiatives,
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Uma Zykofsky, Deputy Director, Behavioral Health Services,
(916) 875-9904

RECOMMENDED ACTION

- Adopt the attached Resolution authorizing the Director of the Department of Health Services (DHS), or designee, to apply for and accept the No Place Like Home Noncompetitive Allocation funding award from the California Department of Housing and Community Development (HCD) in the amount of \$5,087,737; and to do everything necessary to meet the HCD participation requirements; and
- Adopt the attached Resolution adopting the Sacramento County Homeless Plan to be submitted to HCD to facilitate participation in the No Place Like Home Program.

BACKGROUND

State No Place Like Home (NPLH) Program

The NPLH program was enacted in 2016 through Assembly Bills 1618 and 1628 and subsequently approved by California voters on November 6, 2018, in Proposition 2. NPLH provides \$2 billion in bond funding statewide for the development of permanent supportive housing (PSH) for people who are experiencing homelessness, chronic homelessness, or who are at risk of becoming chronically homeless, and who are living with a serious mental illness and are in need of mental health services. State bonds will be repaid through the diversion of Mental Health Services Act (MHSA) funding from

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counties, capped at up to \$140 million per year statewide. According to HCD, funding availability may still be impacted by the outcome of a bond validation and related legal actions.

The State Department of Housing and Community Development (HCD) is administering NPLH funding through two allocations: noncompetitive and competitive.

- Noncompetitive allocation. HCD issued the NPLH Notice of Funding Availability (NOFA) for approximately \$190 million in noncompetitive funding on August 15, 2018 (amended on October 30, 2018). Based on the most recent Point-in-Time (PIT) Counts of sheltered and unsheltered homeless persons on a single night, Sacramento County is eligible to receive approximately \$5,087,737 million in noncompetitive NPLH funding (funding allocation subject to change by HCD). To receive the allocation, counties must submit a "Noncompetitive Allocation Assistance Form" by August 15, 2019. Applications for specific development projects utilizing noncompetitive funding are submitted separately and are due no later than February 15, 2021.

The attached Resolution authorizes the application to the State to reserve the noncompetitive allocation for Sacramento County.

- Competitive allocation. Sacramento County is also eligible for competitive funding for development projects in the category of Large Counties. HCD released the first competitive NOFA on October 15, 2018, (amended version October 30, 2018) for \$400 million. Large Counties will compete for \$93.5 million statewide. Development applications for the first funding round are due on January 30, 2019.

Counties are eligible NPLH applicants and may apply as the owner/operator (Development Sponsor) or jointly with another entity as the Development Sponsor for the NPLH development. Sacramento County will co-apply with another entity as the Development Sponsor. In all NPLH developments, the County is responsible for the provision of mental health supportive services and for the coordination of other services needed by NPLH tenants for a minimum of 20 years.

Sacramento County NPLH Process

On August 21, 2018, the County Director of Homeless Initiatives and Department of Health Services, Behavioral Health Services, provided the Board of Supervisors an overview of the local process developed in coordination with Sacramento Housing and Redevelopment Agency (SHRA) to select NPLH developments. The selection process is intended to:

- Identify new supportive housing developments for competitive and noncompetitive NPLH funding;
- Create a streamlined competitive application process that promotes confidence in the development community to create new permanent supportive housing over multiple State funding cycles; and
- Coordinate, to the extent possible, local processes for NPLH co-application and services with processes for local capital funding and project-based vouchers.

In anticipation of the HCD NPLH NOFA, Sacramento County and SHRA jointly issued on August 31, 2018 a "Request to Partner on No Place Like Home Developments" (RTP). Development applications are currently under review; selected developments will be presented to the Board in January for approval of the joint County-Developer NPLH application(s) to HCD. Selection criteria contained in the RTP largely mirrored HCD criteria, although the HCD NOFA was issued after the local RTP. In addition to threshold criteria (including development team experience, site control, integration, financial feasibility), the local criteria includes capital and operational leverage, readiness and supportive services.

It is anticipated that the selection process will award both noncompetitive funding and authorize the co-application from Sacramento County and the Development Sponsor to HCD for competitive funds.

County of Sacramento Homeless Plan (Plan)

State NPLH requires that, at the time of NPLH project application to HCD, the County must have a homeless plan adopted by the Board of Supervisors within the past five years. The draft County of Sacramento Homeless Plan is attached. While addressing State plan parameters and the NPLH threshold requirement, Sacramento's Plan is also written with the larger goal of serving as a building block for all partners within Sacramento County to create and implement shared strategies that make a measureable impact on homelessness.

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County and consultant staff (Focus Strategies) led a collaborative process to gather input from a range of stakeholders and community members on successes, challenges and solutions. From July through September, over 100 individuals, representing a wide variety of interests, participated in stakeholder meetings, interviews and focus groups. Based on this input, the County team identified core needs and gaps, current efforts, and goals and strategies to impact homelessness. Proposed strategies and actions were shared in a large community meeting on November 6, 2018, with over 100 individuals participating.

In developing this Plan, stakeholders, community partners, and system leaders identified where there is momentum and work in progress, where challenges remain, and what strategies are needed to scale up and strengthen the community's response to homelessness. The Plan identifies 29 strategies under six broad goals:

- Prevent people from becoming homeless;
- Improve response to the street crisis and improve quality of life;
- Expand and improve shelter and interim housing;
- Expand targeted permanent housing;
- Leverage and coordinate mainstream and other resources; and
- Strengthen system leadership and accountability.

Plan strategies are both aspirational and grounded in practical considerations. Under each strategy, the Plan identifies implementing activities, identifying leads and estimated timeframes. County departments and affiliated entities participated in their development and lead most activities. However, some activities identify SHRA' Sacramento Steps Forward (SSF) or the City of Sacramento as lead as reflected in the Homeless Emergency Aid Program (HEAP) collaborative investment plan recently approved by the Board of Supervisors, Sacramento City Council and the Continuum of Care (CoC) Advisory Board in October 2018.

Over the next three years, Sacramento County and its partners will not only invest in new services and programs to create new pathways out of homelessness, but will implement strategies to strengthen and coordinate our homeless response system, improve coordination among all partners, and increase the collective impact of our activities. The Plan is intended to help build a cohesive and coordinated system with a shared, data-driven understanding of our system goals and to empower leaders who work

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together to assess progress, remove barriers, and accelerate efforts to achieve Plan goals. In short, Sacramento's Plan provides the road map over the next three years toward our community's goal of effectively making homelessness rare, brief and one-time.

FINANCIAL ANALYSIS

There is no immediate fiscal impact related to the recommended actions. Staff will return to the Board in January 2019 to recommend NPLH developments for co-application with additional financial and other detail. Through Plan implementation, as new programs and/or services are identified, staff will return to the Board to request appropriate authorizations and financial impact analysis will be provided at that time.

Respectfully submitted,

APPROVED:
NAVDEEP S. GILL
County Executive

CYNTHIA CAVANAUGH, Director
Homeless Initiatives

By: _____
BRUCE WAGSTAFF,
Deputy County Executive

CONCUR:

PETER BEILENSON, Director
Health Services

RES - Resolution for Noncompetitive Allocation Acceptance
RES - Adoption of Sacramento County Homeless Plan
ATT 1 - Draft Sacramento County Homeless Plan