

For the Agenda of:
October 16, 2018
10:15 A.M.

APPROVED
BOARD OF SUPERVISORS
by Res. No. 2018-0725
OCT 16 2018
BY Fluence Evans
Clerk of the Board

**COUNTY OF SACRAMENTO
CALIFORNIA**

To: Board of Supervisors

From: Office of the County Executive
Department of Human Assistance

Subject: New State Homeless Funding Opportunity And County
Shelter Crisis Declaration

Supervisorial
District(s): All

Contact: Cynthia Cavanaugh, Director of Homeless Initiatives,
(916) 874-4667
Ann Edwards, Director, Department of Human Assistance
(916) 874-2667

RECOMMENDED ACTION

Approve the following actions for new one-time State funding aimed at helping local communities address their immediate homelessness challenges:

- Approve the attached resolution declaring a shelter crisis pursuant to SB 850 (Chapter 48, Statutes of 2018) and Government Code Section 8698.2;
- Provide conceptual approval of the collaborative investment plan detailed in this report. If conceptual approval is given, staff will take the following implementation actions:
 - The Department of Human Assistance (DHA) will return to the Board of Supervisors to request authority to contract with Sacramento Steps Forward (SSF) to administer State funding as described in this report, recommend requests for new positions; amend contracts with existing providers to expand and modify existing services;
 - The Public Defender's Office will return to the Board of Supervisors to request authority to contract with SSF to administer State funding for expungement services and to hire staff to carry out these services;

- o DHA and the Public Defender’s Office will work collaboratively to implement a new jail diversion pilot to connect targeted clients to new services as described in this report.

BACKGROUND

In June of 2018, the Governor signed Senate Bill 850, which allocated over \$553 million in one-time State funding for two new programs: the Homeless Emergency Aid Program (HEAP) and the California Emergency Solutions and Housing Program (CESH). Each program operates as a block grant intended to get funding to Continuum of Care (CoC) entities and localities quickly and efficiently for emergency response programs. Sacramento’s estimated funding is as follows:

Program	Local Amount	Administrative Entity
HEAP (CoC)	\$12.7 M	CoC: Sacramento Steps Forward (SSF)
HEAP (City)	\$5.6 M	City of Sacramento (City)
CESH	\$1.6 M	CoC: SSF
Total	\$19.9 M	

While similar in many ways, HEAP and CESH are administered by two different State entities and differ in several ways, including eligible applicant, funding formulas, timelines and some of the eligible uses.

Program	Eligible Uses	Funding Timeline
HEAP Business, Consumer Services, Housing Agency	<u>Services:</u> shelter, prevention outreach/navigation, criminal justice diversion <u>Rental Assistance/Subsidies</u> <u>Capital Improvements:</u> shelter, permanent supportive housing, public sanitation facilities	<u>Applications Open:</u> 9/15/2018 <u>App Due:</u> 12/31/18 <u>Start Up:</u> 3/2019 est. <u>Expenditures:</u> 6/30/2021
CESH Dept. of Housing and Community Development (HCD)	<u>Rental Assistance:</u> financial and supportive services <u>Operating Subsidies:</u> capitalized reserves for permanent housing <u>Flexible re-housing</u> <u>Services:</u> outreach, shelter, navigation centers, diversion <u>Systems Support:</u> coordinated entry, data, planning	<u>Applications Open:</u> 8/15/2018 <u>App Due:</u> 10/15/2018 <u>Start Up:</u> 2/2019 est. <u>Expenditures:</u> Five years

Shelter Crisis Declaration Required in HEAP

To receive HEAP funding, the statute requires that the jurisdiction(s) "that the administrative entity represents" must declare a shelter crisis pursuant to State law (commencing with Government Code 8698) by the time, funding is awarded (preferred with the application). State HEAP written guidance to date requires jurisdictions to declare a shelter crisis if:

- Jurisdiction is receiving or administering HEAP funding;
- HEAP is used to make capital expenditures within the jurisdiction; or
- HEAP is used for rental subsidies for housing within the jurisdiction.

As currently proposed, a significant portion of Sacramento's HEAP program would be administered by Sacramento County and would involve rental subsidies to be used within the County jurisdiction, thereby triggering the need for a County-declared shelter crisis. Staff considered the potential consequence of a shelter crisis declaration on law enforcement activities related to anti-camping, particularly in light of the recent decision by the *Martin v. City of Boise*, No. 15-35845, 2018 WL 4201159 (9th Cir. September 4, 2018). As issued September 4, 2018, the Court found that "as long as there is no option of sleeping indoors, the government cannot criminalize indigent, homeless people for sleeping outdoors on public property on the false premise they had a choice in the matter." *Id.* The Court held, that "the 8th Amendment prohibits the imposition of criminal penalties for sitting, sleeping or lying outside on public property for homeless individuals who cannot obtain shelter." *Id.* Staff understands that the shelter crisis declaration does not alter the impact of this ruling. Additionally, the declaration would bring significant new resources to expand safe shelter while people are homeless and to provide re-housing assistance to help people return to permanent housing more quickly. Approval of the attached resolution would declare a County shelter crisis.

Local Goals and Recommended Investments

Sacramento County, SSF and the City have been collaboratively working on HEAP and CESH investment proposals over the past several weeks, vetting ideas through a wide variety of community stakeholders. Given the broad range of activities that can be funded, the short timeframe for expenditure, and the limited administrative funding available, the collaborative set five funding objectives:

- Address the immediate needs of unsheltered populations;
- Fund activities that can be implemented quickly and can flex down within expenditure timeframes;
- Use the existing administrative infrastructure to deliver services;

- Drive broader system change and improvements; and
- Measure, evaluate and communicate results.

Investments are recommended in three primary areas: 1) Expand emergency services; 2) Create a flexible re-housing program; and 3) Implement homeless system improvements. HEAP funding requires a minimum of five percent (5%) of funding be expended for youth-specific activities that the proposal addresses in both expanded emergency shelters and access to the flexible re-housing program. Funding details, including estimated funding amounts by activity, projected outcomes, and identification of administrative lead are contained in Attachment I.

1. **Expand Emergency Shelters** for highly vulnerable populations:

- Stand up and operate at least one additional triage shelter, for 200+ people in City of Sacramento using City HEAP funding;
- Expand County scattered-site shelters increasing capacity by additional 40 beds over the funding period;
- Increase youth respite capacity at the new WIND Youth Drop-in Center and implement a "host home" program that would connect unsheltered youth to families willing to house them on a short-term basis. Point in time capacity for youth increased by 25;
- Increase family shelter capacity for an additional seven families through existing contracted providers; and
- Stabilize operations, extend hours, and improve case management and re-housing services in shelters serving individuals.

2. **Create a Flexible Housing Program (FHP)** using the existing programmatic framework of the County's Flexible Supportive Re-Housing Program (FSRP). FHP will create new housing opportunities for unsheltered clients working with navigation and outreach programs and for clients in shelter. Referring navigation and shelter programs must conform with community standards related to lowering barriers, access and operating practices. FHP is estimated to serve up to 617 individuals over the implementation period. FHP will fund limited-term case management and limited-term housing assistance (similar to FSRP which offers ongoing services), including:

- Flexible rent subsidies up to 24 months and other rental assistance;
- "Whatever it takes" case management;
- Landlord and housing support services;

- Legal services through an expungement clinic for HEAP participants and others experiencing homelessness, providing 60 to 80 applications for expungements a month; and
- Crisis assistance for housed HEAP participants experiencing a financial crisis that may make them homeless.

Access to these services will be phased in, with access to service in the unincorporated areas of the county and within jurisdictions that have declared a shelter crisis. Points of entry will include navigation, shelter and other programs that serve homeless populations and who meet operational standards and practices. Conforming programs would be able to refer clients into the FHP for time-limited rental assistance and, for some referring programs, case management services.

Referring Program/Service	Housing Assistance?	Case Management?
Shelters	Yes	Tentatively, yes
Adult Protective Services	Yes	Yes
Youth Shelter/Navigation	Yes	Yes
Jail Diversion Pilot	Yes	Yes
Pathways (Whole Person Care)	Yes	Already provided
DHA Outreach Workers	Yes	Yes
Community Navigation Programs	Yes	Already provided

HEAP funding will create new capacity for clients to connect to case management and housing services through two County referral sources: a jail diversion pilot and Adult Protective Services (APS).

- A jail diversion pilot for approximately 40 to 50 low-level misdemeanants experiencing homelessness annually, offering case management and housing services in lieu of jail. This program will be jointly overseen by the Public Defender’s Office and DHA in coordination with the District Attorney’s Office, Court, and City of Sacramento Attorney as appropriate.
- Adult Protective Services (APS) referrals will facilitate serving approximately 40 to 50 individuals annually. Currently, APS has limited ability to connect homeless clients with open cases of

abuse and neglect to services that they need to stay safe and resolve their homelessness.

3. System Development. CESH funds would be invested primarily in homeless systems development and improvements implemented through a combination of consultant and staff resources led by SSF. The following areas of work have been initially identified and will be further developed through the HEAP partners, the CoC Advisory Board and community stakeholders.

<p>Improve Coordinated Entry System (CES)</p>	<ul style="list-style-type: none"> • Evaluate and modify current system functioning, including access (incorporate progressive engagement), assessment, prioritization (incorporate dynamic prioritization) and matching/referral • Integrate CES system to other parts of homeless system to ensure client flow • Expand CES to emergency shelter, e.g., bed reservation system • Integrate diverse entry systems: general population, veterans, youth, families, behavioral health • Fully develop transparent written policies and procedures • Increase housing and program resources connected to CES • Standardize CES reporting, accountability, and evaluation and align with the Homeless Management Information System (HMIS).
<p>Develop Community Standards for Service Delivery</p>	<ul style="list-style-type: none"> • Develop operating and reporting standards for <ul style="list-style-type: none"> ○ Outreach/navigation programs ○ Shelters ○ Re-housing programs • Facilitate learning communities and ongoing training
<p>Staff Funder’s Collaborative</p>	<ul style="list-style-type: none"> • Coordinate HEAP/CESH implementation and oversight • Coordinate and improve outcomes of homeless investments • Improve outcome evaluation, using common metrics
<p>Continue Strategic Planning</p>	<ul style="list-style-type: none"> • Facilitate “deeper dives” into select issues identified in the County Homeless Plan currently

	under development and required for No Place Like Home funding <ul style="list-style-type: none"> • Develop process for ongoing strategic planning
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Collaborative Implementation and Role of County

On September 12, 2018, the CoC Advisory Board approved the HEAP and CESH investment strategies as described above. This proposal, along with the required shelter crisis declaration, is being presented to the County Board of Supervisors and the Sacramento City Council in October for their consideration. The proposal has also been shared with other cities in Sacramento County, who are considering governing body approval of the shelter crisis declaration in order to obtain access to the programs and services generated through HEAP/CESH funding.

The CoC Advisory Board also approved SSF as the CESH and HEAP (CoC portion) administrative entity responsible for submitting the application and contracting with the State to receive the funding. The County, through DHA, is anticipated to play a significant administrative role in administering both funding sources, expanding shelter sites under the Full Service Re-Housing Shelter program, expanding capacity in existing family shelters and modifying services for the targeted populations under FSRP. The City of Sacramento will administer funding for its HEAP allocation and a portion of the CoC HEAP.

Both funding sources allow up to five percent (5%) of the total funding for administrative costs. These administrative costs can be used for staffing to assist with capacity of operating the new or expanded programs. The County, SSF, and the City of Sacramento will share the administrative funds proportionate to program funding administered by each entity, as detailed in the chart below. DHA and the Public Defender’s Office will return at a later date to request authority from the Board in regards to the contracting with SSF, amending existing contracts for expanded services (DHA) and provide detailed information in regards to the staffing being requested with the use of the administrative funds.

The following summarizes administrative roles and associated funding:

Entity	Funding	Administration
County of Sacramento	HEAP- CoC	<ul style="list-style-type: none"> • FHP, including expungement services and new jail diversion pilot • Family shelter beds and scattered site shelter expansion • Lead development of case management and rehousing standards

City of Sacramento	HEAP-CoC HEAP City	<ul style="list-style-type: none"> • New triage shelter • Youth respite beds and host home program • Lead individual shelter system redesign
Entity	Funding	Administration
SSF	CESH	<ul style="list-style-type: none"> • CESH system development • Lead Navigation standards

The County, SSF and the City envision an ongoing collaborative role with each other and the CoC as programs are more fully developed and implemented. It is anticipated that funding levels of program components could be increased or decreased based on implementation experience. Collaborating with community stakeholders and providers, the County, City and SSF will create Learning communities, comprised of implementing providers and funders who share their experience and lessons learned, will deepen partnerships and improve implementation. In addition, SSF will lead a Funder’s Collaborative that will include County, City and other public and private funders of homeless services to work collaboratively to improve the impact of HEAP, CESH and other homeless investments.

The anticipated County role for these funds is summarized below.

Investment Area	County Role	County Administrator
Shelter Crisis Declaration	Board declaration proposed for consideration on October 16 th	N/A
Expand Emergency Shelters	<ul style="list-style-type: none"> • Expand capacity within family shelters using existing contracts (serving 7 additional households at a point in time) • Expand County scattered site shelters by 8 houses using existing contractor (serving 40 additional individuals at a point in time) 	DHA
Flexible Re-Housing Program	<ul style="list-style-type: none"> • Using existing and new contractors (through rolling Request for Qualifications), expand capacity and modify FSRP to serve approximately 600 households over the implementation period with short-term services 	DHA Public Defender/DHA Public Defender

	<ul style="list-style-type: none"> • Create jail diversion program and referral mechanisms using existing County staff • Create expungement services, using existing staff to oversee two legal research assistants 	
Investment Area	County Role	County Administrator
System Development	<ul style="list-style-type: none"> • Participate in system improvement efforts, including Funder's Collaborative, coordinated entry, strategic planning • Lead development of community standards for re-housing programs and case management 	Co. Homeless Director, DHA, Public Defender, APS, Behavioral Health

Under the proposed collaboration, Sacramento County would receive \$11,510,699 in program and administrative funding as follows:

Program Component	County Dept.	Program Funding	Administrative Funding
Expand family shelters	DHA	\$644,280	
Expand scattered site shelter	DHA	\$1,584,000	
Create and administer Flexible Housing Pool	DHA	\$8,465,948	
Implement Expungement Service	Public Defender	\$180,000	
Totals		\$10,874,228	\$636,471

FINANCIAL ANALYSIS

There is no immediate Fiscal Impact related to this recommendation. The Department of Human Assistance and Public Defender's Office will return on December 04, 2018 for further recommendations to the Board of Supervisors, including an Appropriation Adjustment Request, contract amendments, and requests for additional staff utilizing Administrative and Program Funding. Further detail will be provided with the December 04, 2018 recommendations.

Respectfully submitted,

APPROVED:
NAVDEEP S. GILL
County Executive

CYNTHIA CAVANAUGH, Director
Homeless Initiatives

ANN EDWARDS, Director
Department of Human Assistance

By: _____
BRUCE WAGSTAFF
Deputy County Executive

Attachment(s):

RES - Resolution for Shelter Crisis Declaration

ATT 1 - Funding Estimates and Numbers Served by Program Component

RESOLUTION NO. 2018-0725

DECLARATION OF A SHELTER CRISIS

RESOLUTION OF THE COUNTY BOARD OF SUPERVISORS OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA declaring a shelter crisis pursuant to SB 850 (Chapter 48, Statutes of 2018) and Government Code § 8698.2.

The Sacramento County Board of Supervisors Finds:

WHEREAS, California's Governor Edmund G. Brown, Jr. and the members of the California Legislature have recognized the urgent and immediate need for funding at the local level to combat homelessness;

WHEREAS, The Governor and Legislature have provided funding to local governments and Continuum of Care under the Homeless Emergency Aid Program as part of SB 850 and the 2018-19 Budget Act (Chapter 48, Statutes of 2018);

WHEREAS, The Governor and Legislature require jurisdictions seeking an allocation through the Homeless Emergency Aid Program to declare a Shelter Crisis pursuant to Government Code §8698.2;

WHEREAS, the County of Sacramento has undertaken multiple efforts at the local level to combat homelessness and is currently developing a homeless plan;

WHEREAS, the County of Sacramento finds that 3,665 persons within Sacramento County were experiencing homelessness and 2,052 were living without shelter;

WHEREAS, the County of Sacramento finds that the number of people experiencing homelessness is significant, and these persons are without the ability to obtain shelter; and

WHEREAS, the County of Sacramento affirms the County's commitment to combatting homelessness and creating or augmenting a continuum of shelter and service options for those living without shelter in our communities;

NOW, THEREFORE, BE IT RESOLVED BY THE SACRAMENTO COUNTY BOARD OF SUPERVISORS, in SACRAMENTO CALIFORNIA, that a shelter crisis pursuant to Government Code §8698.2 exists in Sacramento County and authorizes the County's participation in the Homeless Emergency Aid Program. This declaration shall expire one year after its adoption unless reauthorized by the Board of Supervisors.

DECLARATION OF A SHELTER CRISIS

Page 2

On a motion by Supervisor Serna, seconded by Supervisor Peters, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento this 16th day of October, 2018, by the following vote, to wit:

AYES: Supervisors Frost, Kennedy, Nottoli, Serna, Peters

NOES: None

ABSENT: None

ABSTAIN: None

RECUSAL: None

(PROPOSITIONAL REFORM ACT (§ 18702.5.))



Suzann Peters

Chair, Board of Supervisors,
Sacramento County, California

ATTEST: *Florence Evans*
Clerk, Board of Supervisors

In accordance with Section 25103 of the Government Code of the State of California a copy of the document has been delivered to the Chair of the Board of Supervisors, County of Sacramento on 10-16-18

By: *J. Short*
Deputy Clerk, Board of Supervisors

FILED
BOARD OF SUPERVISORS

OCT 16 2018
BY *Florence Evans*
CLERK OF THE BOARD

Program Component	%	Total Funding	CoC HEAP	City HEAP	CESH	Estimated Served ¹	Admin Lead
1. FLEXIBLE HOUSING POOL ²	43%	\$8,645,948	\$8,645,948			617	DHA
2. SHELTER	47%	\$9,308,328					
<i>Expand family shelter</i>	<i>7%</i> ³	<i>\$644,280</i>	<i>\$644,280</i>			<i>28</i> <i>(7 families)</i>	<i>DHA</i>
<i>Extend/expand individual shelters</i>	<i>15%</i>	<i>\$1,436,400</i>	<i>\$1,436,400</i>			<i>40</i>	<i>City of Sacramento</i>
<i>New Scattered Site Shelter</i>	<i>17%</i>	<i>\$1,584,000</i>	<i>\$1,045,547</i>		<i>\$538,453</i>	<i>40</i>	<i>DHA</i>
<i>New Triage shelter (capital and operating)</i>	<i>54%</i>	<i>\$4,996,352</i>		<i>\$4,996,352</i>		<i>200</i>	<i>City of Sacramento</i>
<i>Youth Safe Place/Host Homes</i>	<i>7%</i>	<i>\$647,296</i>	<i>\$323,648</i>	<i>\$323,648</i>		<i>25</i>	<i>City of Sacramento</i>
3. HOMELESS SYSTEM DEVELOPMENT	5%	\$1,000,000			\$1,000,000		SSF
Administration	5%	\$997,442	\$636,471	\$280,000	\$80,971		
Total	100%	\$19,951,718	\$5,600,000	\$1,619,424	\$12,732,294		

¹ Estimates are 1) total households over implementation period for Flexible Housing Pool and 2) point-in-time additional bed capacity for shelters.

² Includes \$180,000 for Expungement services to be administered by Public Defenders Office

³ Italicized number is % or funding within Shelter component total.



New State Homelessness Funding and County Shelter Crisis Declaration

Office of the County Executive
Department of Human Assistance

Cindy Cavanaugh, Director of Homeless Initiatives
Ann Edwards, Director, Department of Human Assistance

New State Homelessness Funding

Enacted in June 2018, SB 850 provides new one-time State funding to help localities respond to homelessness.

- Homeless Emergency Aid Program (HEAP)
- California Emergency Solutions and Housing Program (CESH)

Program	Local Amount	Administrative Entity
HEAP CoC	\$12.7M	Sacramento Steps Forward
HEAP City	\$5.6M	City of Sacramento
CESH	\$1.6M	Sacramento Steps Forward
Total	\$19.9M	

New State Homelessness Funding

Eligible uses differ by program, but generally include:

Homeless Services, such as shelter, prevention, outreach, criminal justice diversion

Flexible Re-Housing Services, including rental assistance

Capital improvements, including shelter, housing sanitation, housing and operating subsidies

Systems Improvements, including coordinated entry and data systems work

Local Shelter Crisis Declaration

- **HEAP legislation requires local shelter crisis declaration if**
 - Jurisdiction receives or administers HEAP funding
 - HEAP is used for capital expenditures in jurisdiction
 - HEAP is used for rental subsidies within jurisdiction
- **Local shelter crisis declaration authorized under existing State law (Government Code 8698)**
- **Local declaration does not alter impact of recent 9th Circuit Court decision in *Martin v. City of Boise*.**

Collaborative Investment Proposal

- **Developed collaboratively with County, City and CoC (SSF)**
 - Approved by CoC Advisory Board on September 12th
 - Stakeholder input through multiple community meetings
 - Opportunity for participation throughout County and in Cities Jurisdiction receives or administers HEAP funding

- **Local goals include:**
 - Address immediate needs and drive broader system improvements
 - Use existing administrative infrastructure
 - Fund activities that can flex up and down

Collaborative Investment Proposal

Expand Shelters

- Expand existing Family Shelters
- Add Scattered Site Shelters
- New City Triage Shelter
- Youth Respite Shelter and “Host Homes” program
- Stabilize and improve capacity in individuals shelters

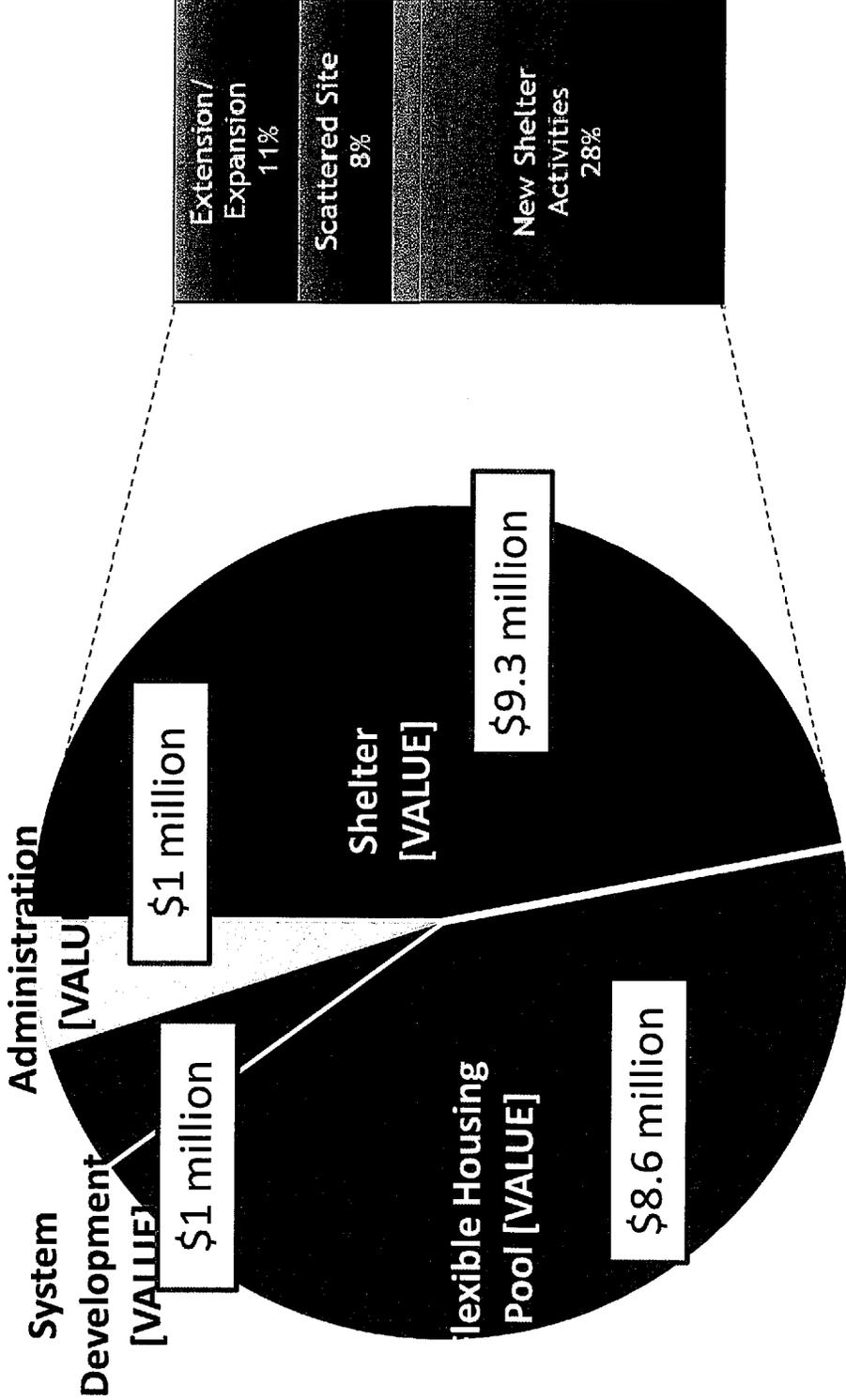
Flexible Housing Pool

- Flexible rent subsidies, < 24 months
- Flexible case management services
- Landlord supports
- Legal expungement services

Improve Homeless System

- Coordinated Entry
- Community Standards for service delivery
- Funder’s Collaborative
- Continue Strategic Planning

Collaborative Investment Proposal



HEAP and CESH Total: \$19.9 million

Connecting More People to Re-Housing Services

Increased capacity for new and existing shelter, navigation and County services meeting community standards of service to connect people to re-housing assistance

Referring Program	Housing Assistance	Case Management Services
Shelters	X	May vary
Youth Shelter/Navigation	X	X
Jail Diversion Pilot	X	X
Pathways (Whole Person Care)	X	Already provided
DHA Outreach Workers	X	X
Community Navigation Programs	X	Already provided
Adult Protective Services	X	X

Collaborative Implementation

Activity	County	City	SSF
Expand Family Shelter	X		
Add Scattered Site Shelters	X		
New City Triage Shelter		X	
Youth Respite Shelter and "Host Homes"		X	
Stabilize/improve capacity at individual shelters		X	
Flexible Housing Pool	X		
Expungement Services	X		
Overall System Improvements			X

County Implementation Role

- County administers key components, using HEAP-CoC administrative funding of \$636,471
- County components build from existing County programs

Program Component	Funding	County Dept.
Expand Family Shelter	\$644,280	DHA
Add Scattered Site Shelter	\$1,584,000	DHA
Flexible Housing Pool	\$8,465,948	DA
Expungement Services	\$180,000	Public Defender
Jail Diversion Pilot		Public Defender
Total Program Funding	\$10,874,228	

Recommendations

- Adopt Shelter Crisis Declaration
- Endorse collaborative investment plan
- DHA and Public Defender return with funding and staffing authorizations