

City Council Report

915 I Street, 1st Floor

Sacramento, CA 95814

www.cityofsacramento.org

File ID: 2019-01256

September 10, 2019

Consent Item 04

Title: Authorization to Apply for One-time Housing Funds for Whole Person Care Pilots

Location: Citywide

Recommendation: Adopt a Resolution authorizing the City Manager or the City Manager's designee to: 1) submit a letter of interest to the State of California, Department of Health Care Services (DHCS) to apply for up to \$3,059,351 in one-time housing funds for Whole Person Care Pilots (Exhibit A to the Resolution); 2) enter into an agreement with DHCS for up to \$3,059,351 to receive funding and implement housing services as part of the City's Whole Person Care Pilot Program; and 3) adjust the revenue and expenditure budgets in the Whole Person Care Program Multi-year Operating Project (I02000900) up to \$3,059,351 in Operating Grants (Fund 2702).

Contact: Anira Khlok, Program Analyst, (916) 808-7948, Office of the City Manager, Homeless Services Division; Emily Halcon, Homeless Services Manager, (916) 808-7896, Office of the City Manager, Homeless Services Division

Presenter: None

Attachments:

1-Description/Analysis

2-Resolution

3-Exhibit A to Resolution: Template Letter of Interest

Description/Analysis

Issue Detail: In June 2017, the City of Sacramento was accepted into the State Department of Health Care Services' (DHCS) Whole Person Care (WPC) program. WPC is a statewide Medi-Cal waiver program that allows communities to create a system of supportive services aimed to improve health outcomes and reduce utilization of high-cost services for vulnerable populations. In Sacramento, the WPC program is called the Pathways to Health + Home (Pathways) program and will support broader City strategies to reduce and prevent homelessness, by creating a robust system of outreach, case management and supportive services for those frequent users of health care, homeless services, and emergency services. Pathways is currently in Program Year 4 which began on January 1, 2019 and ends on December 31, 2019. Program Year 5 will run from January 1, 2020 through December 31, 2020. The Pathways program is slated to conclude at the end of 2020.

As of July 31, 2019, Pathways had 769 individuals enrolled and had served a total of 1,429 individuals through the life of the program. A total of 102,578 services, including outreach, navigation, care coordination, and housing support, have been provided to the community. Additionally, Pathways has housed a total of 376 individuals. Pathways is currently collaborating with over 20 health care, housing support, and social service providers to ensure continuity of care for program enrollees and is continuing to explore other partnerships.

While Pathways has been successful at referring vulnerable clients to traditional homeless housing programs, Housing Choice Vouchers, and other housing programs (and providing supportive services to assist with such transition), WPC Pilots have been prohibited from using WPC funding to pay for direct housing subsidies. Recognizing that many of the WPC Pilots are targeting individuals who are mentally ill and are experiencing homelessness, or who are at risk of homelessness, and have a demonstrated medical need for housing, the State of California recently authorized one-time funding to WPC Pilots for housing initiatives.

As part of the Fiscal Year 2019/20 Governor's Budget, \$100 million was allocated to Whole Person Care Pilot communities for the costs of long-term and short-term housing, such as hotel vouchers and rental subsidies, as well as capital investment for housing projects for Medi-Cal beneficiaries who are mentally ill and are experiencing homelessness, or are at risk of homelessness. WPC Pilot lead entities must apply to DHCS for receipt of such one-time housing funding. If approved by DHCS, Sacramento's share of this one-time housing funding would be \$3,059,351. The housing funds must be used by December 31, 2025, but the City intends to coordinate the expenditure with other Pathways' services, and spend the majority over the course of the final Pathways' program year (calendar year 2020).

To apply, WPC Pilot lead entities must submit a letter of interest to DHCS detailing their anticipated use of the funds and a resolution from their governing body indicating how the housing funds would be used. While WPC Pilots are provided flexibility in determining the scope of their housing projects as well as the number of clients served, all applications for housing funds must:

- Serve clients who are mentally ill and are experiencing homelessness or at risk of homelessness.
- Demonstrate how the funding will complement existing housing programs and not supplant existing funding.
- Comply with “Housing First” principles.

One-time housing funds are not allowed to be used for housing case management services, such as housing navigation services and tenancy sustaining services, or additional housing transition services, which currently can be funded under WPC.

While Pathways has developed rich relationships with traditional housing partners, including Sacramento Housing and Redevelopment Agency (SHRA) and Sacramento Steps Forward, the level of need for Pathways clients necessitates more flexible and varied housing options. Many of the clients could benefit from supportive shared housing, room and board housing, board and care, or other non-traditional housing opportunities. If DHCS approves the City’s application for one-time housing funds, City staff intends to release a Request for Proposals for housing partners who can create flexible housing subsidy initiatives that help clients access non-traditional housing options. City staff intends to seek proposers that:

- Are client centered and offer multiple housing options to meet the needs of Pathways clients.
- Employ critical time intervention strategies to assess needs and assign housing interventions, recognizing the limited term of the funding.
- Are ready to deploy, with a focus on committing funds in 2020, to take advantage of care coordination through Pathways.
- Serve the most number of Pathways enrollees, with a focus on rapidly re-housing those currently living unsheltered or in emergency or temporary shelters.

With City Council approval of Pathways’ approach to use of one-time housing funds (as specified in this staff report and the accompanying resolution), City staff will begin the RFP process with a timeline that will have housing partners on board by early 2020, anticipating access to housing funding by February of 2020.

Policy Considerations: The Pathways program aligns with the federal directive and City commitment that funding for addressing homelessness follow a “housing first” approach, which offers permanent housing as quickly as possible for individuals and families experiencing homelessness. In housing first programs, supportive services are offered (but not required as a condition of tenancy) to help people keep their housing and avoid returning to homelessness. This evidence-based approach is consistent with the strategies and funding priorities of the other public agencies working to end homelessness in Sacramento. Partnering with other agencies to leverage resources and improve livability is consistent with the City Council’s past actions and current direction.

Economic Impacts: None.

Environmental Considerations: The actions recommended in this report are not considered a “project” under the California Environmental Quality Act (CEQA) because the recommended actions constitute administrative activities, general policy and procedure making, and government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. [CEQA Guidelines sections 15378(b)(2) and 15378(b)(4).] No specific housing project or definitive transaction documents regarding construction shall be deemed to be approved, until after (i) the proposed project is reviewed in accordance with the requirements of CEQA, and (ii) any additional conditions or changes to the project based on the CEQA review have been resolved in a manner acceptable to the City.

Sustainability: Not applicable.

Commission/Committee Action: On August 8, 2019, the Pathways Executive Committee reviewed the proposed approach for application to DHCS requesting one-time housing funds for WPC Pilots.

Rationale for Recommendation: Since the start of the Pathways program, the Pathways partners have provided supportive services to assist re-housing of over 376 people experiencing homelessness, in partnership with the Sacramento Continuum of Care, SHRA and other housing partners. While Pathways can provide robust care coordination, case management and housing navigation services, Pathways is currently unable to directly pay for housing subsidies. The new one-time funding for direct housing activities will allow for an expansion of housing opportunities for Pathways participants and ensure that, as the program ramps down, as many clients as possible are in safe and secure housing as well as connected with health, behavioral health, and supportive services.

Financial Considerations: On June 13, 2017, City Council authorized budgetary actions to establish a multi-year operating project (MYOP) for the Whole Person Care program (102000900). The grant funds in the amount of \$3,059,351 will be accepted and budgeted in 102000900.

Local Business Enterprise (LBE): All Pathways partners are Sacramento based non-profit organizations with extensive experience serving the local population.

RESOLUTION NO. 2019 -

Adopted by the City of Sacramento

On date of

AUTHORIZATION TO APPLY FOR ONE-TIME HOUSING FUNDING FROM THE CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES FOR THE WHOLE PERSON CARE PILOT PROGRAM

BACKGROUND

- A. A. On June 13, 2017, City Council authorized execution of an agreement between the City and the State of California's Department of Health Care Services (DHCS) for the City to design and implement a Whole Person Care (WPC) program, locally called Pathways to Health + Home or "Pathways." The City's Pathways program runs through December 31, 2020 and is in partnership with all four local hospital systems, five federally qualified health centers, all five MediCal managed care plans, and multiple local community-based organizations.
- B. DHCS administers all WPC programs, which provide federal matching dollars (from the Center for Medicaid and Medicare Services) for the development of local programs that coordinate health, behavioral health, and social services for vulnerable Medi-Cal populations.
- C. While Pathways provides significant supportive services, care coordination, and housing related services, the City is currently prohibited from using WPC funding to pay for direct housing subsidies.
- D. Many WPC pilots throughout the State of California ("State") target individuals who are mentally ill and are experiencing homelessness or are at risk of homelessness, and have a demonstrated medical need for housing. Recognizing this, the State recently authorized a one-time allocation of \$100 million to support WPC pilots for the costs of long-term and short-term housing, such as hotel vouchers and rental subsidies, as well as capital investment for housing projects for MediCal beneficiaries who are mentally ill and are experiencing homelessness, or are at risk of homelessness.
- E. WPC pilot lead entities must apply to DHCS for receipt of such one-time housing funding. WPC pilots are provided flexibility in determining the scope of their projects as well as the number of clients served, all applications for housing must:
- Serve clients who are mentally ill and are experiencing homelessness or at risk of homelessness.
 - Demonstrate how the funding will complement existing housing programs, and not supplant existing funding.

- Comply with “Housing First” principles.
- F. If the City’s application is approved, Sacramento’s allocation for the State housing funds is up to \$3,059,351.
- G. Pathways is currently providing its clients with housing case management services, such as housing navigation services and tenancy sustaining services.
- H. If allocated one-time housing funds, the City intends to develop more flexible and varied housing options for Pathways clients who are mentally ill and are experiencing homelessness, or are at risk of homelessness. Many of the clients could benefit from supportive shared housing, room and board housing, board and care, or other non-traditional housing opportunities. If DHCS approves the City’s application, City staff intends to release a Request for Proposals for housing partners who can create flexible housing subsidy initiatives that help clients access non-traditional housing options. The City will seek housing partners that:
- Demonstrate an ability to complement existing housing support services offered in Pathways.
 - Fully embrace Housing First principles, and demonstrate proven experience in re-housing vulnerable homeless populations.
 - Serve people experiencing homelessness who are mentally ill, prioritizing those enrolled in Pathways.
 - Are client centered and offer multiple housing options to meet the needs of Pathways clients.
 - Employ critical time intervention strategies to assess needs and assign housing interventions, recognizing the limited term of the funding.
 - Are ready to deploy, with a focus on committing funds in 2020, to take advantage of care coordination through Pathways.
 - Serve the most number of Pathways enrollees, with a focus on rapidly re-housing those currently living unsheltered or in emergency or temporary shelters.
 - Are willing to participate in an evaluation of the program, and support the City with data to support this effort.
- I. Pathways already aligns with the federal directive and City commitment that funding for addressing homelessness follow a “housing first” approach, which offers permanent housing as quickly as possible for individuals and families experiencing homelessness. Any use of one-time housing funds would also comply with this “housing first” approach as defined in California Welfare and Institutions Code Section 8255-8256.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Manager or the City Manager's designee is authorized to submit a letter of interest to the State of California, Department of Health Care Services to apply for up to \$3,059,351 in one-time housing funds for Whole Person Care Pilots (Letter of Interest template is attached as Exhibit A).
- Section 2. The City Manager or the City Manager's designee is authorized to enter into an agreement with the State of California, Department of Health Care Services for up to \$3,059,351 to receive funding and implement housing services as part of the City's Whole Person Care Pilot program.
- Section 3. The City Manager or the City Manager's designee is authorized to adjust the revenue and expenditure budgets in the Whole Person Care Program Multi-year Operating Project (I02000900) up to \$3,059,351 in Operating Grants (Fund 2702).

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Exhibit A: Template Letter of Interest

September 11, 2019

California Department of Health Care Services
Managed Care Quality and Monitoring Division
1501 Capitol Avenue, P.O. Box 997413, MS 4400
Sacramento, CA 95899-7413

Re: City of Sacramento Letter of Interest –One Time Housing Funds for Whole Person Care Pilots

To Whom it May Concern:

Please accept this Letter of Interest (LOI) from the City of Sacramento for \$3,059,351.17 of One-Time Housing Funds for Whole Person Care (WPC) Pilots and Resolution 2019-XXXX from the Sacramento City Council, authorizing this LOI.

The City of Sacramento has been implementing Pathways to Health + Home (the City's WPC program) since June 2017. As of July 31, 2019, the program had served a total of 1,429 individuals experiencing homelessness with over 100,000 services, including outreach, navigation, care coordination and housing support. Additionally, Pathways has housed a total of 376 individuals. Pathways is currently collaborating with over 20 health care, housing support, and social service providers to ensure continuity of care for program enrollees and is continuing to explore other partnerships. While Pathways has been successful at referring vulnerable clients to traditional homeless housing programs, Housing Choice Vouchers, and other housing programs (and providing supportive services to assist with such transition), the City intends to use the one-time housing dollars to enhance these activities. The City will be releasing a Request for Proposals (RFP) for service partners able to administer housing assistance payments that:

- Demonstrate an ability to complement existing housing support services offered in Pathways.
- Fully embrace Housing First principles as defined in California Welfare and Institutions Code Sections 8255-8256, and demonstrate proven experience in re-housing vulnerable homeless populations.
- Serve people experiencing homelessness who are mentally ill, prioritizing those enrolled in Pathways.
- Are client centered and offer multiple housing options to meet the needs of Pathways clients.
- Employ critical time intervention strategies to assess needs and assign housing interventions, recognizing the limited term of the funding.
- Are ready to deploy, with a focus on committing funds in 2020, to take advantage of care coordination through Pathways.
- Serve the most number of Pathways enrollees, with a focus on rapidly re-housing those currently living unsheltered or in emergency or temporary shelters.
- Are willing to participate in an evaluation of the program, and support the City with data to support this effort.

In anticipation of the award of funds from DHCS, the City intends to release this RFP in October, 2019, to have housing partners in place by early 2020, and ready to provide re-housing funds to clients quickly. The City will require a fully developed proposal, noting number and types of housing units, anticipated

average housing subsidy payment per household, anticipated length of assistance, and approach to coordinating with Pathways housing support services and other community service programs.

We appreciate the opportunity to apply for these funds and look forward to a continued partnership with DHCS.

Sincerely,

Emily Halcon
Homeless Services Manager
City of Sacramento