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File ID: 2022-02006

12/6/2022

Consent Item 16.

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**Transfer Portion of Whole Person Care Remaining Fund Balance to Support Homelessness and Community Outreach Programming**

File ID: 2022-02006

**Location:** Citywide

**Recommendation:** Adopt a **Resolution** 1) establishing the Homeless and Community Outreach Project as a new Multi-Year Operating Project (I23004000); and 2) authorizing the City Manager or the City Manager's designee to transfer \$10,084,992 of the remaining fund balance from the Whole Person Care Program (I02000900) to the new Homeless and Community Outreach MYOP (I23004000).

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**Attachments:**

- 1-Description/Analysis
- 2-Resolution

**Additional Description/Analysis**

**Issue Detail:** Despite increased collaboration and funding, homelessness in Sacramento is more visible and widespread, and impacts of unsheltered homelessness are being felt in communities throughout the City. The City is committed to expending significant resources to establish and support programs that provide community outreach, shelter, and permanent housing for people experiencing homelessness in Sacramento.

The new \$10,084,999 in funding for the Homeless and Community Outreach MYOP program (I02004000) will come from the \$13,084,992 remaining fund balance from the City's Whole Person Care (WPC) Program (I02000900).

In June 2017, the City was accepted into the State of California's WPC program. The City's local

WPC pilot was known as the Pathways to Health and Home program (Pathways). The State of California's Department of Health Care Services (DHCS) oversees all WPC programs, which provide federal matching dollars for local programs that coordinate health, behavioral health, and social services for vulnerable Medi-Cal populations. The City's Pathways program supported broader City strategies to reduce and prevent homelessness by operating a robust outreach system and supportive services.

The Pathways program ran from 2017 until December 31, 2021. Pathways served a total of 2,330 individuals with services such as outreach, navigation, care coordination, and housing support, and assisted 1,000 clients in securing permanent or transitional housing. Pathways collaborated with Kaiser, Dignity Health, UC Davis, Sutter, Aetna, Healthnet, and Molina, who aligned their existing operations with the Pathways program; Lutheran Social Services, Sacramento Covered, and Sacramento Self-Help Housing for housing services; and Elica, One Community Health, Sacramento Native American Health Center, and WellSpace for social services to ensure continuity of care for program enrollees.

WPC programs were designed to be experimental and innovative to address the unprecedented homelessness crisis. Accordingly, federal funding was provided to the City upon completion of certain Pathways program milestones. When the Pathways program ended, the program had a remaining fund balance of \$13,084,992. Staff recommends that \$3 million of the remaining Pathways fund balance be set aside for future audit risk and the remaining \$10,084,992 be used to support programming towards addressing homelessness within the Homeless and Community Outreach MYOP (I23004000).

Upon approval of the Homeless and Community Outreach MYOP, an estimated \$4 million of the funding will be used to support expansion of Citywide cleanup services. To date, the City's Department of Community Response has received 14,000 calls for service related to addressing trash due to homeless encampments. Additionally, this funding will be used to respond to the recent updates to Sacramento City Code Chapter 12.24 governing sidewalk obstructions and will go towards voluntary storage solutions geared towards providing individuals experiencing homelessness with a safe space to store their items. Both of the above-mentioned service activities are undergoing a Request for Proposal (RFP) process. The remaining roughly \$6 million in the Homeless and Community Outreach MYOP will be used for future homeless services and outreach funding gaps, most likely in FY2023/24.

**Policy Considerations:** The recommendation in this report is consistent with the City commitment for addressing homelessness which offers outreach, shelter, and permanent housing for individuals and families experiencing homelessness.

**Economic Impacts:** The transfer of a portion of remaining WPC fund balance to a new Homeless

and Community Outreach MYOP will help fund the increasing demand for homeless services and help cover the ongoing homeless costs in FY2023/24.

**Environmental Considerations:** The proposed transfer of money from one City fund to another City fund is not a project under CEQA and therefore exempt from CEQA review. (CEQA Guidelines sections 15378(b)(4) and (b)(5).)

**Sustainability:** None.

**Commission/Committee Action:** None.

**Rationale for Recommendation:** Homelessness is one of the biggest issues facing the City, and the Council has made significant investments over the past years to increase services, shelter capacity, and housing supports for people experiencing homelessness. This report expands on the continued conversations around homelessness and community outreach increasing the City's commitment to providing continued programming for homelessness and outreach services.

**Financial Considerations:** Remaining fund balance from the City's WPC program (I02000900) may be used to support Homeless Services and Community Outreach projects. Staff recommends establishing the Homeless and Outreach Community Project (I23004000) as a new Multi-Year Operating Project and transferring related revenue and expenditure budgets in the amount of \$10,084,992 that are currently in the WPC program's (I02000900) following funds: \$666,217 in General Fund (1001), \$1,322,850 in the Measure U Fund (2401), \$6,905,925 in the Operating Grants Fund (2702), and \$1,190,000 in the Externally Funded Programs Fund (2703).

**Local Business Enterprise (LBE):** None.

## **RESOLUTION NO. 2022 - XXXX**

### **Adopted by the Sacramento City Council**

December XX, 2022

### **Approve Transfer of \$10,084,992 from Whole Person Care Remaining Fund Balance to Homeless and Community Outreach MYOP**

#### **BACKGROUND**

- A. On June 13, 2017, the 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 implement a Whole Person Care (WPC) program, locally called the "Pathways to Health" or "Pathways" program. The Whole Person Care (102000900) pilot program MYOP was established in FY2016/17.
- B. DHCS oversees all WPC programs, which provide federal matching dollars for the development of local programs that coordinate health, behavioral health, and social services for vulnerable Medi-Cal populations. The City's Pathways program was a multi-year program that ended on December 31, 2021. WPC programs were designed to be experimental and innovative to address the unprecedented homelessness crisis. Accordingly, federal funding was provided to the City upon completion of certain Pathways program milestones, and when the Pathways program ended, the program had a remaining fund balance of \$13,084,992. Staff is now recommending that \$10,084,992 of the remaining Pathways fund balance be used for other City homelessness initiatives.
- C. Homelessness is an existential threat to the individuals living without quality housing and to the public health and safety of the residents and businesses in Sacramento. The interconnectedness of homelessness, housing, and public health must inform the current and future policy, partnerships, prioritization of work programs, and budget allocations to prevent and reduce the number of people experiencing homelessness.
- D. Since 2019, housing affordability in the State of California has worsened with rising rents and limited new construction of affordable and permanent supportive housing. The City Council initially declared a "shelter crisis" on January 14, 2020 (Resolution 2020-0017) under California Government Code section 8698 et seq. and has renewed such declaration annually thereafter. The "shelter crisis" declaration directs the City Manager to take action to streamline the provision of homeless shelters.

- E. Since March 2020 when the COVID-19 pandemic was declared a public health emergency in California, the City Council has allocated significant one-time funding to provide shelter and emergency housing. The homelessness response included the first safe parking overnight spots for vehicles; triage capacity for overnight respite; Safe Ground organized camping on Caltrans and City property downtown and later at Miller Park; 500 motel rooms for City interim motel vouchering including outreach and supportive services for 100 chronically homeless individuals; housing voucher coordination and support services for 100 homeless individuals; 104 traditional shelter beds at North Fifth Street and an expansion to 163 beds; 50 beds at the Meadowview Navigation Center, a women's shelter expanding to 100 beds as COVID-19 protocols allow; 100 beds at the X Street Navigation Center for men, women and pets; 309 HomeKey permanent supportive housing units and 11 interim supportive housing units; 24 cabins at Grove Avenue expanding to 48 beds for transitional aged youth; 20 beds at a 24/7 methamphetamine sobering center for three months; over 500 households rehoused from Project Roomkey; 75 shelter beds for transition-aged youth; and 40 units of scattered site housing have been purchased.
- F. According to the 2022 Point in Time Homeless County released by the Sacramento County Continuum of Care, the County of Sacramento had a homeless population of 9,278, an increase of 67% since 2019.
- G. The Local Homeless Action Plan was adopted in June 2022 to create a cross-jurisdictional unified approach to addressing homelessness in Sacramento County. Staff from the City, County, SHRA, and Sacramento Steps Forward have collaborated in the implementation of a Coordinated Access System, as funded by the City Council and partners, to implement and create centralized access to prevention/diversion programs, expand shelter and housing options and right-size services, as directed by the City Council, Board of Supervisors, and the Continuum of Care Board and Committees.
- H. Allocating \$10,084,992 of the leftover WPC program funding to a Homeless and Community Outreach MYOP is an opportunity to both continue existing sheltering programs and expand homeless and outreach services as a means for reducing experiences and duration of homelessness locally.

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

- Section 1. The Homeless and Community Outreach Project (I23004000) is established as a new Multi-Year Operating Project.
- Section 2. The City Manager or the City Manager's designee is authorized to transfer \$666,217 (General Fund, Fund 1001) of the surplus fund balance from the expenditure budget of the Whole Person Care Program (I02000900) to the expenditure budget of the Homeless and Community Outreach Project (I23004000).
- Section 3. The City Manager or the City Manager's designee is authorized to transfer \$1,322,850 (Measure U Fund, Fund 2401) of the surplus fund balance from the expenditure budget of the Whole Person Care Program (I02000900) to the expenditure budget of the Homeless and Community Outreach Project (I23004000).
- Section 4. The City Manager or the City Manager's designee is authorized to transfer \$6,905,925 (Operating Grants Fund, Fund 2702) of the surplus fund balance from the revenue and expenditure budgets of the Whole Person Care Program (I02000900) to the revenue and expenditure budgets of the Homeless and Community Outreach Project (I23004000).
- Section 5. The City Manager or the City Manager's designee is authorized to transfer \$1,190,000 (Externally Funded Programs, Fund 2703) of the surplus fund balance from the revenue and expenditure budgets of the Whole Person Care Program (I02000900) to the revenue and expenditure budgets of the Homeless and Community Outreach Project (I23004000).