

# City of Sacramento

## Legislation Details (With Text)

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<b>Title:</b>	Non-Congregate Shelter Response: Continuation of Emergency Response Program and Additional Funding for Motel Vouchers, and Suspend Competitive Bidding for Outreach, Supportive Services, and Rehousing Contracts (Two-Thirds Vote Required)				

**Sponsors:**

**Indexes:**

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Date	Ver.	Action By	Action	Result
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**Title:**

**Non-Congregate Shelter Response: Continuation of Emergency Response Program and Additional Funding for Motel Vouchers, and Suspend Competitive Bidding for Outreach, Supportive Services, and Rehousing Contracts (Two-Thirds Vote Required)**

File ID: 2021-00185

**Location:** Citywide

**Recommendation:**

Adopt a Resolution: 1) authorizing the City Manager or the City Manager's designee to: a) continue the Motel Voucher Program as long as the President's Executive Order provides 100% FEMA Reimbursement for non-congregate shelter operations for COVID-19 sensitive populations through September 30, 2021; b) execute the contract with Sacramento Steps Forward to receive \$300,000 in state Housing and Homeless Assistance Program (HHAP) funds for the Motel Voucher Program; c) make any necessary revenue and expenditure budget adjustments for federal and state grant funding funds in the Homeless Response Program (G02001700) and the Homeless Emergency Grant Program (G02001500); d) establish and transfer budgets in various funds as reflected in Exhibit A of the Resolution; e) execute an agreement with Step Up on Second Street, Inc, in an amount not to exceed \$350,000 for outreach and wrap-around services for 100 chronically homeless Motel Voucher Program clients; e) execute an agreement with Step Up on Second Street, Inc. in an amount not to exceed \$300,000 for rehousing coordination services for 100 chronically homeless Motel Voucher Program clients; 2) suspend competitive bidding for the Step Up on Second Street, Inc. service contracts as it is in the best interests of the City for the timely implementation of this emergency non-congregate shelter plan and related activities; 3) authorizing the City Manager or the City Manager's designee to enter into amendments to extend the necessary contracts for continued used of the

CalExpo trailers as non-congregate shelter through May 31, 2021 with necessary ramp each in an amount not to exceed \$450,000; and 4) directing the Sacramento Housing and Redevelopment Agency (SHRA) to take all necessary actions to allocate the \$350,000 of Emergency Solutions Grant Coronavirus (ESG-CV2) funds for outreach and wrap-around services.

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**Attachments:**

- 1-Description/Analysis
- 2-Resolution
- 3-Exhibit A - Budget Adjustments
- 4-Contract with Sacramento Steps Forward

**Description/Analysis**

**Issue Detail:** The number of unsheltered persons in Sacramento is increasing despite significant investment by the City, Sacramento County, the Sacramento Housing and Redevelopment Agency (SHRA), Sacramento Steps Forward and numerous partners. The humanitarian crisis impacts those who are living outdoors and the entire community including residents, businesses, and visitors and there is an urgent need to act to bring more people indoors. According to the 2019 Point in Time Homeless County released by the Sacramento County Continuum of Care, the County of Sacramento had a homeless population of 5,570 individuals, approximately 2,800 of whom are unsheltered on any given night in the City of Sacramento.

The COVID-19 pandemic started spreading throughout the United States in early 2021, and significantly impacted the nation including the Sacramento community. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES), Public Law 116-136 was approved which made \$5 billion in Community Development Block Grant Coronavirus (CDBG-CV) and \$4 billion in Emergency Solutions Grant Coronavirus (ESG-CV) funds available to respond to the growing effects of the historic COVID-19 public health crisis on the community. HUD allocated funding in April and June 2020. The second round (CV2) included \$10,205,871 in ESG funding.

Since April 2020, the Sacramento City Council, Sacramento County Board of Supervisors and Sacramento Continuum of Care have been implementing the COVID-19 Homeless Response Plan utilizing CARES and other federal, state and local funds. These efforts prevent, prepare for, and respond to the coronavirus pandemic among individuals and families who are homeless or receiving homeless assistance and to support additional homeless assistance and homelessness prevention

activities to mitigate the impact of COVID-19.

In mid-December 2020, the City utilized \$250,000 of existing Coronavirus Relief Fund (CRF) for the creation of a non-congregate sheltering program in light of the local public emergency related to the COVID-19 pandemic, as well as limited capacity in other local programs and the need to expand non-congregate services. This successful collaboration with local hospital systems and outreach teams quickly began to reduce impacts on local hospital emergency departments and assist individuals with other health conditions and higher risks, while also serving pregnant women, families, and individuals experiencing homelessness who are at greater risk of contracting COVID-19 due to their situation of being without shelter and very limited ability to shelter in place.

With the swearing in of President Biden in late January, his administration acted quickly to expand the FEMA Public Assistance reimbursement amount under the COVID-19 Public Health Emergency Executive Order to a 100% reimbursement for non-congregate shelters serving at-risk unsheltered populations. With an interest of best stretching resources for the local COVID-19 response, staff researched what this action could mean locally.

In the wake of extreme winter weather on January 26, 2021, on January 27, 2021, the City Council adopted Resolution 2021-0023 that amended the previously adopted Resolution 2020-0075 from March 2020, declaring the local emergency related the COVID-19 Pandemic. Resolution 2021-0023 amended the prior resolution to include mention of the additional emergency related to persons experiencing homelessness being exposed to extreme winter weather conditions, in addition to the exposure to the COVID-19 pandemic due to their unsheltered state.

Since January 27, 2021, City staff has stood up warming centers, provided safe parking options, and continued expansion of the Motel Voucher Program. Staff has also sought additional guidance on the FEMA reimbursement Executive Order from late January and recently confirmed that to date, no changes have been made to the unsheltered populations considered to be most “at-risk” of COVID-19 who are covered under the non-congregate shelter FEMA reimbursement. These populations include households with at least one of the following individuals:

- Individuals who have been diagnosed with COVID-19
- Individuals who have been exposed to COVID 19 and/or who are symptomatic, as confirmed by a local health official.
- An individual who is 65 years or older
- An individual who is pregnant
- An individual with pre-existing health conditions, including: cancer, COPD, heart conditions, obesity, type 1 or 2 diabetes, asthma, high blood pressure, liver disease, immunocompromised state, pulmonary fibrosis, etc.

With the January direction and funding authorization from the City Council focused on initial funds and a duration through March 31, 2021, staff wanted to return for additional authorization and

direction on how to proceed.

**Policy Considerations:** While currently the FEMA reimbursement focuses on the most “at-risk” populations within the unsheltered population, the reimbursement also includes resources for all necessary operations (food, motel rooms, referrals, etc.) for the non-congregate shelter program. Staff believes that pairing these resources with other state and local grant resources could allow for the program to continue serving the most at-risk as well as families with motel rooms and supportive services. The proposed authorizations includes:

- Allocate the remaining \$323,801 of the \$1 million allocated for the Overnight Warming Center funding in the Homeless Housing Initiative Program (I02000200) for non-congregate shelter service costs.
- Accept a \$300,000 Housing and Homeless Assistance Program (HHAP) grant from Sacramento Steps Forward to assist with the continuation of non-congregate housing services for families and other members of the unsheltered population also at-risk of COVID-19 and weather impacts.

Further, with the use of some remaining CRF funding, Emergency Services Grant Coronavirus (ESG-CV2) funds, and local Sutter Health Grant funds; staff believes that in partnership with Hope Cooperative and Step Up on Second Street, Inc. (Step Up), additional program outreach, support, and a chronically homeless focus area could be added to the Motel Voucher Program. The funding adjustment proposed are as follows:

- \$84,498 of CRF funds previously allocated to the Youth Mental Health Program in the CARES Act Program (G02610100) could be reallocated to the Motel Voucher Program for outreach and services to unsheltered families. Hope Cooperative staff will use these funds in partnership with other local community-based organizations and school district homeless liaisons to provide the necessary outreach, needs assessments, motel voucher program referrals, and ongoing resource and referral connection services for unsheltered families and youth.
- Using \$650,000 of existing local grant funds available through ESG-CV2 and Sutter Health funds, Step Up, an experienced service provider to chronically homeless households, can provide on-site management, supportive services, and rehousing coordination for 100 chronically homeless COVID at-risk individuals within the Motel Voucher Program. Pairing our Motel Voucher Program to rehouse these individuals within the existing Housing Choice Voucher (Section 8) Program can allow for long-term outcomes and a potential model for transitioning chronically homeless persons participating in the Motel Voucher Program into permanent housing.

Currently there are approximately 270 households who are part of the City’s Pathways

program and have been issued Housing Choice Vouchers. They continue to search for suitable housing in Sacramento. However, with the current rental market and the COVID pandemic, it is hard for these households to successfully look for housing, complete applications and advocate for themselves to the landlords. Pairing them with service providers to assist in this endeavor is crucial to their success in reaching housing stability.

In partnership with our Housing Authority and other local partners, this chronically homeless Motel Voucher Program focus can assist with the successful rehousing of long-term homeless individuals, complimentary to the goals of Roomkey and Pathways programs. Step Up would be contracted to assist with initial outreach and rapport building services, on-site management, and stabilization at the motel and training and preparations for rehousing the individuals. Then Step Up would assist individuals with identifying housing and then supporting clients in their initial year of being permanently housed. Within its existing housing and programming, Step Up has a 97% retention rate. The additional benefit of the rehousing funding available through our partnership with Sutter Health Grant funds is that it offers clients assistance with application fees, deposits, and other necessary expenses to obtain and move into housing.

Staff believes that moving forward with these contracts and program continuation towards a September 30, 2021 end date maintains the momentum of what the City Council initiated the end of January and speaks to the urgency of these efforts in getting our unsheltered population shelter, connected with services, and housed to the greatest extent and as quickly as we can. Motel/hotel outreach is occurring with a standard per room rate offer of \$85 per night and a damage fee payment of \$100 per occurrence. As part of the non-congregate shelter response, staff is pursuing a contract extension with the state to allow the trailers at CalExpo to remain with plans to utilize them for FEMA-qualified populations as well.

**Economic Impacts:** Provision of the Motel Voucher Program assists our unsheltered community, and it assists our local motels, hotels, and food programs as they partner with the City to provide the necessary program operations and services. This is particularly helpful to the hospitality businesses and restaurants who have also faced many COVID-19 related economic challenges.

**Environmental Considerations:** This report does not involve activities that constitute a “project” as defined by Sections 15061(b)(3) and 15378(b)(4) of the California Environmental Quality Act (CEQA) Guidelines.

**Sustainability:** Not Applicable.

**Commission/Committee Action:** None.

**Rationale for Recommendation:** In order to decrease exposure of the local unsheltered population to the COVID-19 pandemic and the local extreme weather conditions, the City is working to expand non-congregate sheltering options and seeks to pair those individuals with services and rehousing

coordination to the greatest extent possible.

Additionally, the ESG-CV2 funding requires additional City Council action. Therefore, this report directs SHRA to take all actions necessary to allocate \$350,000 from ESG CV2 funds for the outreach and services with the Motel Voucher Program. SHRA staff will return to City Council for an Action Plan amendment to allocate the ESG-CV2 funds to this initiative.

**Financial Considerations:** Staff is seeking to use existing resources for the expansion and continuation of the motel voucher program in the following ways:

- We are estimating the City will be reimbursed by FEMA for the non-congregate shelter expenses incurred to serve the FEMA authorized segment of the homeless population. Staff recommends a \$5 million budget be established and adjusted as necessary.
- Use of \$323,801 from the \$1 million of General Funds for overnight warming shelters funded in the Homeless Housing Initiative Program (I02000200) in response to the local emergency based on the January 27, 2021 Council action for continued motel vouchers for local high-risk unsheltered households.
- Acceptance and use of \$300,000 from Sacramento Steps Forward in Homeless and Housing Assistance Program grant funds to provide motel vouchers to unsheltered individuals and families who are not FEMA eligible.
- Use of \$734,498 in existing CRF (\$84,928), ESG (\$350,000), and Sutter Health Grant (\$300,000) Funds for outreach, wrap-around, and rehousing coordination services within the Motel Voucher Program.

The following chart summarizes the recommended budget adjustments:

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Fund / Project Name	Project #	Revent Budget	Expendi Budget
<b>General Funds (Fund 1001)</b>			
Homeless Response Program (Motel Voucher Program)	020001700		323.8
Homeless Housing Initiative Program (Overnight Sheltering Center)	102000200		(323.8)
<b>Disaster Relief Act (Fund 2701)</b>			
Homeless Response Program (Motel Voucher Program)	020001700	0.000	5.000.0
<b>Operating Grants (Fund 2702)</b>			
Homeless Response Program (Motel Voucher Program)	020001700	650.000	650.0
<b>Externally Funded Programs (Fund 2703)</b>			
Homeless Response Program (Motel Voucher Program)	020001700	0.000	300.0
Homeless Housing Initiative Program	102000200	300.000	(300.0)
<b>Federal CARES Act (Fund 2704)</b>			
Homeless Response Program (Motel Voucher Program)	020001700	84.948	84.94
CARES Act Program (Youth Mental Health)	002610100	(84.948)	(84.94)

This combination of resources works to continue and expand the existing Motel Voucher Program with additional rooms and to continue further work toward serving families and the most at-risk populations, while expanding outreach, services, and rehousing efforts. Additionally, these funds will be utilized in combination with the \$2 million funded in the Homeless Housing Initiative (102000200) that the City Council set-aside for women and children sheltering, services, and housing coordination as part of the FY2020/21 midyear budget review.

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