

# City of Sacramento

## Legislation Text

---

**File #:** 2020-00088, **Version:** 1

---

**Title:**

**Approvals for Implementation of Pathways to Health + Home Program [Two-Thirds Vote Required]**

File ID: 2020-00087

**Location:** Citywide

**Recommendation:**

Pass a Motion by two thirds vote: 1) waiving Sacramento City Code section 4.04.020 and Council Rules of Procedure Chapter 7, Section E.2.d that mandate all labor agreements and all agreements greater than \$1,000,000 shall be made available to the public at least ten (10) days prior to Council action; and 2) authorizing the City Manager or the City Manager's designee to: a) execute Contract Supplement No. 5 to Professional Services Agreement 2019-0260 with Sacramento Self-Help Housing, Inc. (SSHH) to support transportation and rehousing services with an increase of \$1,414,225 for a new total not-to-exceed amount of \$2,821,975; b) execute Contract Supplement No. 2 to Professional Services Agreement 2019-1542 with Healthy Community Forum for the Greater Sacramento Region dba Sacramento Covered to support transportation and rehousing services with an increase of \$1,431,062 for a new total not-to-exceed amount of \$3,699,062; and c) execute a Nonprofessional Services Agreement with WellSpace Health, Inc. to provide recuperative care services under the ICP+ component of Pathways to Health + Home, with a not-to exceed amount of \$1,639,660.

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

**Presenter:** None

**Attachments:**

- 1-Description/Analysis
- 2-Sacramento Self-Help Housing Contract Supplement
- 3-Sacramento Covered Contract Supplement
- 4-WellSpace Health, Inc. ICP+ Bed Day Agreement

## 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 it supports 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 5 (PY 5) which began on January 1, 2020 and ends on December 31, 2020. Program Year 5 is the final year of the Pathways program. As of January 15, 2020, Pathways had 886 individuals enrolled and had served a total of 1,791 individuals through the life of the program. A total of 157,891 services, including outreach, navigation, care coordination, and housing support, have been provided to the community. Additionally, Pathways has helped house a total of 526 individuals. Pathways is collaborating with over 20 health care, housing, and social service providers to ensure continuity of care for program enrollees.

This staff report requests approval of contract supplements with Pathways housing providers Sacramento Self-Help Housing, Inc. (SSHH) and Healthy Community Forum for the Greater Sacramento Region dba Sacramento Covered (Sacramento Covered) to expand the array of services to include transportation and re-housing, and one contract to support the expansion of medical respite services provided by WellSpace Health, Inc. (WellSpace).

### Expanding Housing Services

On September 10, 2019, the City Council (Council) adopted a resolution authorizing the Pathways Program to submit a letter of interest to DHCS, to apply for up to \$3,059,351 in one-time housing funds for WPC Pilots. These funds target individuals who are mentally ill and are experiencing homelessness or are at risk of homelessness. Such funding is available for 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.

Based on needs of the Pathways clients, capacity of Pathways housing partners, and the need to quickly dispatch the funds, the City elected to utilize these funds to develop more flexible and varied housing options for Pathways clients who are mentally ill and are experiencing homelessness with the goal of increasing housing placements before December 31, 2020. Pathways housing providers have learned firsthand that many of the Pathways clients could

benefit from non-traditional housing placements, including but not limited to supportive shared housing, room and board housing, or partially subsidized market rate rentals. By approving the contract supplements, the City will provide each Pathways housing provider with a Flexible Housing Fund whereby providers can administer rental subsidies on behalf of Pathways enrollees to place and retain individuals in housing. This model will grant more flexibility to housing providers to creatively place enrollees quickly in a variety of permanent housing settings, and such additional funds will complement existing Pathways housing services.

Additionally, these contract supplements will provide Pathways housing providers with a transportation fund allocation to support clients with attending necessary housing appointments including housing choice voucher issuance and/or appointment and viewings of prospective rental units. Currently, transportation to housing related appointments is a barrier to housing Pathways enrollees. Staff is seeking approval for the contract supplements outlined in the table below. A contract supplement with the third housing partner, Lutheran Social Services of Northern California, will be brought to Council at a later date.

The Department Director has authorized awarding of these rehousing and transportation funds directly to the existing Pathways housing providers without conducting a separate competitive selection process. Such award is in the best interests of the City because the existing housing providers were previously selected in 2017 and 2019 pursuant to the City-issued RFQ No. Q18021011002 and No. Q19021011001, respectively; the providers have intimate knowledge of the housing needs for Pathways enrollees, and have prior relationships with the Pathways enrollees.

Provider Name	Contract No.	Flexible Housing Pool Allocation	Transportation Allocation	Total contract increase	New Contract Not-To-Exceed Amount
SSHH	2019-0260-5	\$1,331,531	\$82,694	\$1,414,225	\$2,821,975
Sacramento Covered	2019-1542-2	\$1,347,383	\$83,679	\$1,431,062	\$3,699,062
<b>Total Contract Supplement Costs</b>		\$2,678,914	\$166,373	\$2,845,287	

### Medical Respite Services

As part of the initial program design, the Pathways program included funding to provide medical respite care, as often times emergency shelters and traditional housing options cannot support the medically fragile population who discharge from inpatient facilities. The existing Interim Care Program + (ICP+), operated by WellSpace, provides short-term residential care for individuals who are homeless and recovering from an acute illness or injury and whose condition would be exacerbated by living on the streets, in a shelter, or other unsuitable places. City staff proposed

to fund an expansion of the ICP+ program by 20 beds.

On June 25, 2019, Council passed a motion suspending competitive bidding in the best interests of the City for WellSpace to provide recuperative care services to operate 20 beds for the ICP+ program and authorizing a Nonprofessional Services Agreement with WellSpace to provide such services with a not-to exceed amount of \$945,760. Unfortunately, due to siting challenges, WellSpace was not able to activate these beds prior to the contract expiration date of December 31, 2019.

Staff is returning to Council now to seek approval of a new agreement with WellSpace in the amount of \$1,639,660 because WellSpace has identified a suitable site to deliver services by mid-February 2020. This contract amount is higher than the previously approved ICP+ Bed Day Contract as WellSpace Health has increased the number of bed days provided under this contract from 3,680 to 6,380. Under this new agreement, WellSpace will activate up to 20 medical respite beds per day from February 17 through December 31, 2020 for a total of 6,380 bed days.

Provider Name	Contract Type	Contract Amount
WellSpace Health, Inc.	Medical Respite Beds	\$ 1,639,660

ICP+ services will include 24/7 health monitoring (general oversight of medical condition, monitoring of vital signs, wound care, medication monitoring, etc.); assistance with activities of daily living (bathing, dressing, grooming, wheel chair transfers, etc.); development and monitoring of a comprehensive homeless care support services plan; and coordination with permanent housing providers to support the transition of clients to permanent housing. Recuperative care is an important component of the transition to permanent supportive housing for individuals with complex health and behavioral health conditions who need to recover in a stable environment where they can access medical care and other supportive services. DHCS has approved the City's request to fund ICP+ beds and services, so these associated costs are eligible for reimbursement by the federal government after the Pathways Intergovernmental Transfer (IGT) process.

Staff would like to leverage Pathways funds to build the capacity of our providers to be able to serve the most vulnerable individuals experiencing homelessness. WellSpace has also shared a sustainability plan to continue delivering these services after the Pathways program sunsets.

**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 Council's past actions and current direction.

**Economic Impacts:** None.

**Environmental Considerations:** This report concerns administrative activities and governmental fiscal activities that do not constitute a "project" as defined by the CEQA Guidelines Sections 15378(b)(2) and 15378(b)(4) and are not subject to the provisions of CEQA (CEQA Guidelines Section 15060(c)(3)).

**Sustainability:** Not Applicable.

**Commission/Committee Action:** None.

**Rationale for Recommendation:** The Pathways Program is in its final year of operation. It is especially important that Pathways Housing Providers are positioned to graduate, and house enrollees and they will be able to do so by utilizing the funds associated with the SSHH and Sacramento Covered contract supplements and the WellSpace agreement. Staff anticipates that housing outcomes will greatly improve and increase as a result of the contract supplements and agreement.

**Financial Considerations:** There is sufficient funding in the Whole Person Care Multi-Year Operating Project (I02000900) to fund the SSHH and Sacramento Covered contract supplements in the amount of \$2,845,287 and the WellSpace ICP+ agreement in the amount of \$1,639,660.

**Local Business Enterprise (LBE):** All the Pathways service partners are local businesses with established operations in Sacramento and have a history of serving Sacramento's medically fragile and homeless populations.