

# City of Sacramento

## Legislation Text

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**File #:** 2021-00047, **Version:** 1

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**Title:**

**(City Council/Housing Authority) Update on the Five Point Homeless Plan [Oral Report]**

File ID: 2021-00047

**Location:** Citywide

**Recommendation:**

Receive and file.

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**Presenter:** Sarah O'Daniel, Deputy Executive Director, (916) 440-1319, Sacramento Housing and Redevelopment Agency; Danielle Foster, Housing Policy Manager, (916) 808-1869, City Office of Innovation

**Attachments:**

1-Description/Analysis

### Description/Analysis

**Issue Detail:** On October 22, 2019, the Housing Authority of the City of Sacramento (Housing Authority) staff presented a Five Point Homeless Plan that was requested by City Council on September 24, 2019. The plan included the following options to house individuals and families experiencing homelessness: 1) Scattered Site Model; 2) Safe Parking Program; 3) Sleeping Tents/Cabins/Shelters; 4) Motel Conversion; and 5) Permanent Supportive Housing.

At this meeting, City Council directed the Housing Authority's Executive Director to further refine the Five Point Homeless Plan (Plan) and directed the City Manager to identify current and likely future funding sources, including the amount available, eligible timeline for use, and any restrictions that may apply. This Plan, with updated information, was discussed and unanimously supported by the

City Council on December 3, 2019.

Immediately following the Council meeting, on December 5, 2019, Governor Gavin Newsom launched a 100-day challenge for California cities. The purpose of the challenge was to jumpstart actions to fight homelessness. As the Mayor and City Council continued to stress the need for immediate action, a Declaration of a Shelter Crisis was adopted by City Council on January 14, 2020. A one-year extension of this declaration was approved on January 12, 2021.

California Government Code Section 8698.1 provides that, upon a declaration of a shelter crisis, the provisions of any state or local regulatory statute, regulation or resolution prescribing standards of housing, health, or safety, as applied to public facilities, shall be suspended to the extent that strict compliance would in any way prevent, hinder, or delay the mitigation of the effects of the shelter crisis.

In response to the initial Shelter Crisis Declaration and the Governor's 100-Day Challenge, Housing Authority staff working in close partnership with City staff moved quickly to identify financial resources, shelter beds and develop initiatives to immediately take homeless individuals off the streets.

The following is an update on the Five-Point Homeless Plan:

**1. Scattered Sites:**

Goal: Master leasing of 50 scattered-site housing units for homeless women and children, including domestic violence survivors; (~150 beds per year)

**A. Scatter Shelter Sites Contracts: 40 Men/Women Beds & 66 TAY Beds**

The City of Sacramento has an active contract with Sacramento Steps Forward in the provision of scattered site shelters for men and women and a few contracts with local Transition-aged Youth (TAY) shelters to accommodate unsheltered TAY in our community in smaller shelters and host homes as well.

**B. Winter Respite Motel Voucher Program: 30-70 Shelter Beds at a time**

The City of Sacramento has also initiated its own motel voucher program to assist men, women, and children with motel rooms at three locations as a winter respite. To date, the City has served over 150 guests with more than 500 motel voucher nights since December 18, 2020.

This program was recently extended with the extension of City Coronavirus Aid, Relief and

Economic Security (CARES) Coronavirus Relief Fund (CRF). The City is exploring this as a potential option for shelter expansions going forward, as it does offer scalable services in each district, supports local businesses, and accommodates needs for shelter throughout the City in a cost-efficient manner. While it cannot assist all, it can assist individuals who need accessibility, have a pet (at some locations), and/or who wish to shelter with a partner or family. This current program is staffed in house and through a contract with Hope Cooperative, however expansion of this program would require additional resources for meals (currently grant-funded), management, and services.

## **2. Safe Parking Program:**

Goal: To assist the homeless stay safe while living on the streets. The intent is to have overnight parking available for up to 20 vehicles, including recreational vehicles (RVs) and provide assistance for up to 120 days; (~180 individuals served annually)

The Housing Authority reached out to local community-based/faith-based organizations however specific sites were not located. The City has been in conversations with local owners and community members on this concept as well, including potential locations.

While this program is still being developed, with the intent of keeping the homeless individuals safe on the streets, Housing Authority staff was directed by City Council on September 8, 2020 to utilize \$790,000 of CARES CRF funds to purchase mobile hygiene equipment and oversee the temporary placement of these mobile facilities in the City of Sacramento.

Housing Authority staff immediately procured the following items:

- 16 standard restroom trailers
- 1 ADA bathroom trailer
- 2 Americans with Disabilities Act (ADA) restroom/shower units
- 6 stand-alone shower units with sinks
- 5 generators
- Other related equipment and supplies

Working in partnership with the City, the next step is for staff to identify locations for the mobile restrooms and funding to administer this initiative.

## **3. Sleeping Cabins/Tents/Shelters:**

Goal: Providing sleeping cabins and/or tents/shelters in conjunction with wrap around services; (~150 served annually) and expedited modular multifamily units for transitional

housing.

**A. Capitol Park Hotel Temporary Shelter: 115 homeless beds**

Capitol Park is a historic institution in Sacramento located just across the Capitol at 1125 9<sup>th</sup> Street in Council District 4. It operated as a motel for decades and on September 2019, Capitol Park Hotel transitioned to temporary emergency shelter housing.

The Housing Authority was requested to oversee the operations with a budget of \$9.8 million for oversight, property repair/management, shelter management, and re-housing of the guests. Volunteers of America (VOA) was awarded the contract to operate the former hotel and housed up to 115 guests each night. This number was eventually reduced with the onset of the pandemic as guests were transitioned to individual rooms.

While the Hotel was utilized as a shelter, 3 meals a day were served, guests had clean linens, access to laundry facilities and showers with onsite assistance available 24 hours a day. Extensive supportive services were provided on the property and staff assisted the guests find permanent housing prior to its close on October 31, 2020.

Over the 13-month life of the shelter:

- 420 unduplicated people were sheltered
- 42,613 meals were served
- Guests stayed for 27,182 bed nights
- 149 guests moved into permanent housing
- 8 guests moved in with friends or family
- 8 guests moved into transitional housing

**B. Emergency Bridge Housing at the Grove: 24 sleeping cabins, 48 homeless beds**

This initiative was developed on short notice to meet Governor Newsom's 100-day challenge and respond to the Shelter Crisis Declaration of January 14, 2020.

In early February 2020, Housing Authority and City staff jointly applied for and successfully received \$5.6 million of State Homeless Housing, Assistance and Prevention (HHAP) grant funds to implement a cabin initiative on private property over a two-year period. This initiative is located adjacent to St Paul's Church (church) at 2787 Grove Avenue in Council District 2.

On February 18, 2020, the City Council approved the cabin initiative to house 48 unsheltered transitional aged youth (TAY) ages 18-24 years in 24 double occupancy sleeping cabins for a two-year period. The Housing Authority was requested to oversee the operations at the site. First Step Communities was awarded the operator contract.

The Housing Authority moved quickly to do site improvements including grading and leveling the current site, compaction of a gravel driveway, installing fire gates, removal of a foundation slab, siting the cabins, establishing power connections, siting the trailers for office space, and hygiene facilities.

Working closely with the operator, the TAY receive robust wrap around services that focus on a housing first, trauma informed care model. They receive assistance in completing their GED, seeking employment, collecting vital documents and much more. In addition, the TAY receives 3 meals a day, have laundry service, showers and restroom facilities. An ADA accessible bathroom/shower unit is also on the property. Once stabilized in the program, First Step Communities also provides one-on-one assistance to the TAY to find permanent housing. Operator staff is onsite 24 hours a day and there is continuous onsite video surveillance of the property. Due to the onset of the pandemic, there is single occupancy of the cabins. Once the pandemic subsides, the goal is to increase the capacity to house 48 unsheltered TAY.

Since the program opened on June 10, 2020:

- 11 transitioned to permanent housing
- 3 to transitional housing
- 8 to temporary housing.

### **C. Meadowview Navigation Center: 100 homeless beds**

In early February 2020, Housing Authority and City staff jointly applied for and successfully received \$6.1 million of State HHAP grant funds to implement the Meadowview Navigation Center for a two-year period located at 2700 Meadowview Road in Council District 8.

On June 30, 2020, City Council approved \$6.1 million of State HHAP funds to be allocated to the Housing Authority to oversee the operations at the Meadowview Navigation Center (Center) and house 100 homeless women in a Sprung Shelter. Priority is given to homeless women on the streets in the Meadowview area.

This allocation of funding did not fully fund the initiative. In September 2020, an additional \$100,000 was allocated to the Housing Authority for program oversight. Approximately, \$521,000 is still required to fully fund operational oversight of the Center over two years.

Construction of this Center was led by City Public Works and was completed at the end of September 2020. Due to the pandemic, the capacity of the Center was reduced by 50 percent to ensure safe social distancing. The Center opened its doors on October 1, 2020 to house 50 homeless women (guests).

The operator at this site is Volunteers of America and they have staff onsite 24 hours a day. This property has continuous video surveillance in addition to 24-hour security driving around the perimeter of the property.

Onsite robust wrap around services are provided to the guests that focus on a housing first, trauma informed care model. The women receive assistance collecting vital documents (birth certificates, social security cards), seeking employment (if applicable) and assistance in stabilizing themselves at the property. The Downtown Streets team is also engaged at the Center to assist women receive basic skills, clean up debris in the surrounding area and if ready, assist them secure employment.

At the property the guests receive 3 meals a day, have laundromats onsite, shower and restroom facilities including an ADA accessible unit, and kennels for their animals. Once stabilized in the program, Volunteers of America provides assistance to the women to find permanent housing. The goal of this initiative is to house 100 unsheltered women when the pandemic subsides.

Volunteers of America, the Housing Authority and City staff ensured that the surrounding community members toured the new facility prior to opening the Center and have engaged them on a regular basis to understand their priorities, their concerns, and to keep them abreast of any updates.

Since opening on October 1, 2020:

- 4 placed in permanent housing
- 1 in transitional housing
- 1 in temporary housing

#### **D. X Street Navigation Center: 100 homeless beds**

In early February 2020, Housing Authority and City staff jointly received \$819,000 of State HHAP grant funds to implement the X Street Navigation Center located at 2970 X Street in Council District 5. In addition, under the leadership of Mayor Steinberg, the City received \$5 million from the Kaiser Foundation for shelter services.

City staff is identifying additional funds to fully fund this Center for two years and it is anticipated that a staff report will be brought forward shortly to allocate funding and request the Housing Authority to oversee the administration of the shelter operations. The X Street Center will house up to 100 unsheltered adults (guests) for a two-year period.

The site for this Center is owned by CalTrans and there was a significant delay in receiving a signed lease due to permissions required by the Federal Highway Administration. The lease between the City and CalTrans was signed in late November, 2020.

Once City Council approves this initiative shortly, the Housing Authority will procure an operator through a Request for Proposal (RFP) process. The operator will have staff onsite 24 hours a day and the property will have continuous video surveillance in addition to 24-hour security around the perimeter of the property.

Onsite robust wrap around services will be provided that focus on a housing first, trauma informed care model. The adults will receive assistance collecting vital documents, seeking employment as necessary and assistance in stabilizing themselves onsite.

In addition, they will receive 3 meals a day, have laundromats onsite, shower and restroom facilities and kennels for their animals. Once stabilized in the program, the operator will provide assistance to the unsheltered adults to find permanent housing.

The Housing Authority will also seek an entity to work with the guests at the Center to engage them in cleaning up debris in the surrounding area, teach them basic life skills/employment skills with the anticipation of securing employment for them when appropriate.

City Public Works is leading the construction of the Sprung Shelter which commenced the week of January 11, 2020. It is anticipated that construction will be complete during the summer after which the Center will open. If the pandemic is still prevalent, the capacity of the Center will be reduced by 50 percent to ensure safe social distancing and will house 50 homeless adults.

Staff will regularly communicate with the surrounding community members to ensure that their concerns are heard and addressed and keep them abreast of the latest developments.

#### **E. North Fifth Street Shelter: 104 homeless beds**

The City has continued to provide shelter at North Fifth Street in partnership with Shelter INC using Emergency Solutions Grant Coronavirus 2 (ESG-CV2) funds. While this shelter has been at reduced capacity during COVID, it does serve unsheltered individuals within our community and connects them to services and re-housing steps.

#### **F. Cal Expo Trailers - Winter Shelter for Women and Children: 25 units**

While the majority of the Cal Expo trailers continue to be needed for isolation of COVID positive unsheltered persons, 25 of the units will be utilized from mid-January through

February as winter shelter for women and children. These units will be separated from the isolation units and will be focused on warmth and shelter for women and children, including regular meals and services.

Once use of these trailers at Cal Expo concludes, staff is exploring options for a combined Recreational Vehicle and Manufactured Housing Park or parks where RV hookups and other units could be available for emergency use and/or rent, and the trailers could offer transitional or emergency housing. While not all the trailers will be available for reuse post COVID response, the majority likely will still have some useful life.

### **G. Saint John's Village Housing - 11 Homeless Interim Units**

This project is leveraging both City CARES CRF and State HomeKey funding to yield 11 two-bedroom manufactured housing units. These units will be owned and managed by Saint John's Program for Real Change as interim housing units for women and children who are unsheltered and escaping domestic violence, addiction, and past trauma. This project is testing the use of manufactured housing units as a potential efficiency unit option for bringing housing online faster and more cost efficiently.

### **H. City Pallet Homes - 10 Sleeping Cabins**

The City has purchased 10 Pallet Homes for an initial trial of the units with use of CARES CRF monies. In response to COVID impacts on the Meadowview Navigation Center, two of the Pallet Homes are deployed to provide for on-site isolation units to the Center and eight additional Pallet Homes are available for placement. The Pallet Homes offer a sleeping cabin only, without a bathroom or kitchen.

## **4. Motel Conversion Pre-Development Costs:**

Goal: Motel conversion for the homeless with services; (~200 individuals served annually)

### **A. Capitol Park Hotel: 134 permanent supportive housing (PSH) homeless units**

The temporary shelter at Capitol Park Hotel in Council District 4 closed on October 31, 2020 and started the transition to PSH after the appropriate financing was approved. Mercy Housing will be the developer and operator and the property will be rehabilitated and converted to 134 PSH units.

Rehabilitation has begun, converting the historic 180-unit single room occupancy building into 134 studio, affordable, permanent supportive and workforce housing units that include new kitchenettes with a small refrigerator, sink, two-burner cooktop and microwave shelving; new



full bathrooms; and new furnishings including twin bed frames and mattresses, nightstands, dressers and window blinds.

Inclusive of the 134 units, there will be 17 ADA compliant accessible units and seven (7) additional units will have communication features. Improvements will be made to the structural and seismic systems, two elevators, stairwells, plumbing, electrical, lighting, fire systems, heating, ventilation and air conditioning (HVAC) systems, flooring, ceiling, walls, basement for storage, and sidewalk support systems. New community amenities include management and service office space, 24/7 desk clerk area, community room, community kitchen area, laundry facility, restrooms, and meeting areas for individual and group settings. Bicycle parking will be available onsite.

In addition to the \$10.1 million SHRA loan comprised of Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Housing Opportunities for Persons with Aids (HOPWA), Housing Trust Fund (HTF) and Mixed Income Housing Fund (MIHF program) funds, and Housing Authority of the City \$3,200,000 loan comprised of Housing Authority Successor Agency (HASA) funds with the Developer, the financing structure of the Project includes competitive nine percent Low Income Housing Tax Credits (LIHTC), competitive state tax credits in the form of a general partnership loan, historic tax credits, competitive NPLH loan, non-competitive NPLH loan, Affordable Housing Program (AHP) loan, general partnership contribution and fee waivers.

The 134 homeless units are anticipated to be available by summer 2022.

## **B. La Mancha Project: 100 PSH homeless units**

On October 13, 2020, the Housing Authority received City Council approval to negotiate and enter into a contract to purchase, rehabilitate and operate the former Woodsprings Suites located at 7789 La Mancha, in Council District 8. Mercy Housing will be the developer and operator and the property will be rehabilitated and converted to 100 PSH units.

Future amenities include all units having kitchenettes, refrigerators, sinks, two burner stove top and microwaves, 10 units being ADA accessible, bathrooms and showers in the units, intensive case management, healthcare, employment services, crisis management, onsite property management, staff onsite 24 hour seven days a week, full time guards staffing the property 24 hours a day.

This \$22.4 million project includes funding from the HomeKey program, CARES CRF, Mental Health Services Act (MHSA), Community Development Block Grant funds - Cares round 1 (CV-1), and State HHAP (Round 3) funds. There will be a 55-year regulatory agreement for the Homekey funds with additional similar regulatory agreements for the other funding sources.

The property is anticipated to be rehabilitated and ready for occupancy by March 2021.

## **5. Permanent Supportive Housing Funding:**

Goal: \$10 million in gap financing is required for the construction of 100 or more permanent supportive housing (PSH) units by 2025.

The \$10 million in additional gap funding has not been identified. Despite the lack of funding, Housing Authority staff worked with their limited funds to construct new housing for the homeless.

### **A. Lavender Courtyard: 20 PSH homeless units**

This senior housing development is being built at 1616 F Street in Council District 4. Mutual Housing is the developer overseeing the project. Of the 53 units, 32 will be affordable housing, 20 will be dedicated to the homeless, and one manager unit. In addition to the \$1.9 million provided by SHRA, the financing structure of the Project includes Low Income Housing Tax Credits (LIHTC), competitive state tax credits, a competitive Multifamily Housing Program (MHP) loan, Affordable Housing Program (AHP) loan, general partnership contribution, fee waivers and project-based vouchers. This development is LGBTQ friendly. Construction is anticipated to complete in fall 2022.

### **B. Sunrise Pointe: 46 PSH homeless units (County)**

This property located at 7424 Sunrise Boulevard in Citrus Heights has received financing for the project. Jamboree Housing and HOPE Cooperative are the developers. In addition to the \$3.6 million provided by SHRA, the financing structure of the Project includes Low Income Housing Tax Credits (LIHTC), a conventional loan, a \$3 million in competitive NPLH loan, deferred development fee, and project based vouchers. Of the 47 units, 46 will be dedicated to the homeless, and one manager unit. Financing is to close shortly and construction to begin in April 2021. Units will be coming online in fall 2022.

### **C. Coral Gables/VillaJardin: 38 homeless units**

This proposed development is located at 49, 63 and 81 Coral Gables Court and has 81 affordable housing units. It includes properties on Coral Gables Court and the current Villa Jardin development. Of these units, 38 are for homeless and 43 are affordable housing units. The developer John Stuart Company was awarded MHP funds and \$3.3 million from SHRA. They will be applying for Mortgage Revenue Bonds in February. If successful, construction will begin in fall 2021.

Coral Gables will be a new infill development consisting of three three-story wood-frame residential buildings which include a total of 38 housing units. There will be 18 one-bedroom and 20 two-bedroom units. Amenities at Coral Gables will include a new community building, security system, playgrounds for school aged children, laundry facilities, barbeque area, management office, vehicle and bicycle parking, and open space for residents to use. All amenities will be shared and used by Villa Jardin residents.

Villa Jardin is an existing affordable housing project built in 1964 and consists of 44 units all of which are two-bedroom and one-bath, a management office, laundry facility and on-site parking. The property has fallen into serious disrepair and is in need of significant rehabilitation. Interior unit improvements will include new flooring, windows, kitchen and bathrooms. Units will also receive new entry doors and air conditioning units. Exterior building improvements will include dry rot repair, stair railing replacement, new electrical panel board, new exterior lighting, paint, asbestos abatement, new overlay asphalt paving, landscape, irrigation, and sewer line repairs. ADA accessibility modification will be completed to ensure that four (4) units include mobility features.

#### **D. WEAVE Creekside Housing Village: 9 PSH homeless units**

This project is leveraging both CARES CRF and State HomeKey funding to yield nine two-bedroom manufactured housing units. These units will be owned and managed by WEAVE as permanent supportive housing units for those who are unsheltered and escaping domestic violence, assault, and human trafficking. This project is testing use of manufactured housing units as a potential efficiency unit option for bringing housing online faster and more cost efficiently.

### **Pending Financing**

#### **A. On Broadway: 37 homeless units**

140 housing units are recommended to be built at 1901 Broadway in Council District 5. Of the 140 units, 37 units will be for the homeless, 101 units are affordable, and two management units. This project was awarded \$3.3 million from SHRA funds. EAH Housing is applying for NPLH funds on January 19, 2021. If awarded these funds, the developer will apply for Affordable Housing and Sustainable Communities (AHSC), federal tax credits, state tax credits and mortgage revenue bonds. If financing is secured, construction could begin in early 2022.

#### **B. Mutual Housing on the Boulevard: 67 homeless units (County)**

125 housing units are recommended to be built at 7351 Stockton Boulevard in the County. Of

the 125, 67 will be dedicated to house the homeless, 58 will be affordable. The project was awarded \$12.3 million in NPLH funds and \$6.9 million from SHRA. Mutual Housing will be applying for state tax credits and mortgage revenue bonds in February 2021. If successful, construction would begin summer/fall 2021.

Housing Authority and City staff are working with additional permanent supportive housing projects in the early planning and predevelopment phases. Additionally the Office of Community Response and Housing Manager out of the Office of Innovation and Economic Development are bringing online additional outreach and supportive services contracts, as well as a rehousing contract that will focus on assisting unsheltered Pathways clients with a housing choice voucher in the process of identifying, applying for, and obtaining housing, funding for fees and deposits, as well as support to the client and landlord in their new lease.

As background, in 2017, prioritization was given to homeless individuals and families to receive a housing choice voucher (HCV) in both the City and the County of Sacramento. The homeless households are affiliated with either the City's Pathways to Health + Home program, the County Flexible Supportive Re-housing Program (FSRP) or the Housing Authority's Performance Pilots Partnership (P3) program to house youth ages 18-24. As of December 2020, 183 Pathways homeless households are housed with a voucher and 267 individuals and families are searching for housing.

**Policy Considerations:** The actions in this report are consistent with the Homeless Services Funding Plan approved by Council on April 23, 2019. Utilizing the Shelter Crisis Declaration helped facilitate the implementation of many of the initiatives. The recommendations are also consistent with the Governors Executive Order N-23-20 to reduce street homelessness, break down barriers to homeless individuals accessing health care and other critical services, and to increase housing options for those experiencing homelessness.

Staff presents this information to give the Council and community a broad overview of what is currently being provided or developed as local solutions for reducing homelessness and assisting those who are currently unsheltered. Staff also offers this information as an acknowledgement of things that could be impacted by the redirection of staff hours on the master siting plan and new projects, so that Council can understand potential tradeoffs when setting new priorities.

**Economic Impacts:** Not applicable.

**Environmental Considerations:**

**California Environmental Quality Act (CEQA):** The recommended actions are administrative and fiscal activities and therefore are not considered a project subject to CEQA pursuant to 14 CCR §15378(b). **National Environmental Policy Act (NEPA):** NEPA does not apply.

**Sustainability:** Not applicable.

**Commission/Committee Action:** Not applicable.

**Rationale for Recommendation:** Not applicable.

**Financial Considerations:** This is a report back and no financial action is requested.

**MBE/WBE, Section 3 and Local Business Enterprise (LBE):** The items discussed in the staff report do not involve federal funding; therefore, there are no M/WBE or Section 3 requirements. LBE considerations do not apply to this report.