

City of Sacramento
Budget and Audit Committee Report
915 I Street Sacramento, CA 95814
www.cityofsacramento.org

File ID: 2026-01128

6/16/2026

Audit of the City's Homeless Response: Evaluation of Costs and Outcomes of Sheltering Programs

File ID: 2026-01128

Location: Citywide

Recommendation: Pass a **Motion:** 1) accepting the Audit of the City's Homeless Response: Evaluation of Costs and Outcomes of Sheltering Programs; and 2) forwarding to the City Council for approval.

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Presenter: Farishta Ahrary, City Auditor, (916) 808-7266, fahrary@cityofsacramento.org, Office of the City Auditor

Attachments:

1-Description/Analysis

2-Audit of the City's Homeless Response: Evaluation of Costs and Outcomes of Sheltering Programs

3-City's Homeless Sheltering Programs - Fact Book

4-Presentation

Description/Analysis

Issue Detail: This audit was approved as part of the 2025-26 Work Plan. According to the City Council Rules of Procedures, the Budget and Audit Committee shall receive, review, and forward to the council as appropriate, reports, recommendations, and updates from the City Auditor. This report documents the Audit of the City's Homeless Response: Evaluation of Costs and Outcomes of Sheltering Programs and an accompanying Fact Book.

Policy Considerations: The City Auditor's presentation of the Audit of the City's Homeless Response: Evaluation of Costs and Outcomes of Sheltering Programs and the accompanying Fact Book is consistent with the Mayor and City Council's intent to have an independent audit function for the City of Sacramento.

Economic Impacts: None.

Environmental Considerations: None.

Sustainability: None.

Commission/Committee Action: None.

Rationale for Recommendation: This staff report provides the Budget and Audit Committee with information that may be used to meet its responsibility to provide oversight and supervision of the City Auditor and other City departments.

Financial Considerations: The cost of the Audit of the City's Homeless Response: Evaluation of Costs and Outcomes of Sheltering Programs and the accompanying Fact Book were funded out of the Office of the City Auditor budget.

Local Business Enterprise (LBE): None.

Audit of the City's Homeless Response: Evaluation of Costs and Outcomes of Sheltering Programs

Report# 2025/26-16 | June 2026

Differences in Shelter Costs May Reflect Program Design but the City Has Not Defined When Higher Costs Are Justified

The City Can Shelter More Individuals at Minimal Additional Cost by Increasing Utilization of Existing Congregate Sheltering Programs

Differences in Outcomes Appear to Reflect Program Design and Target Populations More Than Immediate Indicators of Program Effectiveness

Limited Review of Shelter Services Show No Strong Link to Positive Outcomes

The City Has Not Consistently Defined How Program Success Should Be Determined, Making It Difficult to Measure Overall Performance and Progress Toward Shelter Goals

Gaps Between Policy Intent and Practical Implementation Limit the Effectiveness of Good Neighbor Policies



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To provide a catalyst for improvements of municipal operations and promote a credible, efficient, effective, equitable, fair, focused, transparent, and fully accountable City government.

Our Vision

To improve City services by providing independent, objective, and reliable information regarding the City's ability to meet its goals and objectives and establish an adequate system of internal controls, root out improper governmental activities (i.e., fraud, waste, or abuse), and address racial, gender, and ethnic inequities.

Suggest an Audit

The Office of the City Auditor conducts performance audits of the City of Sacramento's operations to determine whether these operations and programs are operating efficiently and effectively. If you would like to offer ideas for audits to save the City money, increase revenues, or improve the efficiency and effectiveness of City operations and programs, please fill out our online form:

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The City of Sacramento's Office of the City Auditor can be contacted by phone at 916-808-1166 or at the address below:

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AUDIT FACT SHEET

Audit of the City's Homeless Response: Evaluation of Costs and Outcomes of Sheltering Programs

June 2026

Report #2025/26-16

RECOMMENDATIONS

We made several recommendations regarding the Department of Community Response's operations and data tracking. Our Recommendations included:

Shelter Costs

- Develop and apply a methodology to evaluate shelter costs, improve resource allocation, identify efficiencies, and maintain outcomes.

Shelter Capacity

- Evaluate existing shelter capacity to determine whether larger congregate shelters can safely serve more individuals within current resources.

Shelter Service Outcomes

- Work with SSF to improve HMIS data collection and better evaluate how services influence participant outcomes.
- Require providers to consistently enter standardized HMIS data to support reliable analysis and performance evaluation.
- Track and report key barriers to housing and treatment access to better understand obstacles to client progress.

Shelter Success Metrics

- Develop a performance framework that aligns shelter metrics with system goals and demonstrates overall progress.
- Establish tailored performance targets for shelters and use them to consistently evaluate program performance.
- Develop a standardized measure of client progress and well-being to support ongoing assessment and case management.

Good Neighbor Policies

- Revise Good Neighbor Policies to reflect neighborhood conditions, clarify responsibilities, and define response expectations.
- Review and standardize communication practices to strengthen neighbor engagement.

BACKGROUND

The City of Sacramento operated 14 active homeless shelter programs as of June 30, 2025, designed to address varying needs across the homelessness response continuum, from emergency sheltering to housing placement and long-term stability services. During fiscal years 2024 and 2025, the City spent approximately \$63.2 million on these programs. This audit evaluates the shelter system from a strategic, systemwide perspective to identify which shelter types are most cost-effective and successful in helping clients achieve permanent housing. The audit assesses shelter costs, housing outcomes, service accessibility, and factors associated with stronger performance; reviews Good Neighbor Policies; and provides recommendations to improve the effectiveness and efficiency of the City's homeless shelter system.

FINDINGS

Finding 1: Differences in Shelter Costs May Reflect Program Design but the City Has Not Defined When Higher Costs Are Justified.

- Given limited resources and growing demand, developing a methodology to evaluate shelter costs, program design, and outcomes could help the City improve resource allocation and maximize shelter program impact.

Finding 2: The City Can Shelter More Individuals at Minimal Additional Cost by Increasing Utilization of Existing Congregate Sheltering Programs.

- Evaluating capacity at existing congregate shelters could help serve more individuals and maximize shelter investments with minimal additional cost.

Finding 3: Differences in Outcomes Appear to Reflect Program Design and Target Populations More Than Immediate Indicators of Program Effectiveness.

- Shelter outcomes varied across programs but generally aligned with program design, target populations, and service objectives. Performance should be evaluated within each program's intended context.

Finding 4: Limited Review of Shelter Services Show No Strong Link to Positive Outcomes.

- Available HMIS data showed no clear relationship between services received and client outcomes. Improved data collection and tracking of systemic barriers could strengthen future evaluations of service effectiveness.

Finding 5: The City Has Not Consistently Defined How Program Success Should Be Determined, Making It Difficult to Measure Overall Performance and Progress Toward Shelter Goals.

- The City tracks shelter performance but lacks a comprehensive framework linking metrics to system goals. Clear performance expectations and client progress measures could improve accountability and oversight.

Finding 6: Gaps Between Policy Intent and Practical Implementation Limit the Effectiveness of Good Neighbor Policies.

- Good Neighbor Policies provide a framework for community relations, but clearer responsibilities, neighborhood-specific provisions, and consistent communication could strengthen their effectiveness and responsiveness.

Introduction

In accordance with the City Auditor's Fiscal Year 2025-26 Work Plan, we have completed the *Audit of the City's Homeless Response: Evaluation of Costs and Outcomes of Sheltering Programs*. We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This audit report is supplemented by a separately issued Fact Book that provides additional background and comparative information on the City's homeless sheltering programs. The Fact Book presents information on program characteristics, operational priorities, outcomes, and costs across sheltering programs to provide broader factual context and illustrate similarities and differences among programs. Together, the audit report and Fact Book are intended to provide a more comprehensive understanding of the City's homeless sheltering system.

The City Auditor's Office would like to thank the Department of Community Response and the various shelter service providers for their assistance and cooperation during the audit process.

Background

The City's homeless crisis presents an existential threat to the individuals and families living without permanent, stable housing while also having a detrimental impact on Sacramento's residents and businesses with regard to public health, public safety, and economic sustainability. Accordingly, the Sacramento City Council (Council) has continuously considered responding to homelessness as a top priority for the City of Sacramento (City) and has supported a variety of response efforts intended to meet the diverse and dire needs of people experiencing homelessness (PEH) while also addressing the broader community's public health and safety concerns.

These efforts have evolved as the magnitude of the homeless crisis generally increased (but reportedly decreased per the 2024 Point-in-Time (PIT) Count¹) and span a wide range of programs, which include

¹ While the 2024 PIT Count reported a noticeably large decrease in the number of PEH in Sacramento County, some in the community have expressed doubts on the accuracy of the number. The most recent 2026 PIT Count indicated a 12.7 percent increase since 2024, although unsheltered homelessness has decreased in the City since 2024.

prevention, outreach, shelter beds, transitional/interim housing, affordable housing, and community cleanup.

In September 2025, the Mayor issued a Six Point Plan aiming to reduce unsheltered homelessness by expanding lower-cost sheltering and housing options across Sacramento, including safe camping, safe parking, micro-communities, tiny homes, and a redesigned motel voucher program focused on supportive services and better outcomes. The plan also emphasizes geographic distribution of services, accountability, and cost-effectiveness, with the City seeking to add hundreds of new shelter and housing placements while redirecting savings into expanded capacity.

Past Homeless Reports

In light of the ongoing challenges the homelessness crisis presents to both the unhoused population and the broader community, the City Council requested an audit that evaluated the costs and effectiveness of the Citywide response to homelessness. Given the broad scope of the audit request, the Office of the City Auditor first released a [*Preliminary Report on the City's Homeless Response*](#)² in February 2024, which compiled background information on the City's homeless response, reported on the results of a Citywide survey that estimated the City's homeless expenditures in FY2022/23, and proposed several potential audit objectives for further evaluation.

Upon review of these proposed audit objectives, the City Council approved a scope proposal for a series of audits in April 2024. These audits were to focus on Citywide strategy and coordination, both interdepartmental and interagency, in the City's homeless response, with emphasis on the City Motel Program.

In June 2025, we released the first audit in the series, titled [*Audit of the City's Homeless Response: City Motel Program*](#),³ which evaluated the effectiveness of the City's motel shelter program in helping program participants achieve temporary sheltering and in facilitating overall positive outcomes. This audit is the second in the series and assesses the relative cost-effectiveness and success of different sheltering program types in helping individuals transition to stable housing.

Overview of Shelter System

Responding to homelessness is a regional effort in which the City works closely with its partners to provide services to the PEH population. The following sections elaborate on this collaboration structure and its adaptation in Sacramento, specifically as it relates to the City's role in sheltering.

² This preliminary report is available on our website at:

<https://www.cityofsacramento.gov/content/dam/portal/auditor/Audit-Reports/City%20Auditors%20Preliminary%20Report%20on%20the%20Citys%20Homeless%20Response.pdf>

³ The audit on the City's Motel Program is available on our website at:

<https://www.cityofsacramento.gov/content/dam/portal/auditor/Audit-Reports/Audit%20of%20the%20City's%20Homeless%20Response%20City%20Motel%20Program.pdf>

Continuum of Care

A cross-jurisdictional approach is considered critical to effectively addressing homelessness. In many regions, this approach is modeled after the nationwide Continuum of Care (CoC) program designed by the United States Department of Housing and Urban Development (HUD) and is intended to promote a community-wide commitment to resolving homelessness. A CoC is essentially a regional or local planning body typically composed of representatives from multiple organizations that coordinate services to meet the specific needs of PEH without duplicating services and misaligning resources. These organizations include government agencies, nonprofits, homeless services providers, the healthcare system, people with lived experience of homelessness, and a broader community of advocates, businesses, and faith-based organizations. A CoC has a designated lead agency that serves as the administrative entity by coordinating funding, aligning regional goals and strategies, managing the Homeless Management Information System (HMIS), overseeing the Coordinated Access System (CAS), and more.

Housing Continuum

The Sacramento CoC coordinates the regional housing continuum, the pathway individuals take from homelessness to permanent housing. This is essentially a path, albeit typically nonlinear in practice, towards stable, permanent housing. Along this path are different types of sheltering options, which are typically complemented by the necessary health and social support services that can assist people in improving their own socioeconomic well-being and health. The underlying concept is that PEH will move along the continuum from unsheltered homelessness towards stable, and ideally permanent, housing. In practice, PEH can achieve stable, permanent housing from any point in the continuum. In other words, any type of sheltering program along the continuum can be a “launchpad” towards the right side of the continuum and PEH do not have to move one step at a time on the continuum. The various organizations that are part of the regional CoC body thus support different, and often multiple, points on the housing continuum, either to provide shelter/housing, support services, or both.

While there are slight variations to the incremental steps in a housing continuum, they generally range from unsheltered homelessness on one end to market rate housing on the other. For the purposes of this report, we use the steps shown in the following figure to define a housing continuum.

Figure 1. Housing Continuum Steps and Definition

①	Unsheltered	Housing situation in which a person lacks a fixed, regular, and adequate nighttime residence and their primary nighttime location is a public or private place not designated for, or ordinarily used as, regular sleeping accommodations for people (e.g., the streets, vehicles, or parks).
②	Emergency Shelter	Facility that provides temporary shelter for PEH and typically offers some level of supportive services.
③	Transitional/Interim Housing	Temporary housing with supportive services to assist PEH in moving to and maintaining permanent housing. Transitional housing is a HUD-defined program that typically allow for stays up to 24-months, while interim housing is a broader term that may allow for longer stays. PEH in these programs are typically more stabilized than those in (emergency) shelters.
④	Affordable Housing *	Housing in which the occupant is paying no more than 30 percent of their income for housing costs. Some examples include rental assistance and voucher programs.
	Permanent Supportive Housing *	Permanent housing program in which housing/rental assistance and supportive services are provided on a long-term basis to former PEH. Participants are required to have a disability for eligibility.
	Other Stable Housing *	Examples include moving in with family or friends on a permanent basis i.e., without any limitation on how long they can stay, shared living in market rate housing, work-based housing such as live-in caretakers or on-site property manager, etc.
⑤	Market Rate Rental/Ownership	Non-subsidized properties that are rented or owned by those who pay market-rate rents or who paid market value to purchase the property.

* Non-market rate but stable, permanent housing

Source: Auditor generated based on information provided by the Department of Community Response, HUD's website, the Sacramento *Regionally Coordinated Homelessness Action Plan (RCHAP)* Glossary of Terms, and other online sources.

Figure 1 illustrates the housing continuum, which represents the range of shelter and housing options available to support people experiencing homelessness as they move toward stable, permanent housing. Although movement through the continuum is often non-linear, the framework demonstrates how different intervention, from unsheltered outreach and emergency shelter to transitional and permanent supportive housing, can serve as pathways to long-term stability when paired with supportive services and coordinated assistance.

Homeless Management Information System (HMIS)

HMIS is a regional database used by organizations within the CoC to collect and share information on individuals experiencing homelessness or at risk of homelessness. Federal and state funding requirements mandate the use of HMIS for many homeless service programs. The system collects client-level information such as demographics, housing history, homelessness history, services received, and identified service needs. HMIS is intended to improve coordination among service providers by allowing

agencies to better understand a client’s interactions with shelter, housing, outreach, and supportive service programs across the region.

As a member of the Sacramento CoC, the City uses HMIS to support outreach activities, conduct client assessments, and coordinate access to shelters and other homeless services. City-funded shelter programs and available shelter spaces are entered into HMIS as part of the regional coordinated access process. However, access to HMIS data is tightly restricted to protect confidential client information, and the City is generally limited to accessing data associated with City-funded programs and services. As a result, while HMIS allows the City to monitor participation and outcomes within its own programs, it provides limited visibility into how clients interact with non-City providers or their long-term outcomes after exiting City-funded services.

Sacramento Continuum of Care

The Sacramento CoC is the collaborative body of various local government entities, nonprofits, and other organizations that provide homeless services and Sacramento Steps Forward (SSF), a local nonprofit, serves as the lead agency. Some other prominent partners in the region that the City works closely to address homelessness include Sacramento County, the Sacramento Housing and Redevelopment Agency (SHRA), and many nonprofit service providers.⁴

To guide Sacramento CoC’s efforts, a Regionally Coordinated Homeless Action Plan (RCHAP), titled *All in Sacramento*,⁵ was released in [2024](#) and updated in [2025](#) as part of its annual review. It serves as a three-year framework organized around eight solutions, identifies at least one entity to lead the implementation of each solution, and outlines feasible near-term actions that can be taken to advance system- and program-level performance and ultimately progress towards the Sacramento CoC’s overall homelessness goals.

More broadly, the Sacramento CoC works with local government agencies, faith-based organizations, and other nonprofit organizations to help mitigate homelessness. The Sacramento CoC Board is comprised of several representatives from organizations that serve PEH in Sacramento County. It is responsible for managing community planning, coordination, and evaluation to ensure that the system of homeless assistance resources are used effectively and efficiently to rapidly and permanently end homelessness.

⁴ For more details on the Sacramento CoC and the City’s key regional partners in addressing homelessness, please refer to the section titled “External Partners” starting on page 23 (PDF page 24) of our [Preliminary Report on the City’s Homeless Response](#).

⁵ The original plan is available at <https://www.sacramentostepsforward.org/wp-content/uploads/2025/08/SSF-All-In-Sacramento-Plan-2025-08-04.pdf> and the updated version is available at: <https://www.sacramentostepsforward.org/wp-content/uploads/2025/09/SSF-All-In-Sacramento-Plan-Updated-2025.pdf>.

Sacramento County

Sacramento County (County) plays a central role in the regional homelessness response by providing behavioral health, mental health, substance abuse, domestic violence, prevention, and re-housing services for people experiencing homelessness. Through its Department of Homeless Services and Housing, the County coordinates shelter, outreach, health, and housing programs, including multidisciplinary encampment outreach teams that connect individuals to services and housing placements. The County also partners with community organizations to provide shelter options and basic encampment services, such as sanitation, water, and trash collection, and entered into a partnership agreement with the City in December 2022 to support a more coordinated regional homelessness response.

City of Sacramento

The City's role in the Sacramento homelessness system is guided by the RCHAP. The City's role is primarily in responding to and ending homelessness. The City's Housing Manager in the City Manager's Office works with other external partners to develop more permanent housing strategies and solutions, while the City's Department of Community Response's (DCR) primary responsibilities include deploying social workers and outreach specialists to respond to calls for homeless response services, administering the funding for and overseeing operations of the City's homeless shelters, and coordinating with other regional entities to address homelessness. While sheltering PEH is part of DCR's role in the Sacramento CoC, it is not the only agency that leads this effort.

DCR serves as the primary lead for homeless services. DCR was initially created in 2020 within the City Manager's Office as an alternative response model for certain non-emergency 911 calls, including behavioral health and homelessness-related issues. The department later became a standalone department and currently focuses on homelessness response, including managing contracts with homeless service providers and deploying outreach specialists trained to respond to behavioral health, substance abuse, homelessness, youth, and family-related crises.

In 2023, the City established the Incident Management Team (IMT) to coordinate homelessness-related operations across departments and improve use of City resources. The IMT includes representatives from DCR, the City Manager's Office, the Sacramento Police and Fire Departments, Code Enforcement, Public Works, and Animal Care Services, with support from the City Attorney's Office. The team coordinates responses to encampments and related 311 calls, including outreach, cleanup efforts, and code compliance activities. The IMT operates using an emergency management structure modeled after federal incident management systems and provides regular operational updates to the City Council.

City/County Partnership Agreement

In December 2022, the City and Sacramento County entered into a five-year partnership agreement intended to strengthen regional coordination in responding to homelessness. The agreement combined the City's outreach, encampment response, and sheltering efforts with the County's authority and expertise in behavioral health and substance abuse services. Under the agreement, multidisciplinary outreach teams were created to engage individuals experiencing homelessness in encampments, conduct behavioral health assessments in the field, connect individuals to mental health and substance abuse treatment, and facilitate placement into shelter or housing programs. The agreement also

integrated City and County shelter beds into a shared Coordinated Access System to improve visibility of available beds and streamline placements.

The partnership further included commitments by the County to expand homelessness-related services and shelter capacity. Specifically, the County committed to adding behavioral health resources, establishing a downtown behavioral health CORE Center, increasing substance abuse treatment capacity by 500 beds, and creating hundreds of additional shelter beds over multiple years. The agreement also established shared responsibilities for encampment response, with the City coordinating outreach locations and municipal services, while County clinicians conduct assessments and enroll individuals into appropriate care. To support accountability and coordination, the agreement requires ongoing planning efforts and regular public progress reports to both the City Council and County Board of Supervisors.

Understanding the City's Shelter System

The fundamental purpose of shelter is to provide a temporary but safe, clean, and dignified place for PEH, who would otherwise be unsheltered, to meet their most basic needs while they search for stable housing. Shelter is typically intended to be a short-term, emergency resource to support PEH while they seek housing solutions. It plays a critical role in stabilizing people in crisis and often acts as an access point to connect them with housing resources.

The City's shelter system is one component of the Sacramento homelessness system and housing continuum and comprises approximately 63 percent of the Sacramento shelter bed inventory as of June 2025.⁶ The system has evolved over time, incorporating both community-based shelters that predated City funding and shelters established by the City to serve specific populations experiencing homelessness. Consequently, shelter operations vary based on factors such as program purpose, target population, provider model, and facility design.

The City currently supports 14 shelter programs⁷ as part of its shelter portfolio, providing a mix of partial or full funding depending on the program. These shelters vary in their design, including the amount of space provided per client and the subpopulations they are intended to serve. As a result, for purposes of public reporting and discussion, DCR groups shelters into categories based on shared characteristics. For example, as illustrated in the figure below, DCR distinguishes congregate sheltering programs, where clients sleep in shared spaces without separate rooms, from non-congregate sheltering programs, where individuals and families are provided private rooms. DCR also separately classifies shelters serving transitional age youth (TAY), who are 18 to 24 years old, and shelters serving women and children. In

⁶ In addition to City-operated or funded shelters, other shelters are also available in the Sacramento region. For example, Sacramento County funds and operates the Stockton Boulevard Safe Stay Shelter, which has a capacity of 175 beds and operates with an approximate \$6.38 million budget for FY26.

⁷ These include all 13 active programs and one program that is active, but has no invoices (i.e., Next Step TLC). Shelter programs include: 1) Meadowview; 2) X Street; 3) North 5th; 4) OEC; 5) Roseville Road; 6) City Motel Program; 7) EBH at the Grove; 8) STEP; 9) TLP; 10) Common Ground; 11) The Village; 12) Saint John's; 13) WEAVE; and 14) Next Step TLC.

addition, DCR maintains a separate category for safe camping and safe parking sites, which consist of secured areas where clients may stay in tents or vehicles.

Figure 2. Department of Community Response Shelter Program Grouping



Source: City Council Report 2026-00777.

Note: These are programs active in FY27, while the programs in our review were active in FY23 through FY25. Some programs, such as the four congregate shelters, were also in our review period, while others are new, such as the micro-communities.

Overall, the figure illustrates that the City's shelter system is not a single, uniform model, but rather a collection of programs designed to address different client needs, shelter configurations, and service populations. The classifications shown are based on a combination of factors, such as physical layout, level of privacy provided, and the populations served, rather than operational similarities between programs.

Based on our initial review of the City's shelters, we believe that the above groups do not fully capture a shelter program's service objectives and operations in a manner that allows for comparison across programs. For example, the Outreach and Engagement Center (OEC) is categorized as a congregate shelter by DCR and operates as a respite center⁸ serving approximately 75 clients at a time. Clients

⁸ Respite centers in Sacramento were established as part of the City's emergency response to extreme weather events and the health and safety risks faced by people experiencing homelessness. They provide temporary, low-barrier access to indoor shelter, services, and relief during hazardous conditions such as extreme heat or storms and were later incorporated into a broader policy direction to expand year-round triage and engagement sites. These centers are intended to connect individuals to additional resources and housing support.

typically enter the OEC program through street outreach referrals, and the program is intended to serve as a night-by-night, intermediate step between unsheltered homelessness and other sheltering programs. In comparison, the North 5th Navigation Center is a congregate, short-term shelter serving up to a maximum of 163 people and accepts clients through referrals from the Coordinated Access System. Although the shelters' shared designation as congregate shelters reflect one programmatic characteristic, the differences described above suggest the programs also operate in meaningfully different ways.

Purpose of the City's Shelter System

Operating the City's shelter system involves multiple entities who have different roles and responsibilities in addressing homelessness, each of which has a different perceived purpose for the City's shelter system as a whole. While there is general consensus that the shelter system should 1) attempt to shelter as many unsheltered PEH as possible, 2) assist them in their path towards stable housing, and 3) provide them with services that ensure individual wellbeing, it remains unclear which of these the City's shelter system prioritizes in practice and consequently, how success is defined for both the shelter system overall and for the individual shelter clients. In this section, we describe each entity's focus on these three purposes in more detail.

City Policymakers' Goals

The City's homelessness response reflects competing policy priorities between providing immediate shelter to as many people experiencing homelessness as possible and investing in more intensive services intended to support long-term housing stability. While the City Council has positioned shelters as both a means to bring unsheltered individuals indoors and improve exits to stable housing, limited and potentially declining funding creates tradeoffs between these goals. Expanding lower-barrier shelter capacity may reduce visible impacts on neighborhoods and businesses by bringing more individuals indoors, but may provide fewer supportive services to address underlying housing barriers. Conversely, shelters offering more comprehensive services generally require greater staffing, higher costs, and lower operational capacity. As a result, the City faces an ongoing policy tension regarding whether to prioritize maximizing shelter access or emphasizing more service-intensive models designed to improve long-term outcomes.

Department of Community Response's Role

DCR is responsible for implementing the City Council's homelessness response priorities through management of a shelter system composed of programs with differing operational purposes and capacities. The City's shelters are designed to serve different functions within the broader homeless response system. Of the 17⁹ shelters active between FY23 and FY25:

⁹ The total in the following list equals 18 instead of 17 because one shelter, Roseville Road, hovered at the line between the two groups and was included in both groups. More specifically, clients enter this program through street outreach and tend to be higher acuity. This reflects the objective of addressing a crisis. However, this program also has similarities with the shelters in the second group, which are intended to reduce unsheltered homelessness, and it provides similar stabilization services.

- 3 were intended to address emergency crises by immediately placing people experiencing homelessness into shelter for safety;
- 5 were intended to reduce unsheltered homelessness while supporting progress toward housing; and
- 10 were intended to resolve homelessness and improve long-term client outcomes.

These differing operational priorities are also reflected in shelter size and capacity. Shelters focused on reducing unsheltered homelessness generally operate at the largest scale, ranging from approximately 100 to 550 beds, while shelters emphasizing long-term stabilization and supportive services are typically smaller, ranging from 6 to 50 beds.¹⁰ Amid anticipated reductions in state funding, DCR is evaluating shelter effectiveness with increased focus on lower-cost approaches that can bring more people indoors and improve shelter throughput, even where doing so may involve tradeoffs related to service intensity or returns to homelessness.

Service Providers' Perspective

From the perspective of service providers contracted to operate shelters, client wellbeing is central to shelter success. Through direct engagement with clients, providers observe that each individual faces unique barriers to housing, such as physical or behavioral health challenges, substance use disorders, financial instability, legal issues, or limited life skills. Each client therefore requires a tailored combination of services and support to address their specific needs and barriers to housing. According to service provider staff, client progress occurs on a case-by-case basis and success may range from small improvements, such as increased personal stability, to larger milestones like securing employment or permanent housing. As a result, providers often allow flexibility in length of stay to give clients time to stabilize, engage with services, and work toward long term housing stability, with some providers emphasizing not only resolving homelessness, but improving long term quality of life.

Overall Goal

Given the three purposes and the perspectives of the entities involved in responding to homelessness, it remains unclear if the overall goal of the City's shelter system is to maximize a certain outcome (such as the number of improved exits, number of permanently housed individuals, the total number of clients served in the shelters regardless of exit rates or destinations, or the amount of services provided to clients), minimize certain outcomes (such as the cost per bed per night, the cost to shelter each person, or the number of exits to homelessness), or to diversify our shelters to meet a variety of purposes and PEH needs. In a later section, we elaborate on how these three purposes create conflicting interpretations of specific shelter performance metrics.

¹⁰ Saint John's Program for Real Change may be considered an outlier for this observation and has approximately 220 beds during our review scope period, but only 50 are City-funded, meaning it is mostly supported by other funding sources. Similarly, WEAVE has approximately 80 beds but only about 27 are City-funded. The 50-bed cap accurately reflects the range of City-funded beds in this group of programs.

Population Served by the Shelter System

People experiencing homelessness who use the City's shelter system face a wide range of challenges and barriers to stable housing. Service providers reported that clients vary significantly in their mental and behavioral health needs, ability to adapt to structure, capacity to live independently, and income potential.

Based on interviews with DCR and the various service providers, as well as our review of program information, we found that shelter clients generally fall into five groups:

1. Individuals with severe mental or behavioral health conditions who are unlikely to stabilize in shelters and may require treatment or medical care.
2. Individuals who can transition to supported housing, such as permanent supportive housing or care from family members.
3. Individuals who can live independently but cannot afford housing due to limited income, age, or disability.
4. Individuals who can achieve independent housing with time, treatment, employment, and support.
5. Individuals needing only short-term support to regain stability and return to permanent housing.

Some shelters may disproportionately serve more clients that fall into a certain group and, according to DCR and service providers, the level of acuity within each group largely determines the amount of time and support needed to achieve stable housing outcomes.

Overview of the City's Shelters

From July 1, 2022 through June 30, 2025, the City funded 17 different homeless shelter programs across the City. Of these 17 programs, 14 remain active¹¹ as of June 30, 2025.¹² The shelter programs vary widely across several dimensions, including the subpopulations they serve, their facility design (e.g., type of accommodation and shelter density), and their overall approach to sheltering PEH. These shelters are managed by multiple service providers, some of which manage multiple shelter sites. The following figure lists the City's shelter programs that were active between July 1, 2022, and June 30, 2025, their respective service providers, and whether they were active as of June 30, 2025.

¹¹ Active refers to whether the shelter is part of the City's portfolio of sheltering programs. Some programs no longer exist, such as Miller Park, while others may still be operational, but are no longer funded by the City.

¹² These shelters are also active as of April 30, 2026.

Figure 3. Shelter Programs and Service Providers Active Between July 1, 2022 and June 30, 2025

	Shelter Program	Service Provider *	Active (as of June 30, 2025)
1	Meadowview Navigation Center (Meadowview; MNC)	Volunteers of America (<i>Prior Administrator: SHRA</i>)	Active
2	X Street Navigation Center (X Street; XNC)	Volunteers of America (<i>Prior Administrator: SHRA</i>)	Active
3	North 5th Navigation Center (North 5th)	The Gathering Inn (<i>Prior Provider: Shelter Inc.</i>)	Active
4	Outreach and Engagement Center (OEC; Auburn)	Hope Cooperative	Active
5	Roseville Road Campus (South) ** (Roseville Road; RR; RRC)	First Step Communities	Active
6	City Motel Program (CMP; Motel Shelter Program)	Step Up on Second Street (<i>Prior Concurrent Provider: City of Refuge</i>)	Active
7	Emergency Bridge Housing at Grove Ave (EBH at the Grove; The Grove)	First Step Communities (<i>Prior Administrator: SHRA</i>)	Active
8	Short-Term Transitional Emergency Placement Program (STEP; LGBT Center STEP)	Sacramento LGBT Community Center	Active
9	Transitional Living Program (TLP; LGBT Center TLP)	Sacramento LGBT Community Center	Active
10	Common Ground (Wind Youth Services)	Wind Youth Services	Active
11	The Village (Waking the Village; WTV)	Waking the Village	Active
12	Saint John's Emergency Shelter Program (Saint John's; SJC; Saint John's Program for Real Change)	Saint John's Program for Real Change	Active
13	WEAVE Emergency Safehouse Program (WEAVE)	WEAVE Inc.	Active
14	Next Step Transitional Living Center (Next Step TLC)	The Salvation Army	Active, not utilized
15	City of Refuge Women and Family Shelter Project (CoR)	City of Refuge	Inactive
16	Sacramento LGBT Host Homes (Host Homes)	Sacramento LGBT Community Center	Inactive
17	Miller Park Safegrounds (Miller Park)	First Step Communities	Inactive

* Service providers listed reflect the current provider or, where indicated, a prior provider operating within the review period.

** Roseville Road Campus was expanded in FY26, adding a Roseville Road Campus (North) portion that is operated by The Gathering Inn. This program is not in our review scope and excluded from this report.

Source: Auditor generated based on sheltering program contracts and City Council Report 2026-00777.

While 14 City-funded programs are considered active, the Next Step Transitional Living Center, which is a clean and sober living program with vocation training opportunities and contracted on a reimbursement basis, does not appear to have enrolled any individuals. According to DCR management, DCR has not received any invoices for this program and the high barriers to entry discourage PEH from enrolling. Because DCR has an existing contract with Salvation Army for this program through August 15, 2026, it is still considered an active City shelter program.

The next figure maps the locations¹³ of City shelter programs, using a green icon for active programs, yellow for the one active but not utilized program, and a red icon for inactive ones. For security reasons, programs with confidential locations are excluded from this map. Additionally, because some programs, such as the City Motel Program, operate from multiple sites, the program counts in the previous figure and on the map differ. The locations map is followed by a second map that shows the number of City-funded beds by Council district for active, non-confidential shelters as of June 30, 2025.

Overall, City-funded shelters are located across most of the City and shelter beds are generally concentrated in the more central parts of the City.

¹³ For the addresses of each shelter, please refer to Section 3, Figure 6 in the accompanying Fact Book.

Legend

Shelter Facility by Status*

- Active
- Active (not utilized)
- Inactive
- Council Districts

Map Labels:

- City Motel Program - Motel 6 Northgate
- Roseville Road
- EBH at the Grove
- City Motel Program - Arden Acres
- City Motel Program - Motel 6 Sacramento Old North
- North 5th
- Next Step TLC
- City Motel Program - Motel 6 Downtown
- STEP
- Miller Park
- X Street
- Common Ground
- City Motel Program - The Greens (Stockton Blvd)
- City Motel Program - Sky Riders
- Fruitridge Rd
- City Motel Program - Gold Star
- Meadowview
- Folsom Blvd

Geographic Features:

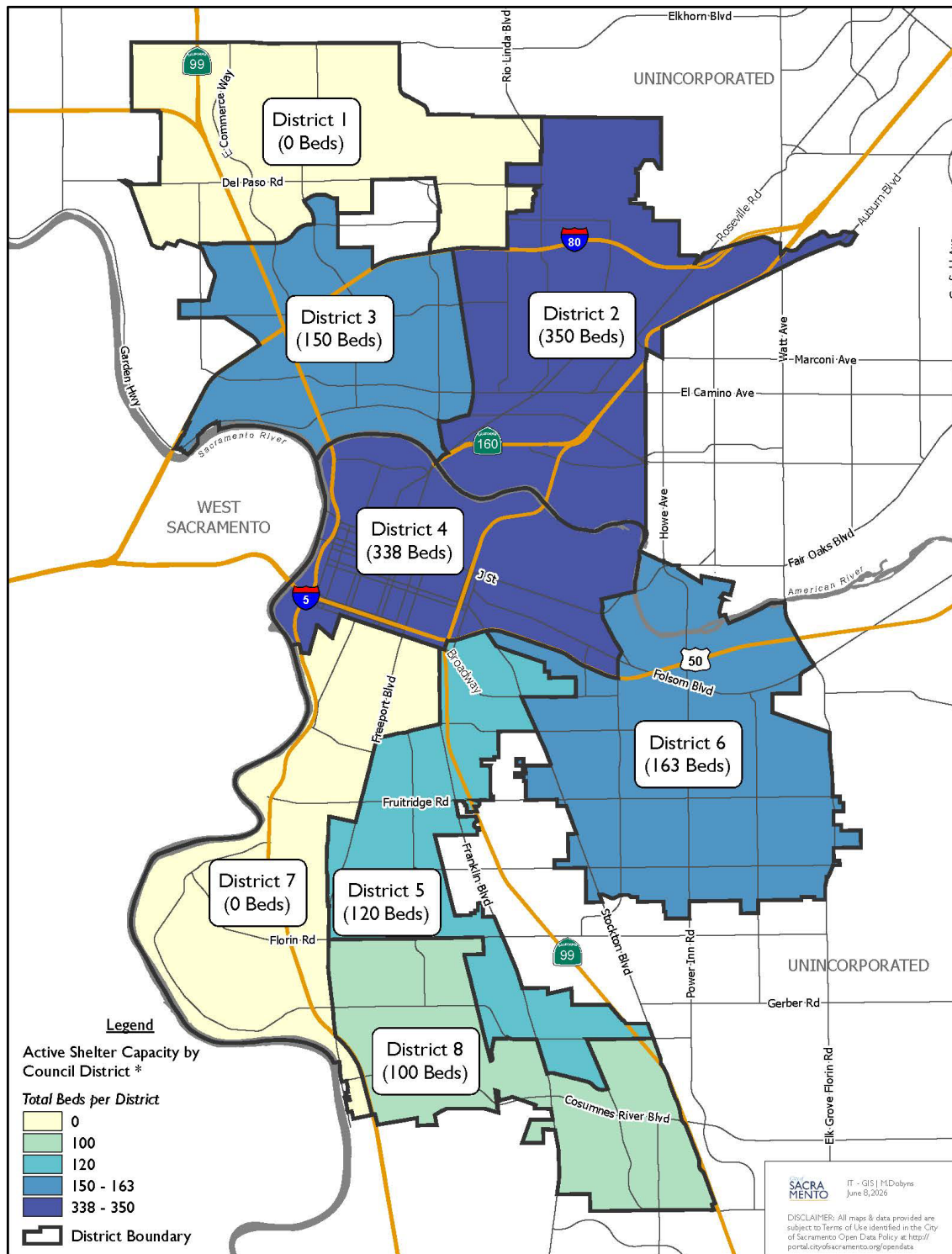
- UNINCORPORATED
- Elk Horn Blvd
- Del Paso Rd
- Converse Way
- Garden Hwy
- Marconi Ave
- El Camino Ave
- Fair Oaks Blvd
- American River
- Stockton Blvd
- Power Inn Rd
- Gerber Rd
- Elk Grove Florin Rd
- Cosumnes River Blvd
- Franklin Blvd
- Florin Rd
- Freight Blvd
- Watt Ave
- Roseville Rd
- Albion Blvd
- Gerfield Ave

Map Details:

- Map of Sacramento, CA, showing the locations of City Motel Program facilities by status.
- Facilities are marked with colored circles: green for Active, yellow for Active (not utilized), and red for Inactive.
- Map includes labels for Council Districts (1-8), major roads (I-5, I-80, I-99, etc.), and geographic features (American River, etc.).
- Legend defines the status of the shelter facilities.
- Map also shows areas that are UNINCORPORATED and the location of the American River.

Note: Six shelter locations (four active and two inactive) are not shown on the map due to privacy and confidentiality considerations.

Figure 5. City-Funded Shelter Capacity By Council District for Active Shelters as of June 30, 2025



Source: Auditor generated in collaboration with the Information Technology Department’s GIS team based on information from DCR, from service providers, and in program contracts.

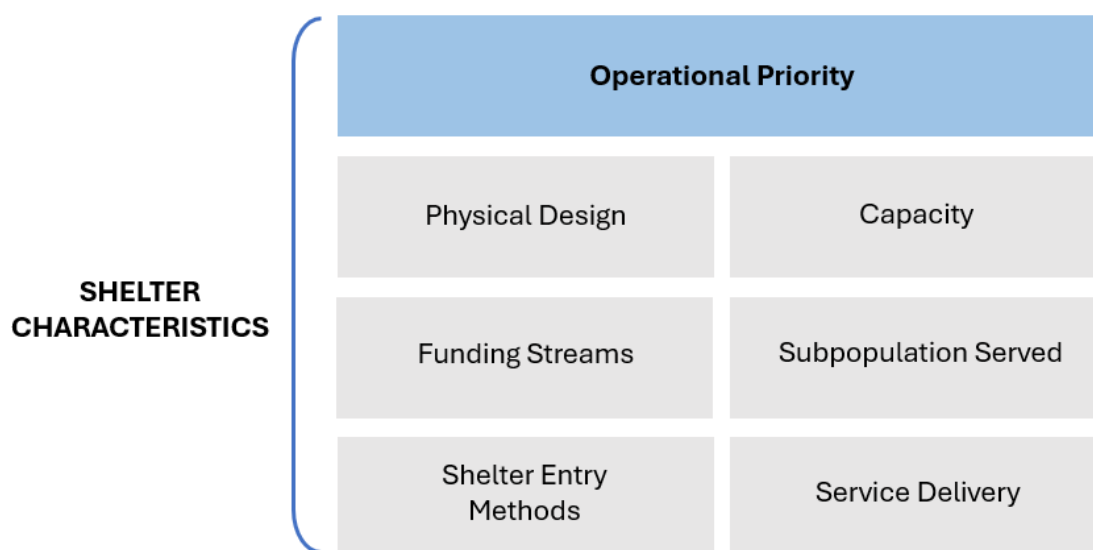
Note: Six shelter locations (four active and two inactive), totaling 94 beds, are not shown on the map due to privacy and confidentiality considerations.

Shelter Characteristics and Their Operational Implications

In our review of shelter contracts, program descriptions on service providers' websites, information on DCR's website, and interviews with DCR management and service providers, we noted several different shelter characteristics that may affect how the shelters operate, and consequently how that distinguishes the shelters from each other. Additionally, the differences in these shelter characteristics may imply that some PEH will thrive better at one shelter than another.

In the next figure, we list the various characteristics, with an emphasis on the shelter's operational priority as it will serve as the basis of our comparative analyses, and elaborate further on each characteristic in the following sections. While the characteristics we identified are relevant to our review, this is not an exhaustive list of characteristics that differentiate the shelters from each other.¹⁴

Figure 6. Shelter Characteristics



Source: Auditor generated based on shelter contracts, program descriptions on service providers' websites, information on DCR's website, and interviews with DCR management and service providers.

Operational Priority

As described earlier in the "Purpose of the City's Shelter System" section, the City's shelter system appears to have three perceived purposes or objectives:

- 1) Shelter as many unsheltered PEH as possible;
- 2) Assist them in their path towards stable housing; and
- 3) Provide them with services that ensure individual wellbeing.

¹⁴ Please refer to the Fact Book for more comparative information by program characteristic.

We determined that the City’s shelters reflect these objectives to different degrees in practice based on their own operational priority. Based on interviews with DCR management and service providers, shelter site visits, shelter contracts, and programmatic information on service providers’ website, we determined that, due to these different operational priorities, making comparisons across all shelters might not provide meaningful comparative data to draw distinctive, accurate conclusions. Instead, we built on those three previously identified objectives of the City’s shelter system as a whole to establish three operational priorities and grouped each of the City’s 17 shelters accordingly, as shown in the following figure.

Figure 7. City Shelters by Operational Priority

 Resolving a Crisis/ Emergency Situation	 Sheltering Unsheltered PEH and Supporting Housing Progress	 Resolving Homelessness and Supporting Long- Term Wellness
Ensure immediate safety of PEH and provide some emergency relief/stabilization and may offer additional support services; PEH enter shelters through placement by DCR’s street outreach team.	Reduce unsheltered homelessness and provide some services to assist PEH in making progress towards addressing their homelessness and facilitate positive or improved exits; with 1 exception, PEH enter shelters through CAS.	Provide wraparound care to clients to resolve a client’s homelessness and support long-term wellness and personal success; tend to be non-City designed.
 Miller Park SafeGround  Outreach and Engagement Center  Roseville Road Campus*	 Roseville Road Campus*  X Street Navigation Center  Meadowview Navigation Center  North 5th Navigation Center  City Motel Program	 EBH at the Grove  CoR Women and Family Shelter  Sacramento LGBT STEP  The Village Shelter  Common Ground Shelter  WEAVE  St. John’s Program for Real Change  Next Step TLC  Sacramento LGBT TLP  Sacramento LGBT Host Homes
 Active shelter as of June 30, 2025  Active shelter as of June 30, 2025, but no invoices  Inactive shelter as of June 30, 2025		

* Roseville Road Campus exhibits similarities to both groups that it included under and may be compared to both groups during our analysis.

Source: Auditor generated based on interviews with DCR management and service providers, shelter site visits, shelter contracts, and programmatic information on service providers’ website.

The three operational priorities can be categorized as follows:

1. **Resolving a crisis/emergency situation:** These shelters primarily serve as emergency or street outreach destinations that bring unsheltered individuals indoors, provide immediate safety and stabilization, and connect clients to services and longer-term shelter programs. Clients often enter through DCR outreach efforts in the community and may need additional time to adapt to a shelter environment or engage in services. Roseville Road Campus was included in this group because of how clients enter the program, their higher acuity levels, and their level of readiness to engage.
2. **Sheltering unsheltered PEH and supporting housing progress:** These shelters focus on reducing unsheltered homelessness by providing stabilization, supportive services, and pathways toward improved or permanent housing outcomes. These programs are more directly structured around the City's emergency sheltering objectives and stabilization priorities. On average, these are the largest programs by client capacity and most clients enter through the Coordinated Access System (CAS). Programs in this group include Roseville Road Campus, the City's navigation centers, and the City Motel Program.
3. **Resolving homelessness and supporting long-term wellness:** While these shelters also provide shelter and stabilization service, these programs place a stronger emphasis on resolving homelessness through intensive wraparound services and longer-term wellness support. These programs differ from those in the other two groups in that most operate as part of the service provider's broader portfolio of homeless services rather than being designed primarily around local shelter system objectives. These programs also intentionally serve specific subpopulations, such as transitional age youth (TAY), women and children, domestic violence survivors, and individuals with substance use disorders.

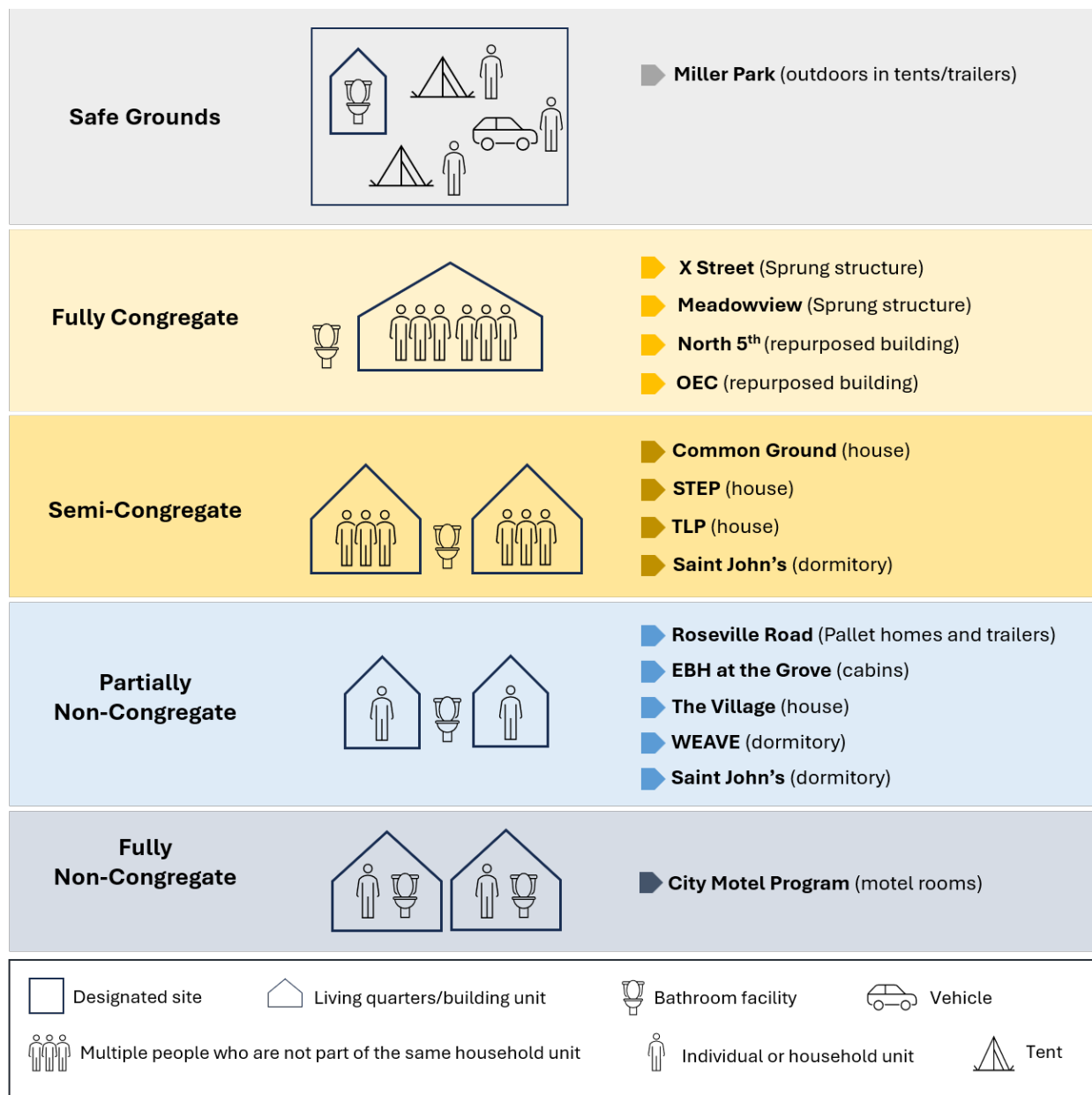
Overall, the City's shelters operate with different program goals, populations, and service models, which affects how shelter performance should be evaluated. Some shelters primarily focus on bringing people indoors and addressing immediate safety needs, while others emphasize stabilization, housing progress, or long-term wellness through more intensive supportive services. As a result, comparing all shelters using the same measures may not provide a complete or accurate understanding of program performance or outcomes.

Physical Design

The City's shelters differ considerably in their physical configuration, specifically their level of congregate living and the type of sleeping structure. City shelters in our review scope can be grouped into five levels of congregate living ranging from fully congregate (such that both sleeping and common spaces are shared) to fully non-congregate settings (such that both rooms and bathrooms are not shared with non-household members), as well as safe ground programs. Sleeping structures range from large sleeping facilities in Sprung structures or repurposed buildings, to motel rooms, pallet homes, cabins, houses, dormitory-style buildings, and safe ground sites. These differences influence shelter capacity, privacy, maintenance needs, and how services are delivered. Shelter design also affects the client experience, including personal space, safety, and the ability of providers to monitor and respond to incidents. We

depict the above types into varying levels of congregate living, including safe grounds, and list the active shelters in each category in the following figure.

Figure 8. Level of Congregate Living



Source: Auditor generated based on shelter site visits and service provider contracts.

Note: Saint John's is included in two categories as it depends on the client's household size. For example, a single-person household may have roommates while someone with multiple children may get their own room. Additionally, trailers at Roseville Road were being phased out during our review period.

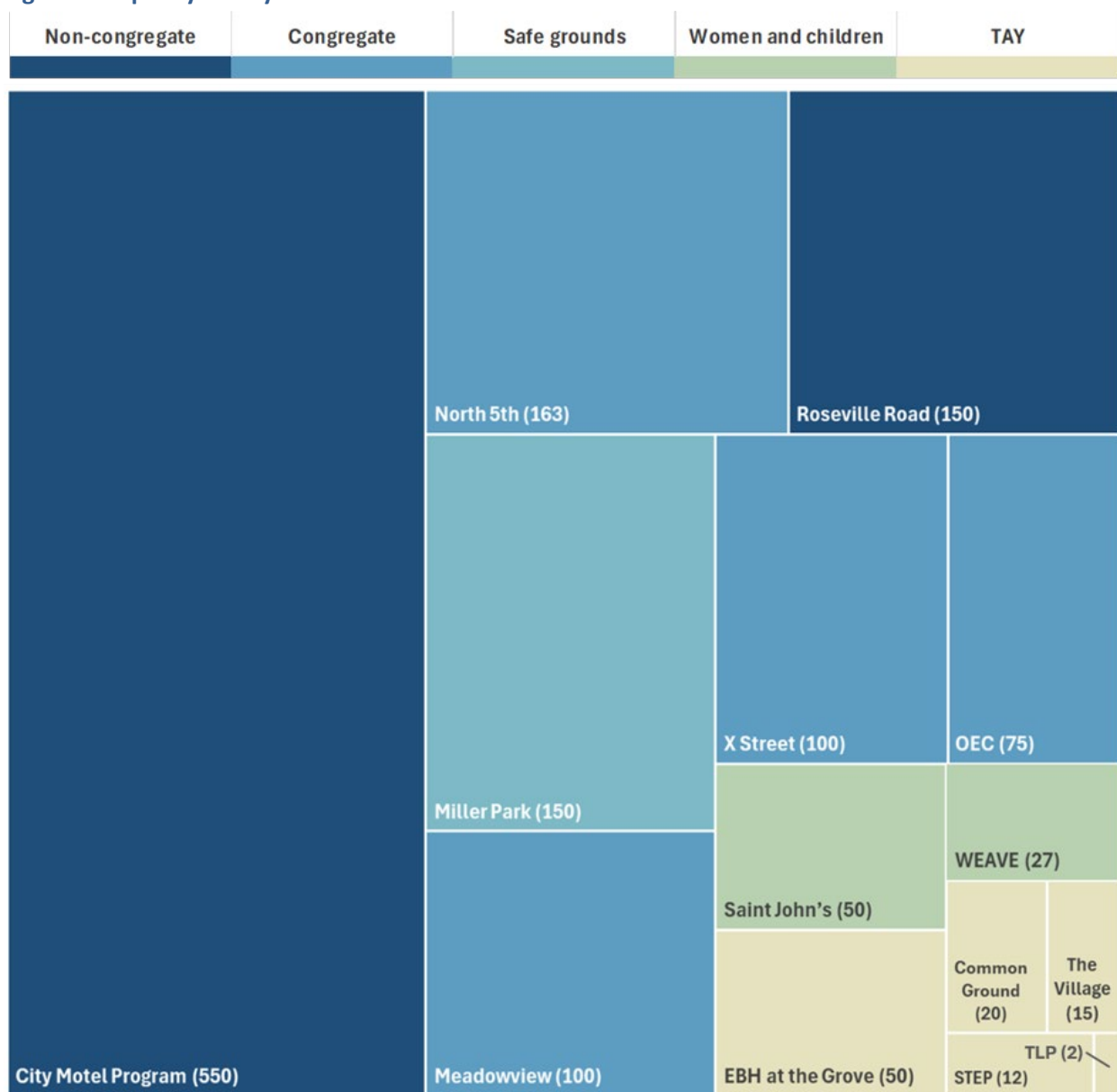
As the figure illustrates, the five levels of congregate living ranging from fully congregate to fully non-congregate settings, as well as safe grounds programs. Each model presents different operational tradeoffs related to privacy, social interaction, supervision, and adaptability to shelter environments. These distinctions are important when evaluating shelter operations, client experiences, and program outcomes across the City's shelter system.

Operational Capacity

The operational capacity of our City-funded shelters active¹⁵ during the scope of the audit was 1,314 shelter beds, ranging from 2 beds in TLP to 550 in the City Motel Program. Miller Park adds another 150 in capacity, although the program was inactive in FY24 through FY25. The figure proportionally illustrates shelter capacity across the City's programs, including the relative share represented by each program and program grouping based on DCR's classifications.

¹⁵ This count excludes the 25 beds in the Next Step TLC program because despite being an active shelter program, the beds are not being used by City-funded clients.

Figure 9. Capacity of City Shelters



Source: Auditor generated based on service provider contracts, information provided by DCR, and Coordinated Access System data.

Note: Some programs are only partially funded by the City, so only City-funded beds are included in this figure.

Funding Streams

The City's shelter system relies heavily on state homelessness funding programs, particularly the Homeless Housing, Assistance and Prevention (HHAP) program, which supports shelters and related homeless services under a Housing First approach. Since 2020, the City has received approximately \$104.8 million in HHAP funding, supplemented at times by General Fund resources and special trust

funds. Housing First programs are intended to reduce barriers to shelter and housing access while providing voluntary supportive services.

Future funding for homelessness programs appears increasingly uncertain. According to DCR, the City's HHAP-6 allocation was reduced by more than 40 percent compared to HHAP-5, and the proposed HHAP-7 allocation would reduce funding by an additional 50 percent from HHAP-6 levels. At the federal level, proposed policy changes announced in November 2025 could reduce long-term housing assistance nationwide by shifting funding toward shorter-term programs. These reductions could place additional strain on the City's shelter system and increase the importance of improving shelter capacity, efficiency, and long-term housing outcomes.

Subpopulation Served

City-funded shelter programs are designed to serve a range of populations with differing needs, vulnerabilities, and barriers to housing stability. Programs commonly target groups based on factors such as age, gender, family status, or experiences with violence, and these characteristics influence both shelter design and the services provided.

Examples of targeted populations include domestic violence survivors, TAY, women, and families experiencing homelessness. Specialized shelter programs are structured to address the unique challenges these groups face, such as safety concerns, lack of independent living experience, childcare needs, or limited family shelter availability. As a result, shelter models and supportive services vary depending on the population being served.

Shelter Entry Methods

The City's shelter programs offer multiple entry points through which PEH can connect to critical and immediate support. Depending on the shelter's entry process, entry into the shelter programs can occur through street outreach, the Coordinated Access System (CAS),¹⁶ or through contact with a program's network. The pathway through which an individual accesses shelter can reflect their readiness to engage with services. Recognizing these differences allows shelters and case managers to tailor engagement strategies, ensuring individuals are better prepared to benefit from the services offered.

DCR Referrals Through Street Outreach

DCR's outreach team engages with people experiencing homelessness in encampments and other public areas and relies on certain shelters for immediate placement outside of the CAS, which is important because most CAS shelters do not accept walk-ins and placements may involve wait times. Individuals entering shelter through street outreach often do so unexpectedly, such as during encampment cleanups or outreach engagements, and may therefore be less prepared or willing to engage with services immediately. Shelters using this approach include Miller Park, the Outreach and Engagement Center, and Roseville Road.

¹⁶ For more CAS, please refer to the section titled "Supporting the Homeless Response System" starting on page 13 (PDF page 14) of our [Preliminary Report on the City's Homeless Response](#).

Coordinated Access System (CAS)

CAS is the region's centralized process for connecting people experiencing homelessness to shelter and other homeless services. Through CAS, individuals contact 2-1-1, complete an assessment of their needs and vulnerabilities, are prioritized based on factors such as health conditions and length of homelessness, and are referred to available shelter beds that align with their needs and preferences. According to service providers and DCR, individuals who seek shelter through CAS are often more prepared to engage with services and begin working toward housing stability.

Other Access Points

Some shelters, particularly those focused on long-term wellness and serving specific populations, use additional intake pathways beyond street outreach and CAS. For example, clients may be connected to CAS through walk-ups and drop-in centers before being placed in that shelter program. For some shelters, clients may also call in directly or walk into the shelter to be placed on shelter-specific waitlists maintained directly by the shelter operator.

Service Delivery

At each service provider's discretion, the type and quantity of services provided at or made available through each shelter program vary. In general, these services fall in three categories:

1. **Basic support service:** These services include meals, laundry, access to bathrooms and showers, as well as helping clients adjust to shelter routines and daily living expectations. These services are typically provided directly by the shelter operator.
2. **Case management services:** These services involve assessing client needs, developing individualized service plans, connecting clients to resources, and helping them work toward housing and stability goals. Common activities include helping clients obtain identification documents, apply for benefits, and identify suitable housing options, although some processes depend on external agencies.
3. **Targeted services:** These services address specific client needs, such as physical and behavioral health, substance use treatment, employment support, legal assistance, financial management, and parenting support, and may be provided directly or through partner organizations.

The method of service delivery also differs between service providers and shelters. This applies to both the physical accessibility of services and how the service is paid for.

First, services may be provided onsite or offsite depending on the type of assistance offered. While some services, such as obtaining identification documents, typically require offsite visits, providers reported that onsite services like healthcare, job support, or street medicine can improve client engagement by reducing transportation and access barriers. Providers also noted that making services visible and easily accessible within shelters can encourage additional clients to participate. In addition, some service providers operate drop-in centers that centralize access to a broader range of supportive services for both shelter clients and the public.

Second, Service providers may deliver services directly or rely on community partners. Some providers use dedicated care teams with specialized staff, such as a housing navigation specialist or substance use

counselors, to deliver wraparound services they consider critical to client success. Others connect clients to outside organizations through referrals or partnerships, including providers that offer onsite services, such as street medicine teams, at no direct cost to the shelter program or the City.

In addition to formal services, providers often use informal activities, such as yoga classes, group meetings, and alumni networks, to build community and create a more welcoming shelter environment. Providers reported these activities can improve client engagement and retention.

Staffing levels, particularly case manager-to-client ratios, also affect service delivery. Providers reported that smaller shelters generally have fewer clients per staff member, allowing for more individualized attention and support, while larger shelters benefit from greater scale and operational efficiency.

Overview of Shelter Performance

Shelter performance is often assessed using a range of measures related to occupancy, client flow, services provided, total cost, per client or per bed costs, and housing outcomes. Housing outcomes are typically determined based on clients' exit destinations upon leaving sheltering programs. For this report, we define the City shelter housing outcomes as shown in the following figure.

Figure 10. Housing Outcome Definitions

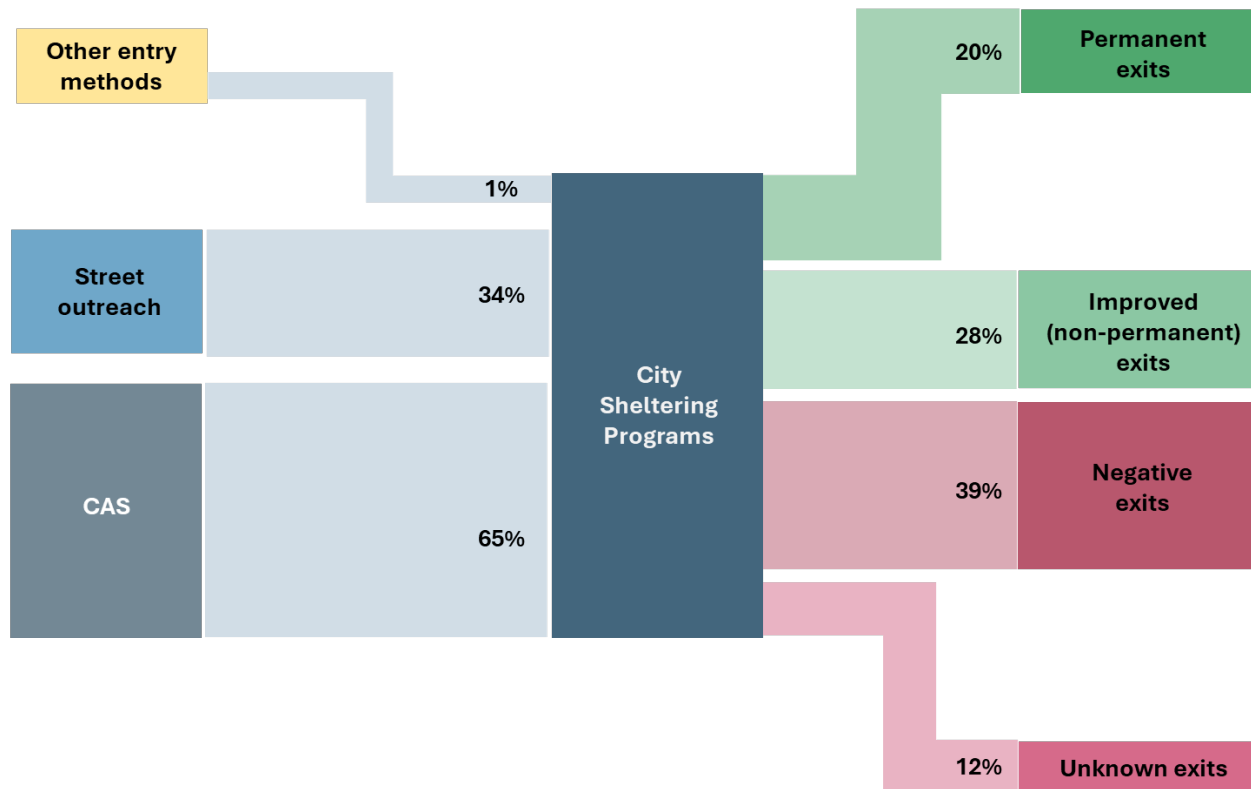
		Housing Outcome	Definition
Improved (non-permanent)	{	Positive Exits	Exits to permanent housing destinations or other stable long-term living situations.
		Improved Exits	Exits to temporary but more stable or supportive environments, such as transitional housing, interim housing, or treatment-focused facilities.
		Neutral Exits	Exits to another shelter program, institutional settings (jail, prison, or juvenile detention facilities), or program re-enrollees.
		Negative Exits	Exits to homelessness, other less stable housing situations, or client death.
		Unknown Exits	Clients' exit destinations were not known or communicated to the service provider at the time of exit.
		Other	1) Exits to destinations outside the region, including out-of-state relocations or other locations outside the local service area; and 2) Exits associated reflect administrative data entry errors or other non-outcome-related system actions. These two types of exit destinations represent a comparatively small percentage of overall exits with minimal impact on our analysis.

Source: Auditor generated based on analysis of HMIS data.

Note: Improved (non-permanent) exits include both improved and neutral exits; this term is consistent with how DCR categorizes exit destinations. We use both types of categorizations in this report and the accompanying Fact Book depending on the analysis.

The following figure illustrates a high-level overview of client flow through the City’s shelter system, including common pathways into City shelter programs and the types of exits reported across programs.

Figure 11. Example of Client Flow Through the City’s Sheltering Programs



Source: Auditor generated based on interviews with DCR and service providers, review of HMIS data, and review of shelter contracts.

Note: WEAVE is excluded because exit destination data was not available in HMIS. Additionally, the table does not represent all pathways from the three entry methods to non-City sheltering programs.

As shown in the figure, approximately 65 percent of stays are associated with clients entering the City’s sheltering programs through CAS, followed by approximately 34 percent entering directly from street outreach. The remaining clients entered through other methods. Across all programs, approximately 20 percent of exits were to permanent destinations, 28 percent were to improved but not permanent destinations, 39 percent were to negative exits, and 12 percent were to unknown destinations.¹⁷

Overall, the figure shows that the City’s sheltering system relies heavily on centralized intake and street outreach, while client outcomes vary across exit types.

¹⁷ The remaining difference equals less than 1% and includes exits out of the Sacramento region and administrative data errors.

Summary of Shelter Performance Metrics

To provide a snapshot of how the City’s shelters are performing comparatively, we created the following table of operational and performance metrics. The following table provides a one-page summary of key quantitative metrics by shelter, including commonly referenced indicators such as length of stay and positive exits. These numbers were calculated using available data for FY24 and FY25¹⁸ without any adjustment for differences in client circumstances or program intent. The metrics do not by themselves indicate whether performance is consistent with operational priorities, allocated resources, or client needs and are subject to interpretation in the context of this audit’s findings and analysis.

We also include a notes and definitions page to provide some additional information on what these metrics mean and what should be considered. Later sections of this report explain how some of these metrics relate to the shelters’ roles in stabilization, system efficiency, and housing outcomes.

¹⁸ With the exception of Miller Park, which used an alternative two-year period of January 1, 2022 through January 31, 2024.

Performance and Operational Metrics for the City’s Homeless Sheltering Programs in FY24-FY25 - *Highlights*

DCR Groupings →	Congregate				Non-Congregate		Transitional Aged Youth (TAY)					Women and Children		Safe Camping /Parking
Sheltering Programs → (active as of June 30, 2025)	Meadowview	X Street	North 5th	Outreach and Engagement Center (OEC; Auburn)	Roseville Road Campus (South)	City Motel Program ¹	EBH at the Grove (The Grove)	Sac LGBT STEP ²	Sac LGBT TLP ²	Common Ground (Wind Youth Service)	The Village (Waking the Village)	Saint John’s Program for Real Change ²	WEAVE ^{2,3}	Miller Park ⁴
Total stays	752	719	1,082	1,845	418	2,183	414	139	9	318	96	115	-	368
Total exits	666	627	951	1,789	305	1,582	367	126	7	303	85	98	-	368
Length of stay (days) (average for exited clients)	115	104	130	22	108	192	94	54	175	39	120	146	-	65
Permanent exits	22%	22%	17%	4%	22%	33%	53%	15%	67%	8%	31%	16%	-	10%
Improved exits (non-permanent)	17%	17%	30%	44%	13%	14%	19%	48%	11%	28%	62%	57%	-	37%
Negative + unknown exits ⁵	61%	61%	53%	50%	65%	52%	28%	37%	22%	64%	7%	27%	-	52%
Total cost	\$6.41 M	\$7.14 M	\$5.59 M	\$6.57 M	\$5.74 M	\$14.97 M	\$4.74 M	\$1.27 M	\$0.17 M	\$1.04 M	\$1.28 M	\$2.31 M	\$1.05 M	\$4.66 M
Cost per exit	\$8,385	\$9,441	\$5,218	\$3,336	\$11,275	\$6,997	\$10,701	\$8,518	\$18,508	\$3,029	\$12,392	\$20,532	-	\$12,669
Cost per occupied bed per night	\$90	\$100	\$53	\$160	\$96	\$38	\$130	\$176	\$130	\$83	\$124	\$175	\$53	\$107
Cost of permanent exits	\$2.01 M	\$2.21 M	\$1.41 M	\$0.37 M	\$1.46 M	\$4.44 M	\$2.55 M	\$0.24 M	\$0.09 M	\$0.09 M	\$0.29 M	\$0.40 M	-	\$0.71 M
Cost of improved exits (non-permanent)	\$0.99 M	\$1.01 M	\$1.41 M	\$3.56 M	\$0.50 M	\$1.43 M	\$0.78 M	\$0.61 M	\$0.03 M	\$0.35 M	\$0.73 M	\$1.41 M	-	\$1.93 M
Cost of negative + unknown exits	\$2.58 M	\$2.71 M	\$2.14 M	\$2.00 M	\$1.48 M	\$5.10 M	\$0.60 M	\$0.23 M	\$0.01 M	\$0.48 M	\$0.03 M	\$0.20 M	-	\$2.02 M
Facility cost	\$1.08 M	\$1.27 M	\$0.16 M	\$0.28 M	\$0.36 M	\$12.16 M	\$0.09 M	\$0.28 M	\$0.06 M	\$0.18 M	\$0.18 M	\$0.32 M	\$0.15 M	\$0.19 M
Services cost	\$0.55 M	\$0.53 M	\$0.79 M	\$0.18 M	\$0.48 M	\$1.82 M	\$0.42 M	\$0.43 M	-	\$0.08 M	\$0.19 M	\$0.59 M	\$0.51 M	\$0.16 M
County-provided services ⁶	No	Yes	Yes	Yes	Yes	No	Yes	No	No	Yes	No	No	No	-
Required service participation ⁷	No	No	No	Yes	No	No	No	No	No	No	No	Yes	No	-
Total services (in HMIS only)	720,242	1,497,883	8,146	261,905	13,503	19,865	297,360	194	83	388	1,156	1,921	-	4,459
Services per client	958	2,083	8	142	32	9	718	1	9	1	12	17	-	12
Case manager to client ratio ⁸	24:1	25:1	26:1	43:1	19:1	50:1	10:1	6:1	5:1	17:1	7:1	24:1	10:1	20:1
Services cost per client	\$726	\$742	\$726	\$99	\$1,141	\$834	\$1,019	\$3,106	-	\$241	\$2,027	\$5,082	-	\$446
“Doc-ready” clients	59%	68%	66%	32%	90%	66%	63%	72%	100%	45%	100%	41%	53%	-
Sq. ft. of parcel	171,626	77,101	211,702	3,343,666	326,700	39,770 - 106,722	13,939	3,246	6,098	4,792	6,290	84,942	-	2,320,876
Operational capacity	100	100	163	75	150	550	50	12	2	20	15	50	27	150
Shelter utilization rate	97%	98%	89%	90%	74%	99%	100%	81%	77%	86%	95%	36%	-	40%

Notes

1. The City Motel Program uses a 550 operational capacity for its approximate 220 rooms as of May 2025, which aligns with the end of our review period. However, this capacity is not static and may change based on room availability, changes in motel contractors, and variations in the number of clients assigned per room based on family size. As of May 2026, the estimated capacity is 615 clients. Additionally, the “doc-ready” clients only includes adults, but children in the same household share the same “doc-ready” status. Finally, because members of the same household, with households averaging 3.1 people, typically share motel rooms, this program currently has a lower cost per bed per night than other programs as it averages 2.5 occupants per room; however, these cost efficiencies may not be directly replicable if this motel program were to serve single adults, who would likely require individual rooms or have lower room occupancy levels.
2. Applicable reported metrics were adjusted to reflect the City’s contribution to each respective program’s budget.
3. Due to confidentiality reasons, WEAVE does not enter actual client data into HMIS. To ensure confidentiality, we only requested anonymized data to calculate the doc-ready statuses of clients for the period of January 12, 2026 through February 12, 2026. As such, the cost per occupied bed per night number is based on contracted operational capacity and other metrics are left blank.
4. We used an alternative two-year period for Miller Park, which is the City’s only safe camping/parking program in our review period. The 2-year period covers its full operational period, from early 2022 through early 2024. Since it is an inactive program, there is no data on “doc-ready” clients.
5. Not all exit destinations were included in this table, such as exits to other regions and administrative misenrollment errors. As such, the total for positive, improved (non-permanent), and negative + unknown exits might not equal 100 percent.
6. According to DCR management, County staff were assigned to some City sheltering programs in early 2025 as part of a significant programming shift under the existing City-County Partnership Agreement.
7. Sheltering programs that are fully or partially funded through state grants may be prohibited from requiring service participation under Housing First requirements. Accordingly, “No” designations for this metric may reflect funding requirements rather than program-level policy choices.
8. Several programs offer services that are separately funded, including case managers. As such, we use the full program’s average occupancy and not the City-funded portion for this calculation. Additionally, case management tasks may be carried out by other staff if there are vacancies.

Definitions

Total stays	Total number of unique stays during the review period. Clients can stay more than once at the same shelter.
Total exits	Total number of exits from the program during the review period. Clients can stay more than once at the same shelter, therefore have more than one exit.
Length of stay	Average number of days exited clients stayed in the program.
Permanent exits	Percent of exits (out of program total) to permanent housing destinations; includes permanent supportive housing program.
Improved exits (non-permanent)	Percent of exits (out of program total) to improved but non-permanent living situations; includes exits to other sheltering programs and treatment facilities.
Negative + unknown exits	Percent of exits (out of program total) to negative situations, such as returns to homelessness, or unknown destinations.
Total cost	Total program costs during the review period.
Cost per exit	Average cost of each program exit.
Cost per occupied bed per night	Average cost per bed per night based on actual use of shelter beds and not on the sheltering program’s capacity.
Cost of positive exits	Share of costs associated with permanent client exits.
Cost of improved exits (non-permanent)	Share of costs associated with clients exiting to improved but non-permanent living situations.
Cost of negative + unknown exits	Share of costs associated with negative and unknown client exits.
Facility cost	Costs related to the set up and maintenance of the shelter facility, including amortized capital and other startup costs.
Services cost	Costs related to client services and program support activities; includes case managers, financial assistance for housing, and specialized client services.
County-provided services	Whether County agencies provide onsite or coordinated services at the shelter.
Required service participation	Whether clients are required to participate in services to remain in the program.
Total services (in HMIS only)	Total number of services recorded in HMIS during the review period; excludes services recorded in other case management systems used by service providers.
Services per client	Average number of recorded services provided per client, based on the number of services recorded in HMIS and all active clients in our review period.
Case manager to client ratio	Ratio of case management staff to clients served. This does not include services provided by other staff, such as onsite staff or other specialty services.
Services cost per client	Average service-related cost per client served.
“Doc-ready” clients	Percentage of clients identified as having documentation needed for benefits and housing placement, either permanent housing (PH) or permanent supportive housing (PSH) for the month of January 12, 2026 through February 12, 2026 out of all clients that were enrolled during that period.
Sq. ft. of parcel	Total square footage of the parcel on which the sheltering program is located. Does not account for total usable floor space if site has multiple stories, may include other programs operated by the service provider that are not funded by the City, and may include areas not used for sheltering.
Operational capacity	Maximum number of clients the shelter is intended to serve based on operations as of June 30, 2025 (adjusted for City-funded beds).
Shelter utilization rate	Average percentage of available shelter capacity that was occupied during the review period; the City Motel Program excludes data for the first 3 months in our review period due to changes in operational capacity.

Good Neighbor Policies

As outlined in the City's 2021 Master Siting Plan, Good Neighbor Policies are site-specific agreements between the City, service providers, and surrounding communities designed to proactively address issues associated with shelter operations by establishing shared expectations, roles, and communication protocols. These policies define key elements such as program operations, safety measures, conduct expectations, and issue resolution processes, and serve as a central mechanism for balancing the City's efforts to provide services to persons experiencing homelessness with the need to maintain neighborhood safety, accountability, and quality of life. While guided by a common framework, they are intended to be tailored to each site, resulting in variation in structure and implementation based on local conditions and stakeholder needs.

In practice, Good Neighbor Policies play an important role in balancing the City's efforts to provide shelter and services to PEH with the need to address concerns from surrounding communities. Prior City leadership has described these policies as establishing clear operational standards, ensuring safety and security for both shelter residents and neighbors, and supporting ongoing communication and accountability. In doing so, the City positioned Good Neighbor Policies as a key mechanism to support effective shelter operations while maintaining neighborhood safety and quality of life.

The effectiveness of these policies can influence day-to-day shelter operations, the extent to which community concerns are addressed, and the City's ability to sustain and expand shelter capacity.

Objective, Scope, and Methodology

The objective of this audit was to understand which sheltering program types are most cost-effective and successful in helping individuals transition to stable housing, which is critical to improving outcomes and guiding future investments. This included identifying and categorizing the types of homeless sheltering programs funded or operated by the City and assessing the costs associated with each type of program, including per-bed and per-client costs. This also included evaluating the effectiveness of different sheltering program types in supporting exits to permanent housing, identifying characteristics or operational practices associated with higher positive exit rates, assessing how shelter services address subpopulation needs, and providing recommendations for improving the efficiency and impact of our sheltering system. Finally, our objective included reviewing and assessing the Good Neighbor policies for these sheltering programs.

More generally, the audit focused on homeless sheltering programs operated or funded by the City during fiscal year 2022-2023 (FY23), fiscal year 2023-2024 (FY24), and fiscal year 2024-2025 (FY25). However, certain analyses focused primarily on FY24 and FY25 based on data availability and the relevance of more current information. Additionally, the nature of the audit work required that some information is from fiscal year 2025-2026 (FY26). For example, site visits and observations necessarily reflected current operating conditions, procedures and practices may have changed over time, and certain data was not consistently available for earlier periods.

As part of this audit, we interviewed DCR staff and 10 service providers to understand current policies and procedures for managing daily operations, providing case management and other services to clients, maintaining client records, upholding program rules, and addressing onsite and neighborhood conditions. We visited all 13 active sheltering sites, reviewed 72 contracts that were effective between FY23 and FY25, and requested additional client data on intermediate milestones for a one-month period in FY26.

We also conducted additional research on existing shelter types and identified characteristics associated with these sheltering programs, such as service models, target populations, physical configurations, staffing approaches, program size, and operational priorities—to support figures depicted in our accompanying Fact Book, facilitate more informed comparisons across programs, and provide context for differences in program costs and outcomes. As mentioned in the beginning of the report, we created the accompanying Fact Book as a supplement to this audit report to present comprehensive, factual information about the various sheltering programs.

During our fieldwork, we analyzed data from the Homeless Management Information System (HMIS), including shelter entry and exit records from the GNRL220 reports and client services data from the GNRL400 reports. We compared operational and performance metrics across sheltering programs, identified program characteristics that may influence these metrics, and analyzed whether services

affected housing outcomes. The analysis covered 8,885 program stays across 12 of the 13¹⁹ active programs for FY24 and FY25, as well as Miller Park²⁰ for an alternative two-year period from approximately January 2022 through January 2024, which reflects the program's full two years of operations.

To understand how the City allocates funding across shelter programs, we compiled and assessed cost information^{21, 22} for the two most recent fiscal years (FY24 and FY25) from a variety of sources, including service provider invoices, accounting journals, the City's general ledger, the City's main energy system, and information provided by DCR. Similar to our HMIS analysis for Miller Park, we used an alternative two-year period that covered the program's approximate two years of operations. Our analysis also included amortizing startup costs, primarily capital and facility-related costs, that were incurred prior to our review period to more accurately account for those expenditures over time. We determined the cost per stay, cost per bed per night, and proportional costs associated with each exit destination. We calculated the proportion of costs associated with typical cost categories, which include facilities, operations, staffing, direct client services, and administrative/indirect costs. Additionally, we estimated the proportion of costs associated with the two primary shelter program roles: stabilizing clients and providing services.

In our review of capacity limitations at various sheltering sites, we examined existing regulatory and operational capacity limits, interviewed City staff to understand how capacity limits were determined, and assessed how adding additional clients at certain sheltering sites could affect space per person and cost per bed per night.

Finally, to evaluate the effectiveness of Good Neighbor Policies for various sheltering programs, we assessed police and 311 homeless call data to establish areas of high call volume by neighborhood and surveyed neighbors for firsthand feedback. We also compared language across the various shelters' Good Neighbor Policies, interviewed survey providers on their specific practices, and researched

¹⁹ Due to confidentiality reasons, WEAVE does not use HMIS to track client and services data and was therefore excluded from our HMIS analysis.

²⁰ This was the City's only safe camping/parking program in our review period and was included to provide context for currently proposed programs.

²¹ Our cost analysis only reflects City funding and does not capture supplemental funding sources that service providers may use to support operations. Additionally, cost information for two programs administered indirectly through the Sacramento Housing and Redevelopment Agency (SHRA) partially relied on estimates as detailed cost data for the review period was not fully available.

²² Our cost analysis does not include administrative costs incurred by DCR in administering these shelter programs and only includes programmatic costs attributable to each shelter.

comparable policies for other jurisdictions, including the County's Stockton Boulevard Safe Stay shelter,²³ and similar industries. Finally, we reviewed the Incident Management Team's response protocol and reviewed the Sacramento Police Department's dispatch call prioritization procedures.

²³ Stockton Boulevard Safe Stay shelter is a County-operated and funded shelter and the City helps place PEH at the shelter through DCR's outreach program. Despite not being a City-funded or operated shelter, we also conducted a site visit to this shelter.

Finding 1: Differences in Shelter Costs May Reflect Program Design but the City Has Not Defined When Higher Costs Are Justified

Providing shelter to individuals experiencing homelessness is a costly endeavor, and the demand for shelter consistently outpaces the resources available to meet it. Cities across the country are grappling with the challenge of stretching limited funding to shelter as many people as possible while supporting and guiding clients out of homelessness. The City has spent approximately \$63.2 million²⁴ on its sheltering programs in fiscal years 2023-24 (FY24) through 2024-25 (FY25).²⁵ An estimated 27 percent came from City funds, specifically the General Fund and Measure U Fund, while the remaining 73 percent came from other sources, including Homeless Housing, Assistance, and Prevention (HHAP) funds. This level of funding reflects the significant investment required to address homelessness in the community. DCR has worked with providers to negotiate contract costs and manage spending, especially as homelessness grant funding has decreased in recent years. More broadly, these cost decisions implicitly involve making tradeoffs between how many people are served and how effectively programs support client outcomes. Allocating more funding to one approach effectively, either by choice or due to necessary expenses, reduces the resources available for others.

Differences in shelter costs appear to reflect program design, operating models, and facility types, but the City has not clearly defined or evaluated the tradeoffs between maximizing shelter capacity and investing in services that may improve client outcomes.²⁶ These tradeoffs are reflected in both how much the City spends on different program types and how those programs allocate their costs. Some

²⁴ We included the City of Refuge's Women and Family Shelter Project in analyses related to total cost because invoice data was available for the first two months of FY24. However, because the contract ended in August 2023, no additional costs were incurred during the remainder of FY24 or FY25. Therefore, the program is excluded from shelter-level comparative analyses to ensure consistent comparisons across shelters with more complete cost data.

²⁵ The Miller Park SafeGround did not operate in these two fiscal years. However, as it is the only safe camping and safe parking model in our group of shelters, we included the program in our cost analysis and adjusted the review period to their approximate two years of operations, with invoices covering February 2022 through March 2024. Our analysis on Miller Park's outcomes also covers their full two-year operational period.

²⁶ Released in 2024, *All in Sacramento* is Sacramento's regionally coordinated homeless action plan (RCHAP). It serves as a guide for regional partners to build upon previous progress and momentum with an actionable plan that sets the course for creating a system that is responsive to the needs of Sacramento neighbors facing homelessness. The plan identifies eight solution areas, of which the City co-leads three areas—specifically outreach and engagement, emergency shelter and interim housing, and permanent supportive housing—with other agencies. DCR specifically leads the outreach and sheltering areas, which focus first on reducing unsheltered homelessness.

programs receive more total funding and each program allocates resources somewhat differently, leading to different cost structures. At the same time, differences in program costs are not driven by these tradeoffs alone. They are also influenced by factors such as the number of participants specified in provider contracts, policy decisions that shape program size, and the availability of potential sheltering sites.

However, without a framework to define and evaluate those tradeoffs, it is difficult to clearly assess program value and understand how different approaches support system goals.

Based on our review of available cost information, we found that:

- Total shelter costs and cost structures vary across program types, reflecting differences in program design and facility type;
- Cost structures primarily support sheltering and stabilization functions rather than longer term outcomes;
- Costs per bed and per exit vary across programs without clear alignment to operational priorities; and
- Similar outcomes may be achieved at different cost levels.

We believe that developing a methodology for evaluating shelter cost efficiency relative to program type, intended function, and expected outcomes can provide clarity on cost variations across shelter programs. Additionally, using this methodology to assess any variations in expenditures may allow the City to identify opportunities to reduce costs while maintaining intended service levels and outcomes.

Total Shelter Costs and Cost Structures Vary Across Program Types, Reflecting Differences in Program Design and Facility Type

Shelter programs funded by the City vary in both total cost and how those costs are structured. This generally reflects differences in program design, operational models, and facility types.

Figure 12 presents total program expenditure and average occupancy, or the average number of actual clients served by the shelter program at any time,²⁷ by shelter and by shelter group.²⁸ As shown in the

²⁷ Some shelters changed their operational capacity in our review period, which affects the average occupancy more than shelters with a consistent operational capacity. Additionally, this only includes the portion of beds that the City funds. For programs that are partially funded by the City, the beds that are not funded by the City are not included in this figure.

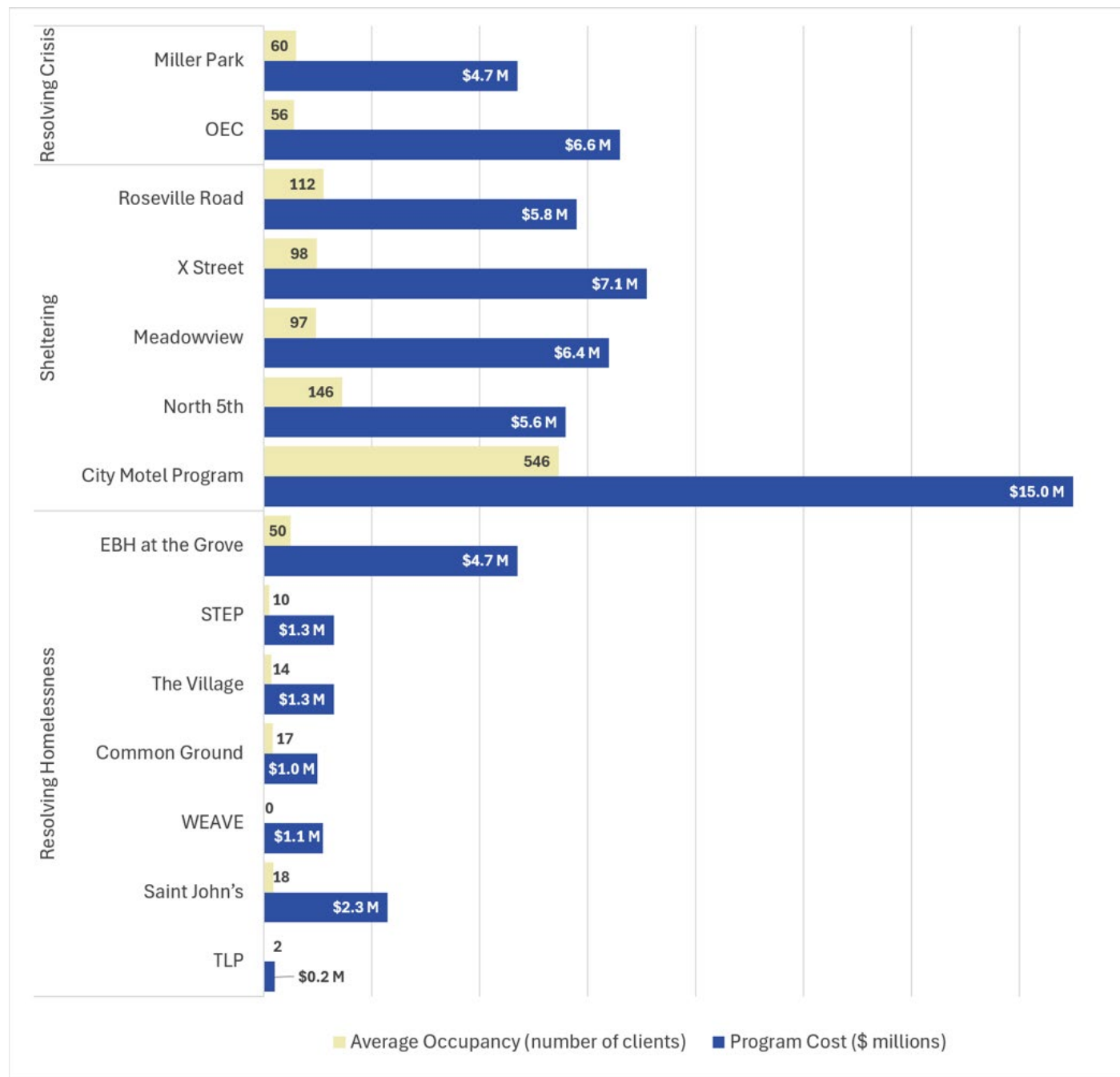
²⁸ As referenced throughout this report, we categorized the shelters into three groups: 1) resolving a crisis/emergency situation (“Resolving Crisis” in the figure); 2) sheltering unsheltered PEH and supporting housing progress (“Sheltering” in the figure); and 3) resolving homelessness and supporting long-term wellness (“Resolving Homelessness” in the figure).

figure, the City Motel Program has the highest program expenditure at \$15 million and serves the highest number of clients at 546 on average, while TLP has the lowest program expenditure at \$0.2 million and serves the lowest number of clients at 2 on average.²⁹ The remaining programs are also generally reflective of the number of clients served at one time,³⁰ and shelters within the same groups are within a similar range.

²⁹ We analyze the cost per client in a later section in this finding.

³⁰ The average occupancy, or the average number of clients served at one time, is not the total number of stays in our review period, which is not reflected in the following figure.

Figure 12. Total Program Expenditures and Average Occupancy by Shelter and Shelter Group for FY24-FY25

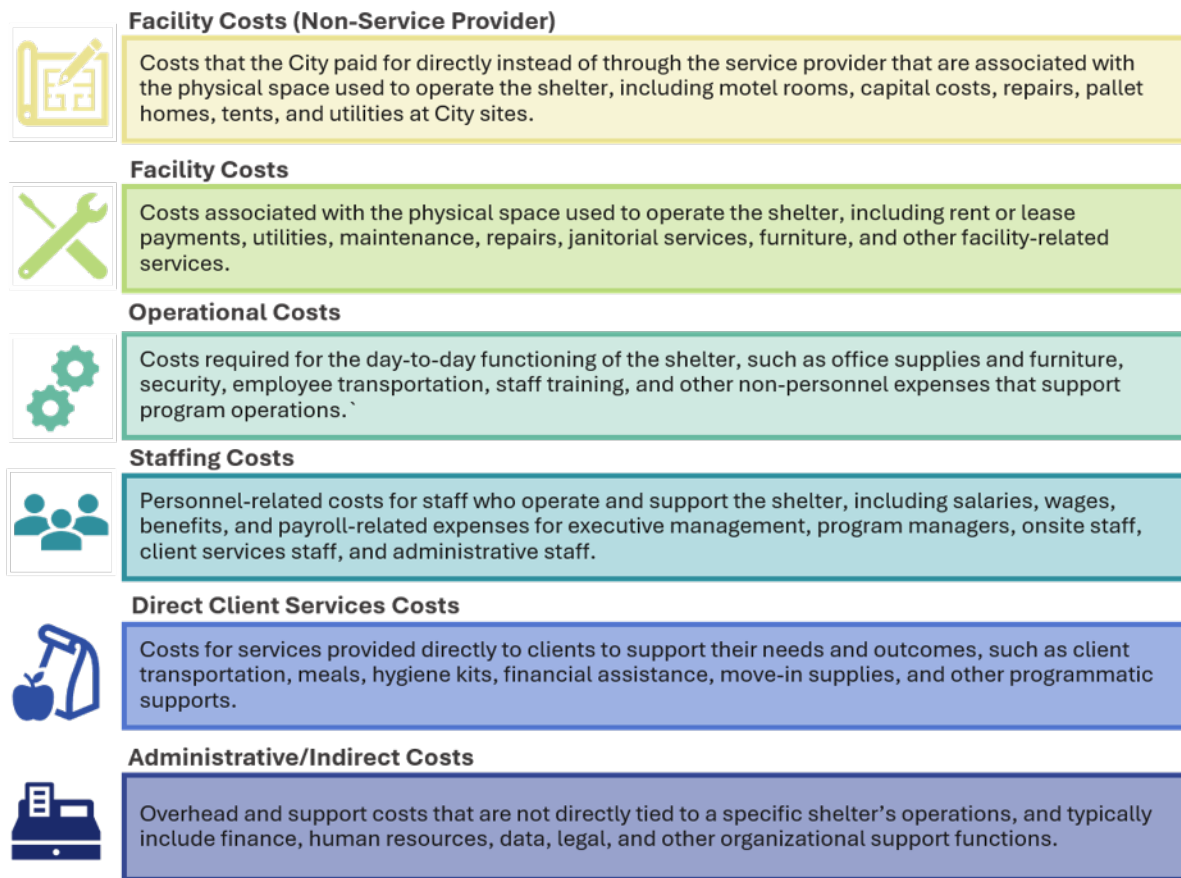


Source: Auditor generated based on service provider invoices, accounting journals, the City’s general ledger, the City’s primary energy system, and information provided by DCR.

Note: For programs that are partially funded by the City, the beds that are not funded by the City are not included in this figure. Additionally, WEAVE’s average occupancy is based on capacity due to limited HMIS data. Finally Roseville Road is listed once for brevity although it was categorized under two groups based on their operational priority, but is not shown here under the “Resolving Crisis” group.

In addition to reviewing total costs, we also assessed each shelter program’s cost structure. We used existing expenditure groupings within invoices to sort each shelter program’s costs into six cost categories: facility (non-service provider³¹), facility, operations, staffing, direct client services, and administrative/indirect costs. Figure 13 defines these cost categories and provides examples of which expenditure types were included in our analysis.

Figure 13. Cost Category Definitions and Examples



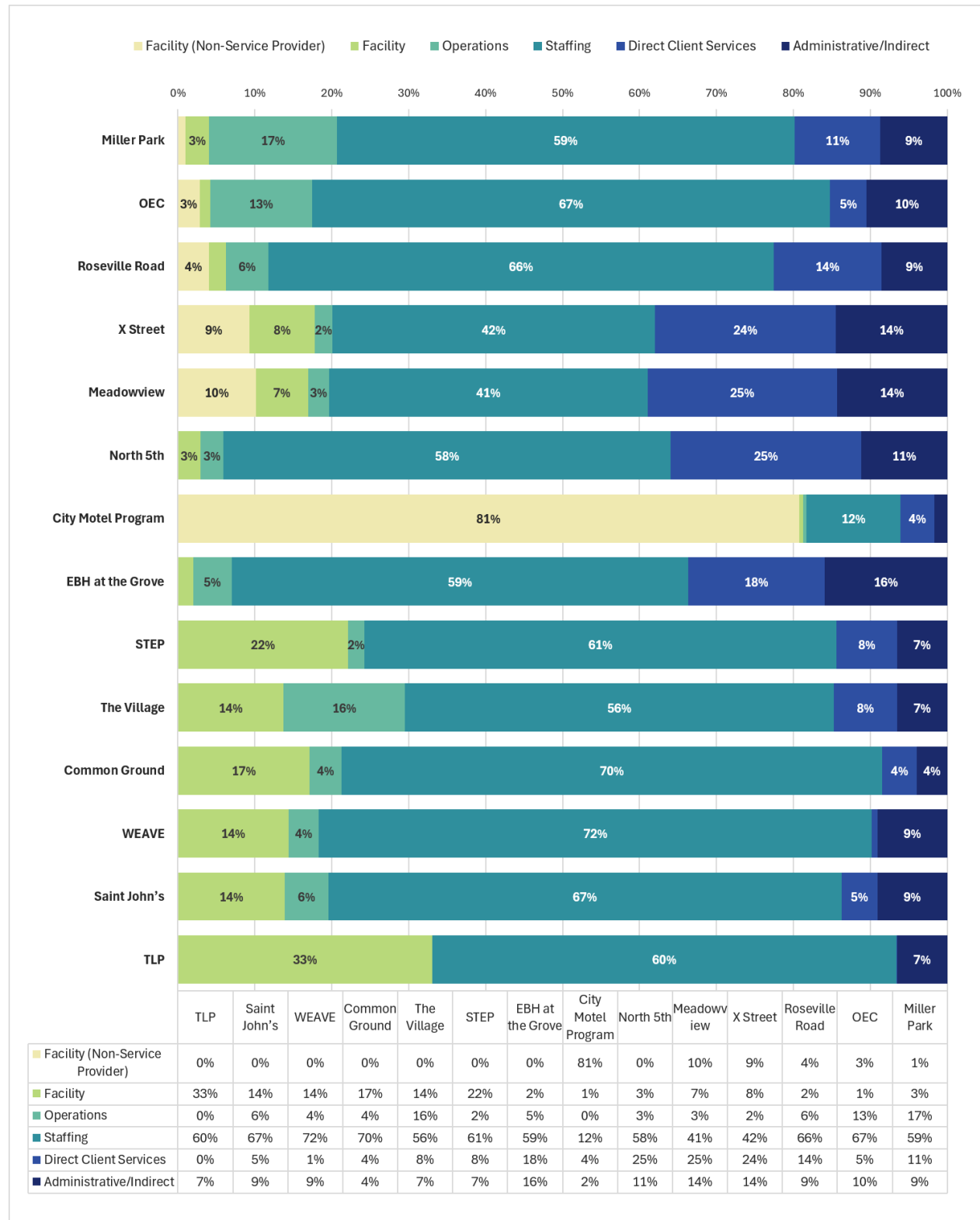
Source: Auditor generated based on service provider invoices, accounting journals, the City’s general ledger, the City’s primary energy system, and information provided by DCR.

The next figure illustrates how total program costs are distributed across these six major cost categories. Overall, the figure shows variation in cost distributions across shelters and groupings, but these patterns are generally consistent with differences in program design. Cost structures reflect factors such as site

³¹ This is the only category that the City pays for directly. All other costs were incurred and paid through service provider invoices.

type, service delivery model, and program setup. The sections after the figure describe these patterns by cost category, using the grouping most relevant to each type of cost, and providing separately calculated averages by these various groupings, if relevant, for additional reference. As an example, facility costs align with site structures, while direct client service costs reflect program models and priorities.

Figure 14. Cost Structure Breakdown by Shelter for FY24-FY25



Source: Auditor generated based on service provider invoices, accounting journals, the City's general ledger, the City's primary energy system, and information provided by DCR.

The figure illustrates clear observations related to facility costs when viewed by the type of site. Most notably, the City Motel Program has the highest proportion of facility costs combined at 81 percent of total cost, which includes both costs incurred separately and by the service provider, while all other shelters average 13 percent. This is likely attributed to its use of motel rooms, which are non-congregate and subject to a nightly room rate. For other site groupings, the figure also visually implies certain patterns in cost structure. We specifically calculated that all facility costs out of program totals were:

- Lower on average at 4 percent for sites with existing infrastructure, such as the OEC, Roseville Road, North 5th, and EBH at the Grove, as those do not require as much additional infrastructure investment;
- Higher on average at 17 percent for sites that have newly constructed shelter infrastructure, such as Meadowview and X Street, in which costs are spread over a designated operating period;³² and
- Even higher on average at 19 percent for shelter sites that are provider-owned or leased.

The previous figure also highlights other key observations. First, with the exception of the City Motel Program, staffing costs represent the largest share of total program costs at every shelter, averaging 60 percent of program costs across all shelters. With the City Motel Program included, staffing costs still average 57 percent of program costs across all shelters. This is consistent with the labor-intensive nature of shelter operations, including the need for continuous supervision, ongoing client stabilization, and site management, and is also consistent with other shelter cost studies.³³

Second, direct client costs, which include food, transportation and financial assistance, constitute the highest percentage of total costs on average for programs focused on sheltering, except for the City Motel Program, and lowest for the group focused more on longer term wellness. This may reflect the need to provide this additional support to meet client needs in the sheltering-focused programs, or that the group focused on longer term wellness offers additional services through their other programs—such as a drop-in center—that may separately support these needs.

Third, administrative costs are highest proportionately for the three shelters that were administered through the Sacramento Housing and Redevelopment Agency (SHRA) for most, if not all, of our two-year review period. These three shelters, which included X Street, Meadowview, and EBH at the Grove, averaged 15 percent of program costs in administrative costs while the remaining shelters averaged almost half at 7 percent. This was likely due to administrative costs being incurred by both SHRA and by

³² We amortized the costs over a 15-year operating period based on the initial build of the structure.

³³ For example, a comprehensive study for Maine’s homeless response system indicated that staffing expenses comprised more than 80 percent of their shelter costs.

the service provider. By July 2025, the City transitioned to contracting directly with the two service providers³⁴ that operated these shelters.

Cost Structures Primarily Support Sheltering and Stabilization Functions Rather Than Longer Term Outcomes

While shelter programs may provide supportive services related to long-term wellness or housing readiness, federal definitions and homelessness response frameworks generally characterize their primary function within the housing continuum as providing temporary shelter and immediate stabilization.

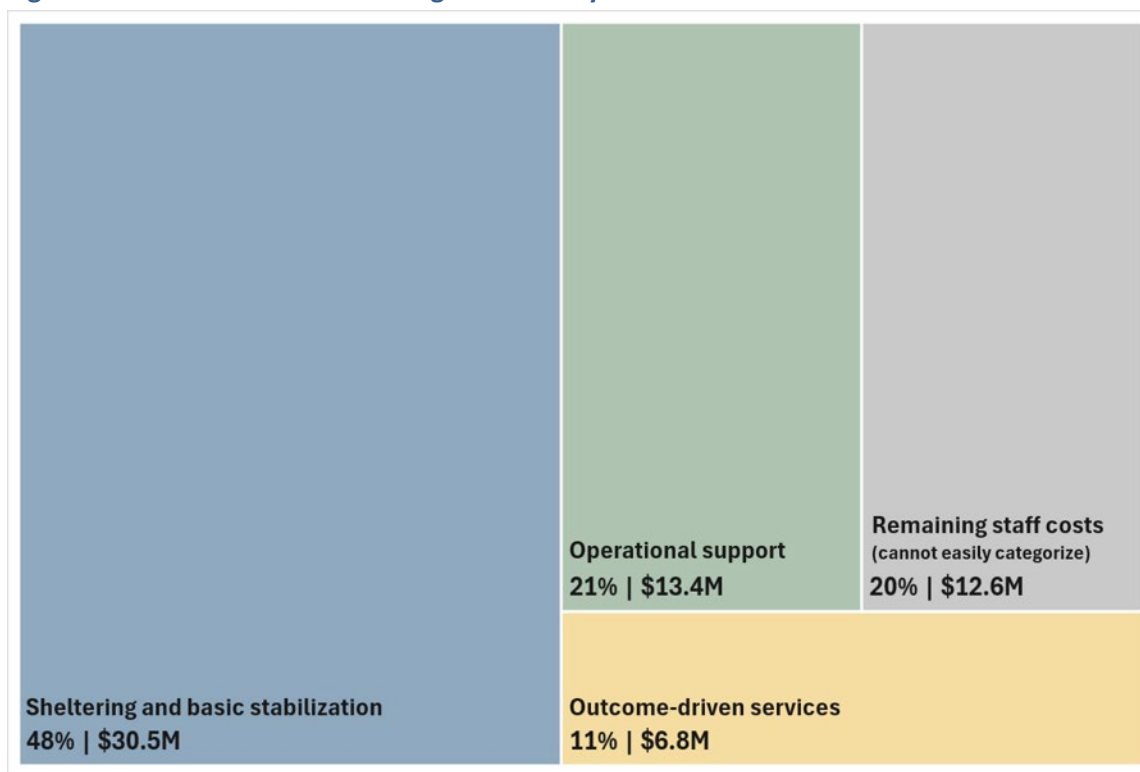
To that end, we built on our prior analysis of broader expenditure categories by conducting additional review of staffing and direct client costs to further distinguish expenditures associated with sheltering and stabilization functions from those associated with supportive services and longer-term wellness objectives.

We found that approximately 69 percent of total program expenditures, totaling \$43.9 million, were attributable to sheltering and basic stabilization functions. Specifically, approximately 48 percent of expenditures across all shelters directly supported sheltering and stabilization activities, including facilities-related costs, clients' basic needs such as meals, and onsite staffing. Operational support costs—including management, general operations, and administrative functions—were also categorized as sheltering expenditures because these costs are generally incurred regardless of whether additional client services are provided. In comparison, approximately 11 percent of expenditures were dedicated to outcome-oriented services, including housing financial assistance, case management, and specialized service staff. Finally, approximately \$12.6 million in staffing-related expenditures could not be readily categorized based on our level of review because the expenditures either reflected combined benefits across multiple positions or were labeled as general staffing costs without specifying individual roles.

The next figure illustrates these cost proportions by functional role.

³⁴ Volunteers of America operated both the X Street and Meadowview shelters while First Step Communities operated EBH at the Grove.

Figure 15. Allocation of Shelter Program Costs by Functional Role



Source: Auditor generated based on service provider invoices, accounting journals, the City’s general ledger, the City’s primary energy system, and information provided by DCR.

Note: We included the City of Refuge’s Women and Family Shelter Project in this total cost analysis because invoice data was available for the first two months of FY24. However, because the contract ended in August 2023, no additional costs were incurred during the remainder of FY24 or FY25. Therefore, the program is excluded from shelter-level comparative analyses to ensure consistent comparisons across shelters with more complete cost data.

Overall, the analysis indicates that a substantial portion of shelter program expenditures support core sheltering and stabilization functions, reflecting the operational resources required to provide temporary shelter and meet clients’ immediate basic needs. Notably, food-related expenditures alone represented approximately 8.5 percent of total costs, approaching the 11 percent dedicated toward outcome-oriented supportive services such as case management and housing assistance.

We recognize that staffing roles are not always exclusively associated with a single function. For analytical consistency, positions primarily associated with client services, such as case managers, were categorized as supportive services, although these positions may also contribute to immediate stabilization efforts. While providers maintain additional supporting documentation, allocating staff time across functions would have required extensive review of detailed invoices and supporting records beyond the scope of this analysis. Accordingly, staffing categorizations reflect the primary purpose of each role rather than a precise allocation of staff activities.

Costs Per Bed and Per Exit Vary Across Programs Without Clear Alignment to Operational Priority

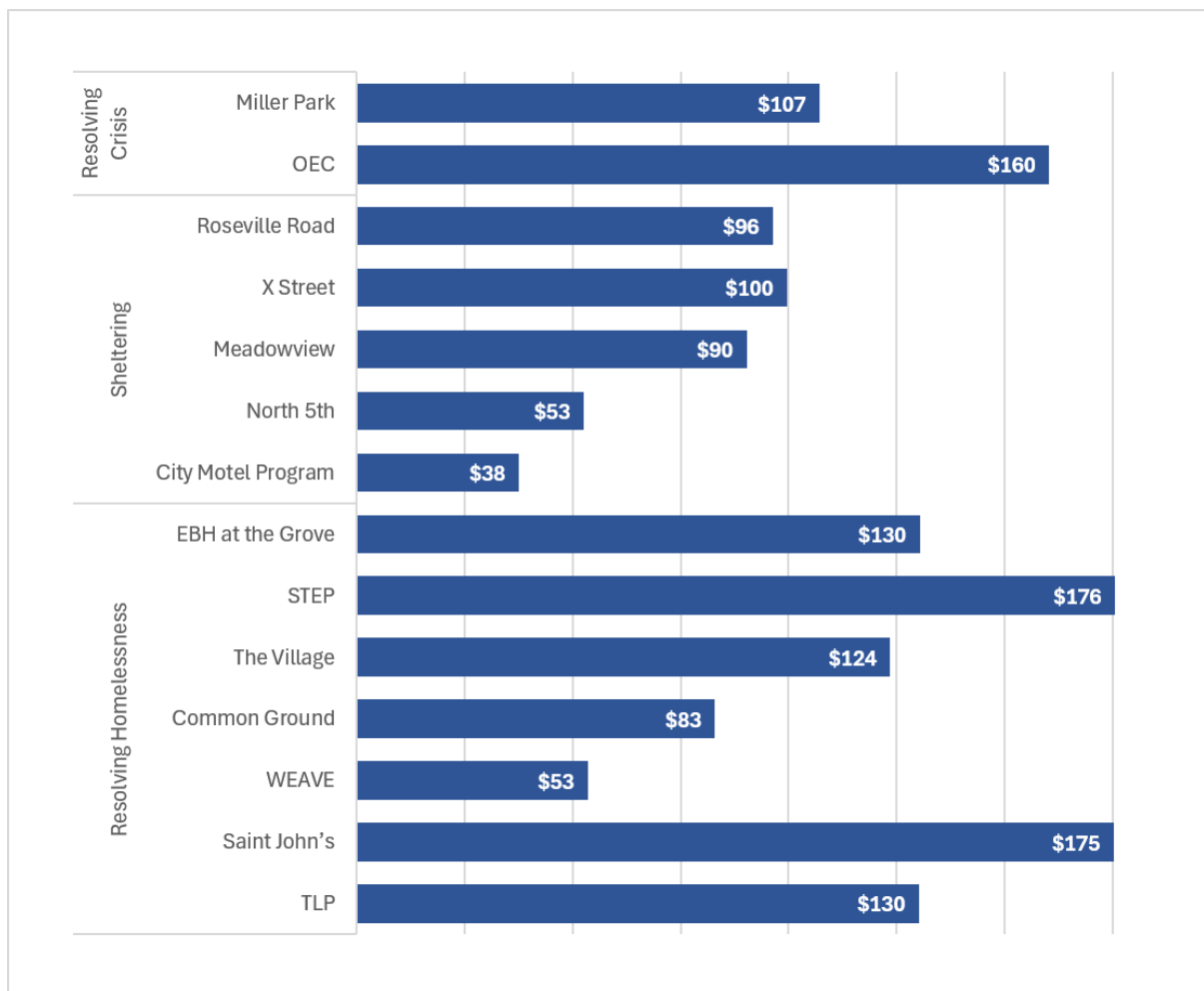
Analysis of shelter expenditures on a per bed, per client, and per exit basis identified substantial variation across programs. While these cost measures generally moved in similar directions within individual shelters, comparisons across shelters did not reveal a consistent relationship between program costs and operational characteristics. More specifically, comparisons across shelters did not appear to consistently reflect clear tradeoffs between serving more individuals, providing more intensive services, or achieving stronger housing outcomes. As a result, it was not always evident when higher costs reflected intentional program priorities and were justified for operational or other reasons.

The next figure shows that cost per (occupied) bed per night varies across operational priority groups and within those groups. STEP and Saint John's had the highest cost per bed per night at \$176 and \$175, respectively. OEC also has similarly higher costs at \$160 per bed per night, which may be due to its function as a respite center that only operates 23 hours a day. Clients are required to check out and check in again at the shelter each day, therefore resulting in more service touchpoints that are provided by shelter staff.

In comparison, the City Motel Program, which serves families with minor children in motel rooms, had the lowest cost per bed per night. While the City Motel Program is significantly lower in cost per bed per night,³⁵ DCR management stated that these lower costs might not be replicable if another population was served through motel rooms. More specifically, members of the same household, with households averaging 3.1 people, typically share motel rooms, with the number of people per room varying in practice to accommodate actual household sizes. Based on the number of contracted rooms and the average occupancy during our review period, each room averaged 2.5 occupants. However, these cost efficiencies may not be directly replicable if a motel program model were to serve single adults, who would likely require individual rooms or have lower room occupancy levels. For comparison, assuming one room serves one person instead of three, the cost per bed per night would be approximately \$113, which may be lower in cost than several shelters in the "Resolving Homelessness" group but higher in cost than all shelters in the "Sheltering" group.

³⁵ The cost per bed per night does not reflect the nightly room rate, as each room may accommodate multiple clients—as the City Motel Program serves families with minor children—and is therefore counted as multiple beds.

Figure 16. Cost Per Occupied Bed Per Night by Shelter



Source: Auditor generated based on service provider invoices, accounting journals, the City's general ledger, the City's primary energy system, and information provided by DCR.

Note: The cost per occupied bed per night was calculated using average occupied beds (utilization) rather than total bed capacity to reflect actual shelter use during the reporting period. For programs where City funding supported only a portion of total beds, occupied bed nights were proportionally attributed based on the City-funded share of beds. Due to limited HMIS data related to confidentiality considerations, we used bed capacity for WEAVE rather than average utilization for this calculation.

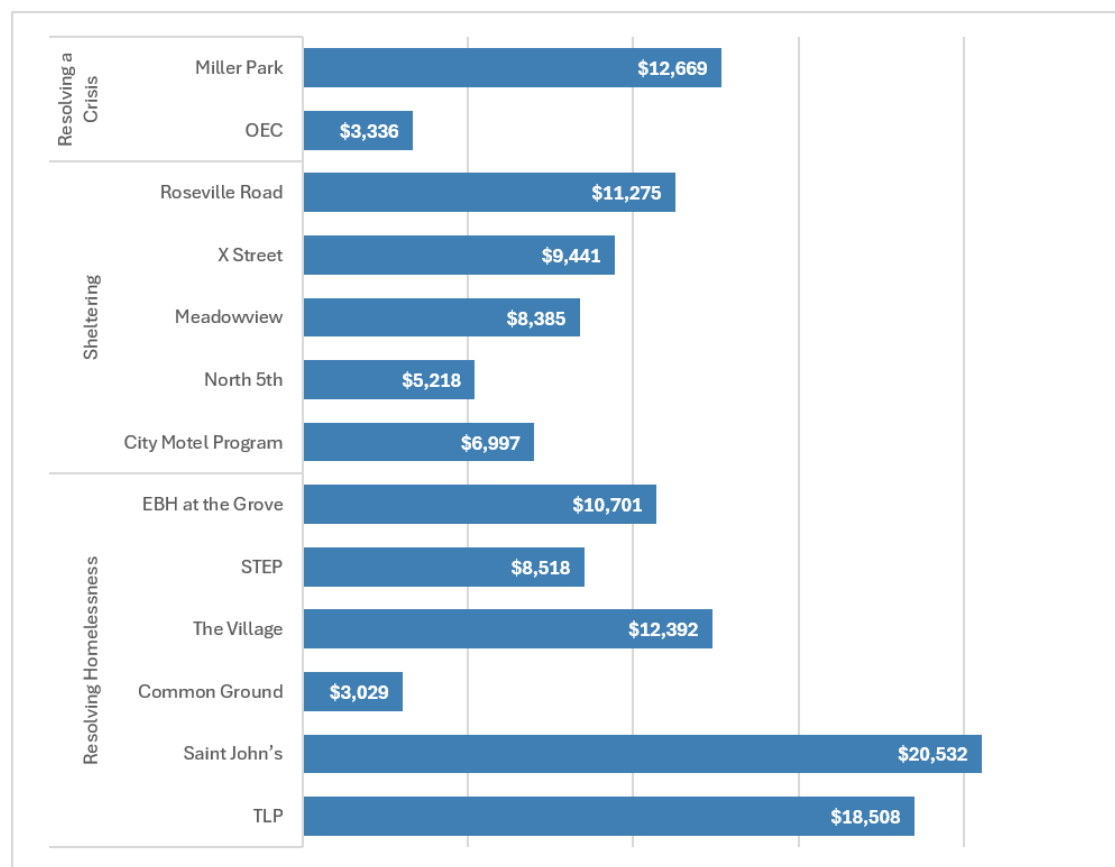
Notably, X Street and Meadowview also have slightly different costs per bed per night despite being operated by the same provider and having similar physical structures and operational capacities. In addition, shelters in the "Resolving Crisis" group average \$134 per bed per night, shelters in the "Sheltering" group average \$70 per bed per night, and those in the "Resolving homelessness" group average \$124 per bed per night. Shelters in the "Sheltering" group have the largest operational capacities on average, which may reflect that fixed operational costs are distributed across more clients—we discuss this concept in more detail in Finding 2. However, the averages across shelter groups

did not demonstrate a consistent pattern sufficient to explain the full variation in costs across individual programs.

We conducted a similar assessment to determine the cost per exit, which is the average cost associated with each exit from the program during the scope period. As shown in the following figure, we again generally observed substantial variation both across and within the operational priority groups, without a clear indication of when higher costs reflected intentional tradeoffs or other operational factors.

Overall, the lowest costs in this figure are different from the last. Common Ground has the lowest cost per exit at approximately \$3,000, followed by OEC at just over \$3,300. However, Saint John's has been consistently the highest or a close second highest comparatively across both cost measures, with a cost per exit of approximately \$20,500.

Figure 17. Cost Per Exit by Shelter



Source: Auditor generated based on service provider invoices, accounting journals, the City's general ledger, the City's primary energy system, and information provided by DCR.

Note: For programs where City funding supported only a portion of total beds, occupied bed nights were proportionally attributed based on the City-funded share of beds. Cost calculations are based on expenditures

incurred during the two-year review period. Additionally, some exited clients were enrolled before the start of the review period, and their total length of stay includes days outside the cost period. As a result, cost per exit estimates may be understated.

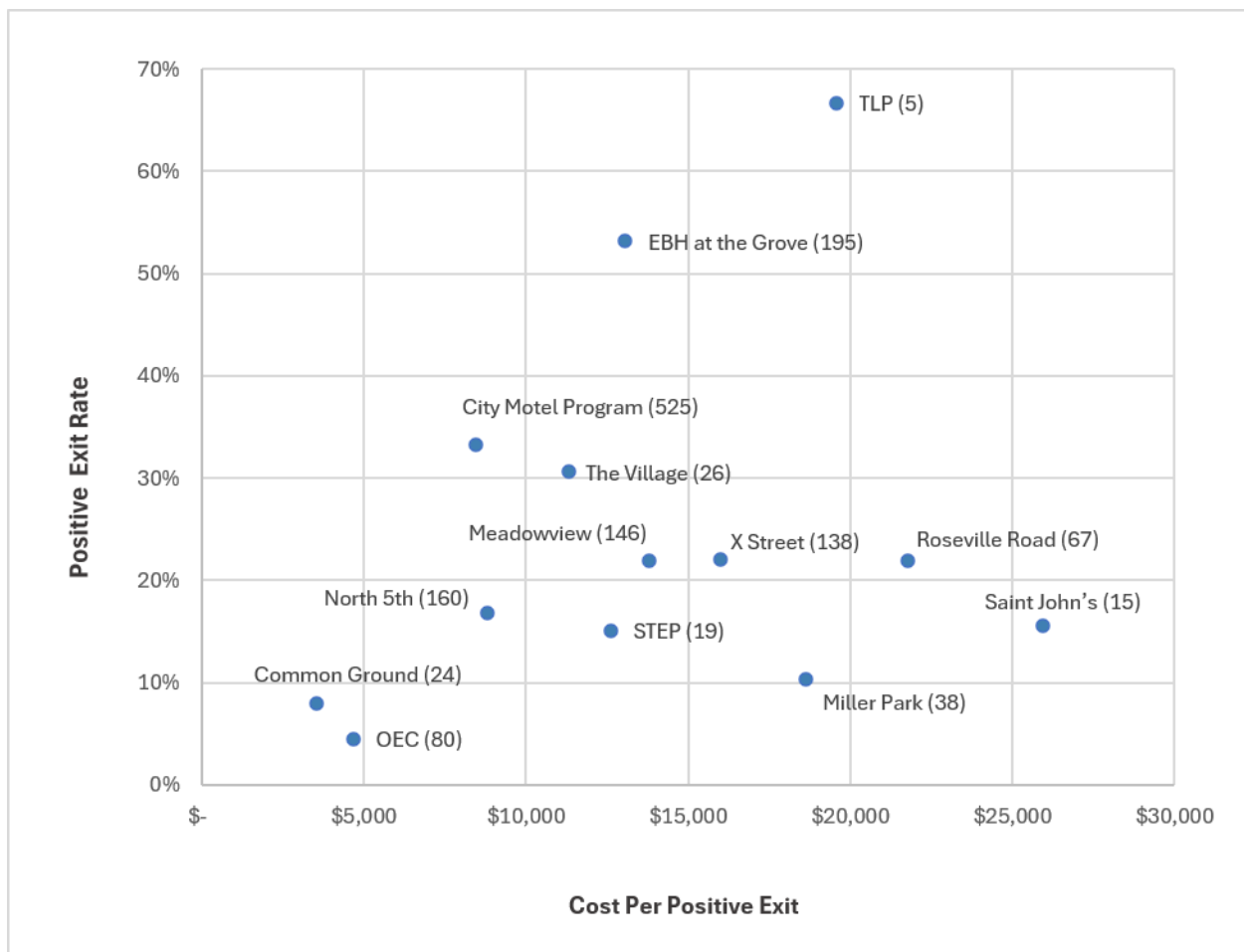
Similar Outcomes May Be Achieved at Different Cost Levels

To evaluate whether higher program costs corresponded to more stable housing outcomes, we compared shelters' cost per positive exit to their positive exit rates.³⁶ While some higher-cost shelters demonstrated more positive housing outcomes, others did not. Additionally, some shelters with comparable positive exit rates operated at different cost levels, suggesting that higher costs did not consistently translate to improved outcomes.

The following figure compares shelters' average yearly cost per positive exit to their positive exit rates to determine whether there was any correlation between higher program costs and a higher percentage of positive housing outcomes. Each point represents an individual shelter program. The horizontal axis shows the estimated cost per positive exit, while the vertical axis shows the percentage of program exits that resulted in permanent housing outcomes. The number in parentheses is the number of positive exits, adjusted for the proportional number of beds funded by the City.

³⁶ Positive exits refer to permanent exit destinations.

Figure 18. Cost Per Positive Exit Compared to Positive Exit Rate by Shelter



Source: Auditor generated based on service provider invoices, accounting journals, the City's general ledger, the City's primary energy system, information provided by DCR, and analysis of HMIS data.

Note: Some exited clients were enrolled before the start of the review period, and their total length of stay includes days outside the cost period. As a result, cost per exit estimates may be understated.

The relationship between cost per positive exit and positive exit rates appears weak and inconsistent. While some higher-cost shelters achieved higher positive exit rates, other similarly costly programs did not, suggesting that higher expenditures do not consistently correspond to positive housing outcomes. Additionally, lower-cost programs tend to cluster at lower positive exit rates, some mid-cost programs achieve higher positive exit rates, but higher-cost programs are spread across both higher and lower positive exit rates.

For some shelters, where they land in the figure generally aligns with operational priority or program design. For example, OEC is designed as an intermediate step between unsheltered homelessness and more traditional sheltering programs, which is consistent with its lower cost and lower positive exit rate.

In contrast, TLP is designed to be a two-year transitional housing program and serves a role further along the housing continuum than traditional sheltering programs. As such, clients are typically more stabilized when they enter the program and the program is more directly focused on helping clients transition to longer-term, ideally permanent, housing outcomes. This may explain its higher positive exit rate but also higher cost per positive exit. However, OEC, by having more capacity, has 80 positive exits compared to 5 at TLP.

The figure also shows that some shelters achieved similar positive exit rates at different cost levels. For example, Meadowview, X Street, and Roseville Road all had a positive exit rate of 22 percent but cost per positive exit varied between almost \$5,800 to approximately \$8,800. Specifically, Roseville Road's cost per positive exit was approximately 1.6 times as high as Meadowview's. However, clients enter Roseville Road through street outreach, whereas clients enter Meadowview through CAS, which may reflect differences in initial client acuity and service needs that could require greater resources to address while in shelter. Notably, X Street and Meadowview are operated by the same service provider, yet X Street costs nearly \$2,200 more per positive exit. One distinction between the programs is the population served: Meadowview only serves women, while X Street serves adults more broadly.

Two other shelters, specifically North 5th, with a 17 percent positive exit rate, and Saint John's, with a 16 percent positive exit rate, also had similar positive exit rates but widely different costs per positive exit. Saint John's costs are almost three times as high as North 5th. One distinction is their operational priority, such that Saint John's is focused on longer term wellness while North 5th focuses on sheltering. Additionally, North 5th has 160 positive exits compared to Saint John's 15, which may also reflect program capacity.

Overall, this analysis suggests that there is no clear correlation between positive exit rates and the cost per positive exit, indicating that higher spending does not consistently correspond to better outcomes. Moreover, comparable outcomes may sometimes be achieved through different operational approaches or resource levels, making it difficult to determine when higher costs reflect justified tradeoffs or more effective service delivery. Although some cost differences appear related to program design, target populations, or operational roles within the homelessness response continuum, further analysis may be needed to determine whether the variation observed across programs reflects intentional resource allocation decisions or other programmatic factors.

Taken together, the differing cost patterns across program structure and cost metrics highlight the importance of linking program costs to measurable performance outcomes or other clearly defined operational priorities to ensure that higher expenditures reflect intentional and justifiable tradeoffs. Near the end of FY25, DCR had renegotiated several contracts to reduce program costs and continues to evaluate whether programs are comparatively cost-effective. Consistent with DCR's existing efforts to monitor shelter costs and operational performance, additional analysis may further clarify whether higher expenditures correspond to intended service models, client acuity, or other justified programmatic objectives and identify opportunities to optimize existing resources.

RECOMMENDATION:

We recommend the Department of Community Response:

- 1. Develop a methodology to evaluate shelter program costs in relation to program design, client populations, and housing outcomes.**
- 2. Use the methodology to assess whether variations in expenditures reflect intended operational priorities and effective resource allocation and identify opportunities to reduce costs while maintaining intended service levels and outcomes.**

Finding 2: The City Can Shelter More Individuals at Minimal Additional Cost by Increasing Utilization of Existing Congregate Sheltering Programs

A primary function of the City's homeless sheltering programs is to provide shelter for people experiencing homelessness (PEH). However, despite existing shelter capacity, demand across the Sacramento region continues to exceed the number of available beds. Expanding shelter capacity through new sites requires substantial funding and the identification of suitable locations. We believe the City's existing congregate shelters may present an opportunity to modestly increase bed capacity and expand access to shelter space at comparatively minimal additional cost.

The City's congregate shelters vary in facility type and operational capacity, but each is relatively large in physical size, relies on shared infrastructure, and is already designed to accommodate higher client volumes. As a result, modestly increasing the number of clients served may help the City maximize the value of existing investments in these facilities. Expanding capacity within existing operations may also reduce the average cost of serving each client through economies of scale, a common strategy used to improve long-term cost efficiency and financial sustainability.

To assess whether existing sheltering programs could expand their contracted capacity and benefit from economies of scale, we reviewed the existing maximum capacities, determined the basis for their establishment, and analyzed the cost structure of the shelters. We found that:

- Current contracted capacities are below regulatory occupancy limits, suggesting available sheltering space; and
- Economies of scale for larger sheltering programs indicate that additional residents can be served at minimal marginal cost.

We believe that the City can conduct a thorough site review to assess the optimal shelter capacity at the current congregate sheltering program locations and determine whether additional clients can be serviced given the existing infrastructure. Many of the costs associated with operating congregate sheltering programs are fixed, meaning they remain relatively stable as the number of clients served increases. Some costs only rise incrementally when shelters exceed certain capacity thresholds and require additional staffing or resources. The City may have the opportunity to achieve greater scale at these sheltering programs without proportional budget increases by reviewing each facility's capacity and operations to accommodate a slightly higher client volume, which would allow for a marginal increase in the number of individuals served with minimal additional expense.

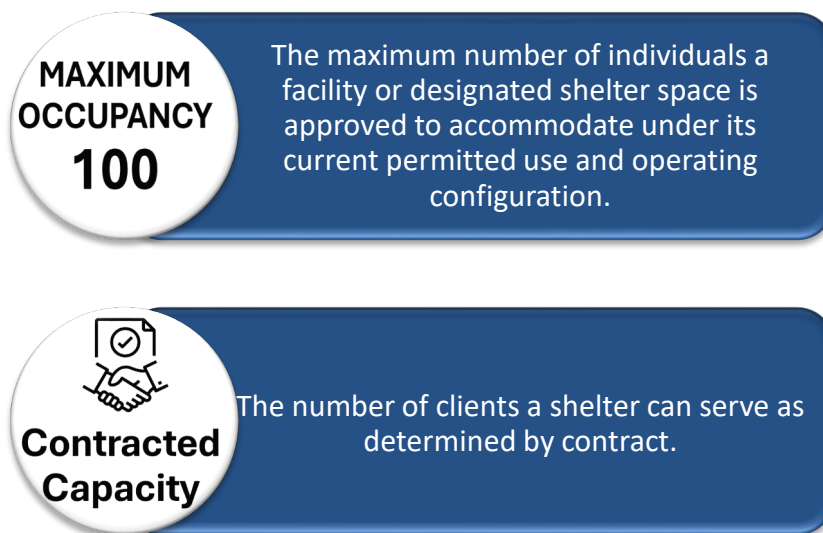
Current Contracted Capacities Are Below Regulatory Occupancy Limits, Suggesting Available Sheltering Space

City sheltering programs operate with designated capacities that reflect current operational limits and staffing models, but these limits do not always represent the maximum occupancy permitted under

applicable regulations. As a result, the City’s existing congregate sheltering programs may present an opportunity to increase access to sheltering space through modest increases in bed capacity. A sheltering program’s contracted capacity is the maximum number of clients it is funded and staffed to serve under its contract.

Each sheltering program also has a regulatory-based occupant load, or maximum occupancy, which is the maximum number of individuals a facility or designated space is approved to accommodate under its current permitted use and operating configuration. Under state fire code,³⁷ occupant load determines both the maximum allowed capacity of a given space and the required means of egress, or the continuous, unobstructed path to a safe exit. This number is calculated based on the intended use of that space and applicable occupant load factors. For example, the maximum occupancy for a room or building may differ depending on whether it is used as sleeping quarters or as shared gathering space. We summarize this distinction between maximum occupancy and contracted capacity in the following figure.

Figure 19: Distinction Between Maximum Occupancy and Contracted Capacity



Source: Auditor generated based on City contracts and Fire Code language.

During site visits, we observed available space within existing shelter layouts that could potentially accommodate additional beds. Consistent with these observations, our review of service provider contracts identified differences between the maximum occupancy limits posted at certain facilities and the number of individuals the City currently contracts providers to serve. Together, these observations

³⁷ California Fire Code Section 1004.

indicate that there may be available physical space to accommodate additional clients at existing shelters.

We focused our analysis on four congregate sheltering programs with generally similar physical layouts and operating models, including the Outreach and Engagement Center (OEC), the X Street Navigation Center (X Street), the Meadowview Navigation Center (Meadowview), the North 5th Navigation Center (North 5th).³⁸ X Street and Meadowview are similarly constructed shelters of the same size. Both operate out of Sprung Structures³⁹ and currently serve 100 clients with individual beds. OEC is a repurposed science center and retains its original layout, with a round planetarium and galleries of varying sizes that are now filled with cots and single beds. North 5th is also a repurposed facility that has historically hosted a county-operated sentencing program and includes multiple sleeping quarters now filled with bunk beds.

As shown in Figure 20 below, the current contracted capacities are below the posted maximum occupancy limits at these facilities.

³⁸ For purposes of this analysis, we excluded motel rooms and scattered-site non-congregate programs because these models operate under different physical and operational constraints than congregate shelters. We also excluded cabin and pallet home sites due to their more limited ability to expand capacity. Our review focused on congregate sheltering programs that could potentially accommodate additional clients with minimal modifications, such as adding beds. Compared to smaller specialized sheltering programs operating in residential settings, larger congregate sheltering programs generally serve significantly more individuals and may be better positioned to absorb modest capacity increases with less operational disruption.

³⁹ Sprung Structures are temporary or semi-permanent buildings often used for homeless shelters because they can be installed relatively quickly, cost less than conventional construction, and require limited site preparation.

Figure 20. Comparison of Sheltering Programs' Contracted Capacity and Maximum Occupancy⁴⁰

Shelter	Contracted Capacity	Maximum Occupancy	Difference
 OEC	75	199	124
 X Street	100	126	26
 Meadowview	100	126	26
 North 5 th	163	175	12

Source: Auditor generated based consultation with the City's Fire Department and Facilities Division.

Note: OEC's operational capacity increased from 50 to 75 as of September 1, 2024.

During our site visit at OEC, we also noted that the designated sleeping areas appeared to be at capacity, but the space available within the property and in an unused second floor had potential for expansion. To assess the factors contributing to the difference between contracted capacity and maximum occupancy limits, we conducted interviews with City fire and facilities officials, and reviewed emergency shelter space standards, City ordinances, and sheltering program contracts.

Contracted Capacities Likely Reflect Historical Program Design Rather Than Facility Limits

We sought to determine how operational capacities had been determined for existing shelters and found that the current contracted capacity for multiple shelters are likely a result of historical program design decisions rather than an assessment of each facility's physical capacity.

The 100-bed capacities at X Street and Meadowview appear to have been identified in through the formulation of the City's Comprehensive Siting Plan to Address Homelessness, a prior City initiative to

⁴⁰ The difference of 124 persons between Contracted Capacity and Maximum Occupancy at the OEC's facilities does not account for a 50-person cooling and warming center that operates separately from the respite center during emergencies.

establish eight shelters with 100 beds in each City Council district. The Comprehensive Siting Plan did not describe the methodology or analysis used to determine the 100-bed threshold. We interviewed DCR, the Fire Marshal, and the Facilities Division, and did not identify a clearly defined basis for how capacity for these shelters was determined.

The contracted capacities at OEC and North 5th were more recently reviewed by the City and were expanded. OEC increased from a contracted capacity of 50 to 75 people as of September 1, 2024, while North 5th's contracted capacity increased by 59 people to 163 people in 2022. These restrictions were partially influenced by COVID-19, and their revision reflects the City's willingness to reassess contracted capacities in specific instances. However, they fall short of a formal capacity review for all programs.

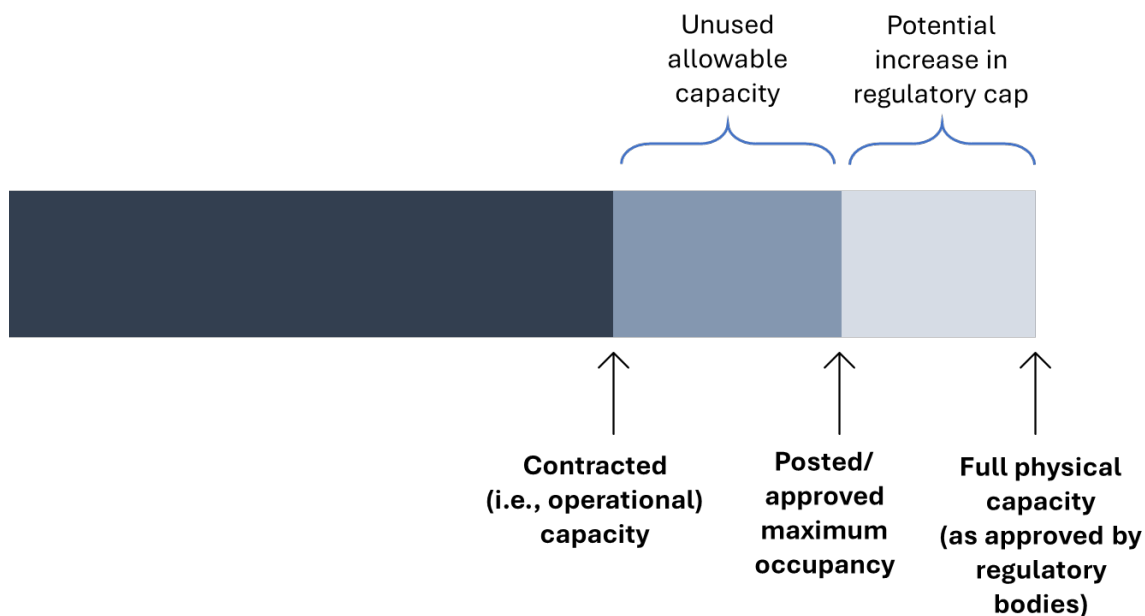
Approved Maximum Occupancy Numbers Reflect Intended Use Within Regulatory Limits Rather Than Physical Capacity

The current approved maximum occupancy numbers for these four sheltering programs were based on the proposed program use by administrators or operators and then approved by the corresponding authorities, the City's Fire Department or Facilities Division, if within regulatory limits. As a result, they may not reflect the full physical capacity of the given space, that is, the maximum occupancy that could be supported if the space were utilized to its full extent as sleeping quarters.

To understand how these maximum occupancy numbers were established, we interviewed the City's Fire Marshal and Facilities Division. Maximum occupancy for the shelters included in our review was established through two distinct approval processes. For X Street and Meadowview, as newly constructed facilities subject to full permitting, maximum occupancy was determined by the Building Division as part of the permitting process. For OEC and North 5th, which are repurposed facilities, occupancy loads were directly certified by the City's Fire Marshal. Through these discussions, we learned that maximum occupancy limits are based on the proposed use of the space and can be reevaluated if new operational proposals are submitted. In other words, the Fire Marshal did not independently determine the site's maximum potential occupancy but instead evaluated whether the initially proposed number of beds complied with applicable requirements. If these new proposals meet regulatory requirements, the approved occupancy may be increased, allowing the City to pursue higher occupancy limits through revised proposals.

The following figure summarizes the gaps between the contracted capacity, the maximum occupancy, and full physical capacity.

Figure 21. Comparison of Contracted Capacity, Maximum Occupancy, and Full Physical Capacity



Source: Auditor generated based on review of building plans, information provided by the Fire Marshal, and shelter site visits.

Applicable Space Standards Do Not Preclude Modest Increases in Occupancy

Given this potential to increase occupancy, we considered whether space requirements would limit the ability to accommodate additional clients. While general shelter and housing standards establish expectations for adequate sleeping space and safety, they do not prescribe a single, clearly defined space requirement for congregate sheltering program settings. Federal standards⁴¹ require that sheltering programs provide each participant with an acceptable place to sleep and adequate space for themselves and their belongings, but do not define a specific square footage per person. Based on our review, we did not identify explicit standards that would preclude modest increases in occupancy.

To assess the potential impact of incremental increases, we calculated the average space per person at existing capacity and at incremental increases of one to five additional beds. As shown in the following figure, there are only minimal changes in space per person across these scenarios, suggesting that modest increases in occupancy would not materially alter sleeping conditions. We recognize that circulation space, including walkways between beds, must be maintained and should be considered in evaluations of available capacity.

⁴¹ 24 CFR 576.403.

Figure 22. Average Space Per Person at Existing Capacity and Incremental Bed Increases

	X Street	Meadowview	North 5th
Sleeping Quarters (SqFt)	6,294	6,294	6,720
Contracted Capacity	100	100	163
Square Feet Per Person Based On:			
Contracted Capacity	62.9	62.9	41.2
Contracted Capacity +1 Person	62.3	62.3	41.0
Contracted Capacity +2 People	61.7	61.7	40.7
Contracted Capacity +3 People	61.1	61.1	40.5
Contracted Capacity +4 People	60.5	60.5	40.2
Contracted Capacity +5 People	59.9	59.9	40.0
Average Reduction on Space Per Person (SqFt)	-0.60	-0.60	-0.25
Average Reduction on Space Per Person (%)	-0.97%	-0.97%	-0.60%

Source: Auditor generated based on analysis on space per person, service provider contracts, information provided by service providers, and information provided by the City's Facilities and Real Property Division and the Fire Department.

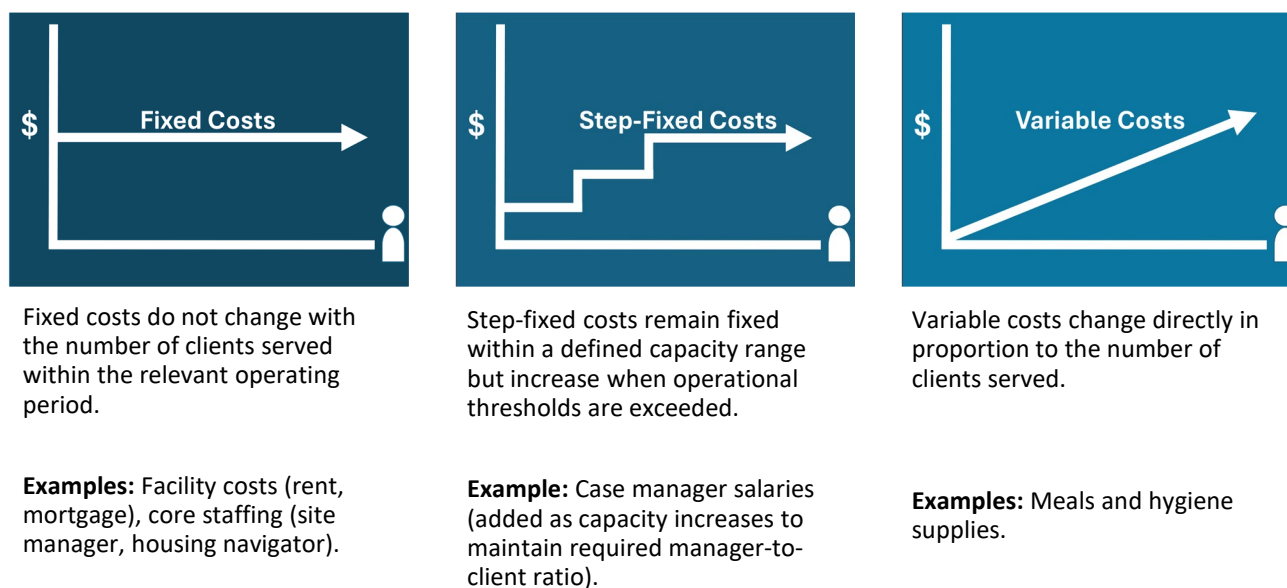
Note: North 5th uses bunk beds, which may result in lower calculated space per person, as this analysis does not account for the use of vertical space. The average reduction on space per person is based on each additional person added. Additionally, because this analysis was only focused on sleeping quarters, we omitted OEC from this analysis as the sleeping quarters appeared to be at capacity; however, as noted previously, the space available within the property and in an unused second floor had potential for expansion.

Our analysis is limited to existing sleeping areas and does not consider the potential to repurpose common areas or other underutilized space, which may provide additional flexibility for accommodating more clients.

Economies of Scale for Larger Sheltering Programs Indicates that Additional Clients Can Be Served at Minimal Marginal Cost

A substantial share of the City's large congregate sheltering costs consist of fixed or step-fixed⁴² costs, creating conditions consistent with economies of scale. As a result, sheltering programs may be able to accommodate additional clients at relatively low marginal cost within existing capacity thresholds. To understand how costs would respond to increases in occupancy, we analyzed sheltering program costs using standard cost behavior categories. In cost analysis, expenditures are commonly categorized as fixed, step-fixed, or variable when evaluating how total costs respond to change over time. We define these costs within the context of sheltering capacity in this next figure.

Figure 23. How Costs Change with Scale: Fixed, Step-Fixed, and Variable Structures



Source: Auditor generated based on *Financial Strategy for Public Managers* by Sharon Kioko and Justin Marlowe.

Because a substantial share of program operating costs are fixed or step-fixed, we analyzed expenditure data to assess how costs would change with increases in occupancy. Our review found that an average of 80.6 percent of program expenditures across all four programs were associated with fixed or step-fixed functions, such as facility costs, baseline staffing, and security, while an average of 19.4 percent were more directly variable in nature, including meals, consumables, and other per-client services. Given that step-fixed costs typically increase only when capacity thresholds are reached, minimal increases in occupancy are unlikely to trigger additional costs in these categories. Based on these

⁴² A step-fixed cost is a cost that remains constant within a defined range of activity but increases or decreases in discrete increments when that range is exceeded.

proportions, we conducted a similar scenario analysis as in the previous section to estimate changes in cost per person under incremental increases in capacity. As depicted in the following figure, cost per bed⁴³ decreases modestly as additional beds are added, which means more clients served at a given time, notwithstanding one-time start-up costs such as additional beds.

⁴³ Beds are used interchangeably in this finding section with additional person or client served depending on the context.

Figure 24. Average Annual Cost Per Shelter Bed at Existing Capacity and Incremental Bed Increases

	OEC	X Street	Meadowview	North 5th
Total Costs (FY24 - FY25)	\$6,569,327	\$7,135,464	\$6,406,827	\$5,586,421
Percentage of Fixed and Step-Fixed Costs	95.3%	76.5%	75.4%	75.3%
Percentage of Variable Costs	4.7%	23.5%	24.6%	24.7%
Contracted Capacity	75	100	100	163
Variable Cost Per Bed Per Night	\$5.69	\$22.99	\$21.59	\$11.62
Average Annual Cost Per Bed Per Night <i>(decreases with each additional bed added)</i>				
Contracted Capacity	\$119.99	\$97.75	\$87.76	\$46.95
Contracted Capacity +1 Bed	\$118.48	\$97.01	\$87.11	\$46.73
Contracted Capacity +2 Beds	\$117.02	\$96.28	\$86.47	\$46.52
Contracted Capacity +3 Beds	\$115.59	\$95.57	\$85.84	\$46.31
Contracted Capacity +4 Beds	\$114.20	\$94.87	\$85.22	\$46.10
Contracted Capacity +5 Beds	\$112.84	\$94.19	\$84.61	\$45.90
Total Program Costs Per Night <i>(increases marginally with each additional bed added)</i>				
Contracted Capacity	\$8,999	\$9,775	\$8,776	\$7,653
Contracted Capacity +1 Bed	\$9,005	\$9,798	\$8,798	\$7,664
Contracted Capacity +2 Beds	\$9,010	\$9,821	\$8,820	\$7,676
Contracted Capacity +3 Beds	\$9,016	\$9,844	\$8,841	\$7,687
Contracted Capacity +4 Beds	\$9,022	\$9,867	\$8,863	\$7,699
Contracted Capacity +5 Beds	\$9,028	\$9,890	\$8,884	\$7,711
Additional Cost Per Night to Serve All Additional Beds (\$) <i>(increases marginally with each additional bed added)</i>				
Contracted Capacity +1 Bed	\$5.69	\$22.99	\$21.59	\$11.62
Contracted Capacity +2 Beds	\$11.39	\$45.98	\$43.17	\$23.24
Contracted Capacity +3 Beds	\$17.08	\$68.98	\$64.76	\$34.85
Contracted Capacity +4 Beds	\$22.78	\$91.97	\$86.35	\$46.47
Contracted Capacity +5 Beds	\$28.47	\$114.96	\$107.93	\$58.09

Source: Auditor generated based on analysis of cost per bed per night, service provider contracts, and cost analysis.

Note: Estimated costs are based on available shelter capacity measured using annualized bed-night capacity.

As shown in the figure, the cost per bed per night decreases with each additional bed added for all four of these sheltering programs. This is because most program expenses—such as staffing, utilities, and facility costs—are fixed and do not increase when a few additional beds are added. As more beds are added (up to practical capacity limits), these fixed costs are distributed across a larger number of beds, reducing the average cost per bed per night. Although total nightly program costs increases due to the costs attributed to each individual client, such as meals, the increase is minimal. For example, X Street’s current average cost is approximately \$98 per bed per night and our analysis shows that the marginal cost of adding one additional bed is only about \$23. While this does not necessarily decrease the total program cost, it reflects a meaningful increase in cost-efficiency: the City can serve more people with almost the same level of resources.

Given the City’s ongoing efforts to expand shelter capacity and current fiscal constraints, prioritizing cost-effective expansion options can be beneficial. Lower-effort, lower-cost approaches, such as maximizing capacity within existing large congregate shelters where operational thresholds permit, should be considered a practical option to serve additional unsheltered individuals.

We recommend that the Department of Community Response:

- 3. Evaluate shelter capacity at existing City shelters, including conducting site-specific assessments of physical space, staffing models, and service requirements, to determine whether capacity at larger congregate shelters can be safely and effectively increased within existing resources.**

Finding 3: Differences in Outcomes Appear to Reflect Program Design and Target Populations More Than Immediate Indicators of Program Effectiveness

Shelter programs in the City are designed to achieve different objectives, operate under different program designs, and serve populations with varying levels of need. As a result, differences in outcomes do not immediately indicate that one program is performing better than another. In this context, comparing outcomes across programs without accounting for these design differences can produce misleading conclusions about program effectiveness. Meaningful performance assessment therefore requires evaluating outcomes within the context of each program's intended purpose, target population, and operating model.

The homelessness response system is organized around a Continuum of Care (CoC) framework, which coordinates different types of housing and shelter programs intended to serve distinct roles within the broader system. Program performance is commonly tracked through the Homeless Management Information System (HMIS), a federally required database used to collect and report information on client outcomes across shelters and housing programs. Within this framework, programs are intentionally designed to serve different populations and purposes, such as crisis response, broad shelter access, or specialized populations like youth.

Because shelters differ in who they serve, service models, and program goals, common measures such as housing placements may not fully reflect effectiveness when comparing fundamentally different shelter programs. As a result, differences in outcomes may reflect differences in program design and client needs as much as differences in program performance.

We analyzed program HMIS data for 13 City shelter programs primarily for FY24 through FY25 including outcomes for Miller Park from its opening in January 2022 until its closing approximately two years later, to determine whether outcomes trends can be tied to program or client characteristics, such as operational priority or client age, or more structural aspects, such as shelter capacity. We found that:

- The City's shelter programs achieved permanent housing exit rates that exceeded the State of California's (State's) reported average;
- Shelter performance appears to align with program design;
- Larger programs account for a disproportionate share of permanent exits due to program size and number of program stays; and
- Permanent exit outcomes are partially influenced by client age and household composition.

Overall, our review found that shelter outcomes should be interpreted within the context of each program's intended role, target population, and operational structure. While the City's shelter programs collectively achieved permanent housing exit rates above the State-reported average, outcome

measures varied across programs in ways that generally aligned with differences in program design, client populations, and service objectives. Larger shelters generated a disproportionate share of permanent exits due to the volume of clients served, while demographic factors, particularly age, also appeared to influence outcomes. Taken together, these results suggest that shelter performance is shaped not only by program effectiveness, but also by the distinct functions and populations each program is designed to serve.

The City's Shelter Programs Achieved Permanent Housing Exit Rates that Exceeded the State's Reported Average

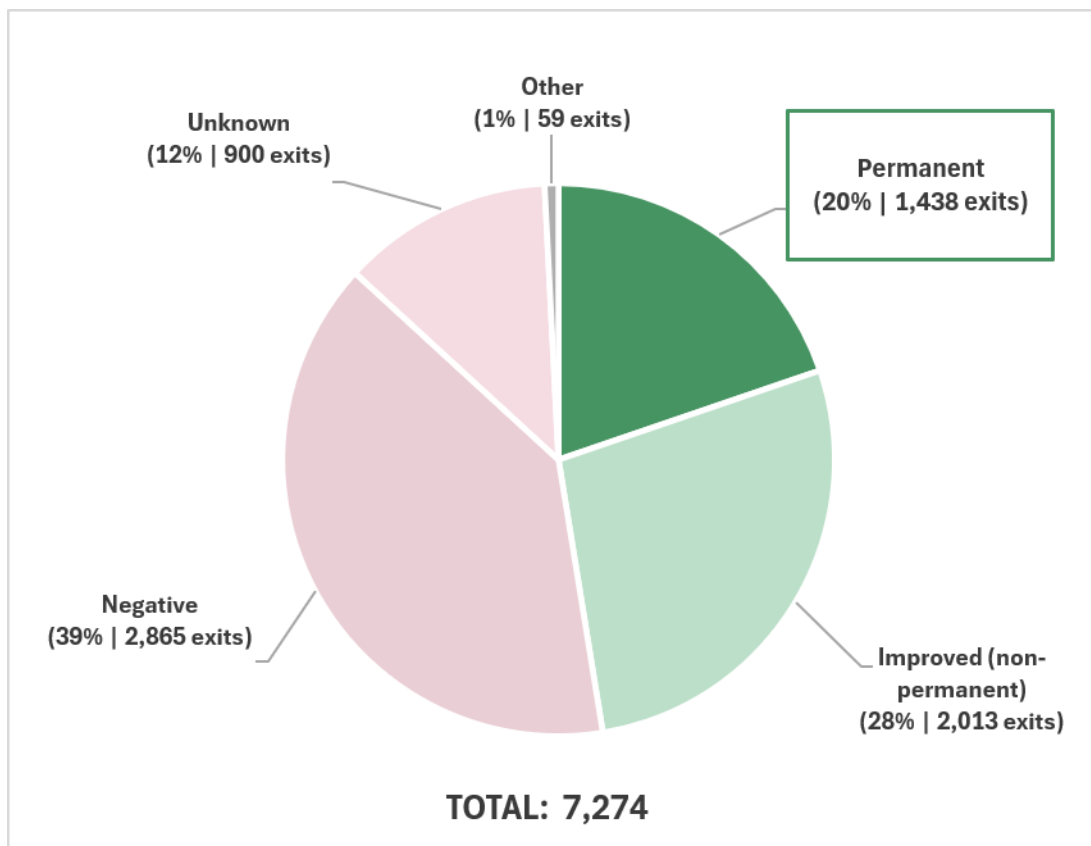
Available HMIS data indicates that the City's shelter programs are achieving comparatively better housing placement outcomes despite operating within the same housing market and homelessness conditions affecting communities throughout the State. Overall, the City's permanent exit rates compared favorably to Statewide housing placement data published by the California Interagency Council on Homelessness (Cal ICH) for similar reporting periods.

Cal ICH is the State's facilitator, coordinator, and leader for policy development and research to support state and local jurisdictions in their work to prevent and end homelessness in California. Cal ICH's most recent Homelessness Quarterly Report reported a 19 percent permanent destination placement rate for calendar year 2023, 18 percent for calendar year 2024, and 17 percent for their most recent one-year period ending on June 30, 2025.

To establish the permanent housing rate for the City's shelter system overall, we analyzed HMIS data for 13 City shelter programs primarily for FY24 through FY25.⁴⁴ As illustrated in the figure below, our analysis included a total of nearly 7,300 total exits from the shelters in our review scope and included 1,438 permanent exits. Our review found that the City's shelter programs achieved a combined permanent exit rate of approximately 20 percent.

⁴⁴ Shelter programs included in this analysis include: (1) Meadowview; (2) X Street; (3) North 5th; (4) OEC; (5) Roseville Road; (6) City Motel Program; (7) EBH at the Grove; (8) STEP; (9) TLP; (10) Common Ground; (11) The Village; (12) Saint John's; and (13) Miller Park. As noted earlier, we used an alternative two-year period, which covered its entire operational period, for Miller Park as the program is no longer active.

Figure 25: Total Exits by Destination Type



Source: Auditor generated based on analysis on HMIS data.

Note: Other exit destinations include exits out of the Sacramento region and administrative data entry errors.

The City's shelter programs appear to be placing people into housing at relatively better rates at 20 percent compared to the State's consecutively decreasing rate from 19 percent to 17 percent in comparable periods, despite operating in the same challenging housing market and homelessness environment affecting communities Statewide. Additionally, several City shelter programs are primarily designed to move individuals into other shelter programs or interim housing placements rather than directly into permanent housing. Given these programs' varying functions with the City's shelter system, the performance outcomes compare even more favorably. Furthermore, when both permanent housing placements and these non-permanent, yet improved, outcomes are considered, a total of 47 percent of exited clients achieve better outcomes.

Shelter Performance Appears to Align with Program Design

The City's shelter system consists of programs designed to serve different populations and operational purposes within the broader goal of reducing homelessness and supporting transitions to stable housing. As a result, performance outcomes vary across shelter types in ways that generally align with

each program's intended role, indicating that differences in outcomes are more immediately reflective of program design than inconsistent performance across all shelters.

The City operated and funded 13 shelter programs⁴⁵ serving people experiencing homelessness during the time of our analysis. These shelters vary significantly in facility design, shelter density, target populations, and overall sheltering approach, reflecting a system composed of multiple operational models rather than a single, uniform program. Based on interviews with DCR management and shelter service providers, site visits to each active shelter, our review of shelter contracts, and information provided by service providers, we found the shelters generally fall along a continuum of three broad operational models:

- Crisis mitigation programs focused on short-term, high-turnover placements;
- Stabilization programs designed to provide medium-term support and move large numbers of unsheltered PEH indoors; and
- Longer-term life improvement programs intended for extended engagement and higher service intensity for specialized populations.

While all shelters support the City's broader goals of reducing homelessness and helping clients achieve stable housing, they emphasize these objectives differently in practice based on their intended purpose and target populations, as illustrated in the background section⁴⁶ and as discussed in further detail in Finding 5. As a result, direct comparisons across all shelters individually may not provide meaningful or accurate conclusions about program performance because the shelters were intentionally designed to serve different roles within the City's homeless response system.

Analysis of HMIS data for FY24 through FY25 suggests that differences in outcomes across shelters might not immediately reflect differences in performance, but instead reflect some level of predictable variation based on program design within the City's multi-role homelessness shelter system.

The next figure summarizes exit destinations for shelters grouped by operational priority. The figure shows the percentage of exits by outcome type for each shelter and the average outcome percentages for shelters within the same operational group. The colored data bars visually depict the relative share of each outcome for easier comparison across the three groups (solid data bars) and within each group

⁴⁵ WEAVE is excluded from our HMIS analysis as they do not record extensive client data in HMIS for confidentiality reasons. With WEAVE included, the total programs in our review scope would be 14. Additionally, some programs were only partially funded by the City, such that City funding supported only a portion of total beds. We account for this throughout the report. Other programs in which the City fully funded their shelter beds may have also supplemented services with other funding sources.

⁴⁶ Refer to Figure 7 in the background section for a list of City shelters grouped by operational priority.

(gradient data bars) when reviewed vertically. Each row represents the proportions of exits for each shelter or operational group and totals approximately 100 percent.⁴⁷

Figure 26. Shelter Exit Destinations by Operational Priority Group

OPERATIONAL PRIORITY	SHELTER	POSITIVE (PERMANENT)	IMPROVED (NON-PERMANENT)	NEGATIVE	UNKNOWN
Resolving a Crisis/ Emergency Situation	Average	12%	31%	54%	2%
	Miller Park	10%	37%	52%	1%
	OEC	4%	44%	44%	6%
	Roseville Road	22%	13%	65%	0%
Sheltering Unsheltered PEH and Supporting Housing Progress	Average	23%	18%	49%	9%
	Roseville Road	22%	13%	65%	0%
	X Street	22%	17%	61%	0%
	Meadowview	22%	17%	61%	0%
	North 5th	17%	30%	48%	5%
	City Motel Program	33%	14%	10%	41%
Resolving Homelessness and Supporting Long- Term Wellness	Average	31%	38%	18%	13%
	EBH at the Grove	53%	19%	28%	0%
	STEP	15%	48%	19%	18%
	The Village	31%	62%	5%	2%
	Common Ground	8%	28%	49%	15%
	Saint John's	16%	57%	1%	26%
	TLP	67%	11%	6%	17%

Source: Auditor generated based on analysis of HMIS data, interviews with DCR, and interviews with service providers.

Note: We grouped Roseville Road under two groups, thus impacting both groups' averages, as it exhibited similarities to both groups. For example, Roseville Road's clients are placed in shelter by street outreach, similar to Miller Park and OEC, which may affect their readiness to engage in services. However, its stabilization functions more closely resemble shelters like X Street, Meadowview, North 5th, and the City Motel Program. Additionally, the City Motel Program may have a higher number of unknown exits because it operates out of individual motel rooms. Unlike other shelter sites that have a centralized point of entry and exit, client departures from the City Motel Program may be more difficult to monitor.

⁴⁷ Exits out of the Sacramento region and exits that represent administrative data entry errors were excluded due to their limited representation in the data at only 0.48 percent across all shelters.

First, the positive outcome averages (in solid green) are directionally consistent with the intended function of each of the three operational priorities. For example, programs providing more intensive wraparound services and longer-term engagement generally demonstrated stronger housing placement at a group average of 31 percent compared to 23 percent for the group focused on sheltering and 12 percent for the group primarily focused on short-term crisis response.

Similarly, the averages for negative outcomes (in solid red) are also consistent based on each groups' objective, but expectedly in the opposite direction of the positive outcomes. Shelters dedicated to crisis mitigation have the highest negative exit rate at 54 percent on average, likely because these programs focus on immediate off-the-street placements for individuals who may not have been actively seeking shelter services, and therefore, may not have been ready to engage in services or stay in shelter for a longer period. Shelters intended to reduce unsheltered homelessness had an average of 49 percent negative exits. And finally, shelters that aim to resolve homelessness and support longer term wellness have a significantly lower negative exit rate on average at 18 percent. This likely reflects the wraparound nature of the services provided or other programmatic support for clients that go beyond sheltering.

The previous figure examined exit outcomes by individual destination type. Because clients do not always progress immediately from shelter to permanent housing, exits to improved destinations—even if not permanent—can represent meaningful progress toward housing stability. The next figure combines positive and improved exits into one category and negative and unknown exits into another for a broader comparison of overall outcomes.

Figure 27. Broader Comparison of Shelter Exit Destinations by Operational Priority Group

OPERATIONAL PRIORITY	SHELTER	POSITIVE + IMPROVED	NEGATIVE + UNKNOWN
Resolving a Crisis/ Emergency Situation	Average	44%	56%
	Miller Park	48%	52%
	OEC	48%	50%
	Roseville Road	35%	65%
Sheltering Unsheltered PEH and Supporting Housing Progress	Average	41%	58%
	Roseville Road	35%	65%
	X Street	39%	61%
	Meadowview	39%	61%
	North 5th	47%	53%
	City Motel Program	47%	52%
Resolving Homelessness and Supporting Long- Term Wellness	Average	69%	31%
	EBH at the Grove	72%	28%
	STEP	63%	37%
	The Village	93%	7%
	Common Ground	36%	64%
	Saint John's	73%	27%
	TLP	78%	22%

Source: Auditor generated based on analysis of HMIS data, interviews with DCR, and interviews with service providers.

Note: As described in the note for the last figure, we grouped Roseville Road under two groups, thus impacting both groups' averages, as it exhibited similarities to both groups.

With the outcomes combined into two groups, the groups focused on resolving a crisis and sheltering have very similar averages and percentage ranges across individual shelters. Further analysis of improved exits indicates that shelters focused on crisis mitigation more frequently transferred clients to other shelter programs rather than to destinations further along the housing continuum. On average, 23 percent exited to other shelters compared to only 8 percent exiting to destinations representing further progress along the housing continuum, such as transitional or interim housing or treatment-focused facilities intended to address barriers to permanent housing. In comparison, the sheltering group averaged only 6 percent exiting to other shelters and a higher 12 percent exiting to these latter destinations. With this distinction, the exits from the crisis mitigation group are consistent with their primary function to help prepare clients for additional sheltering services.

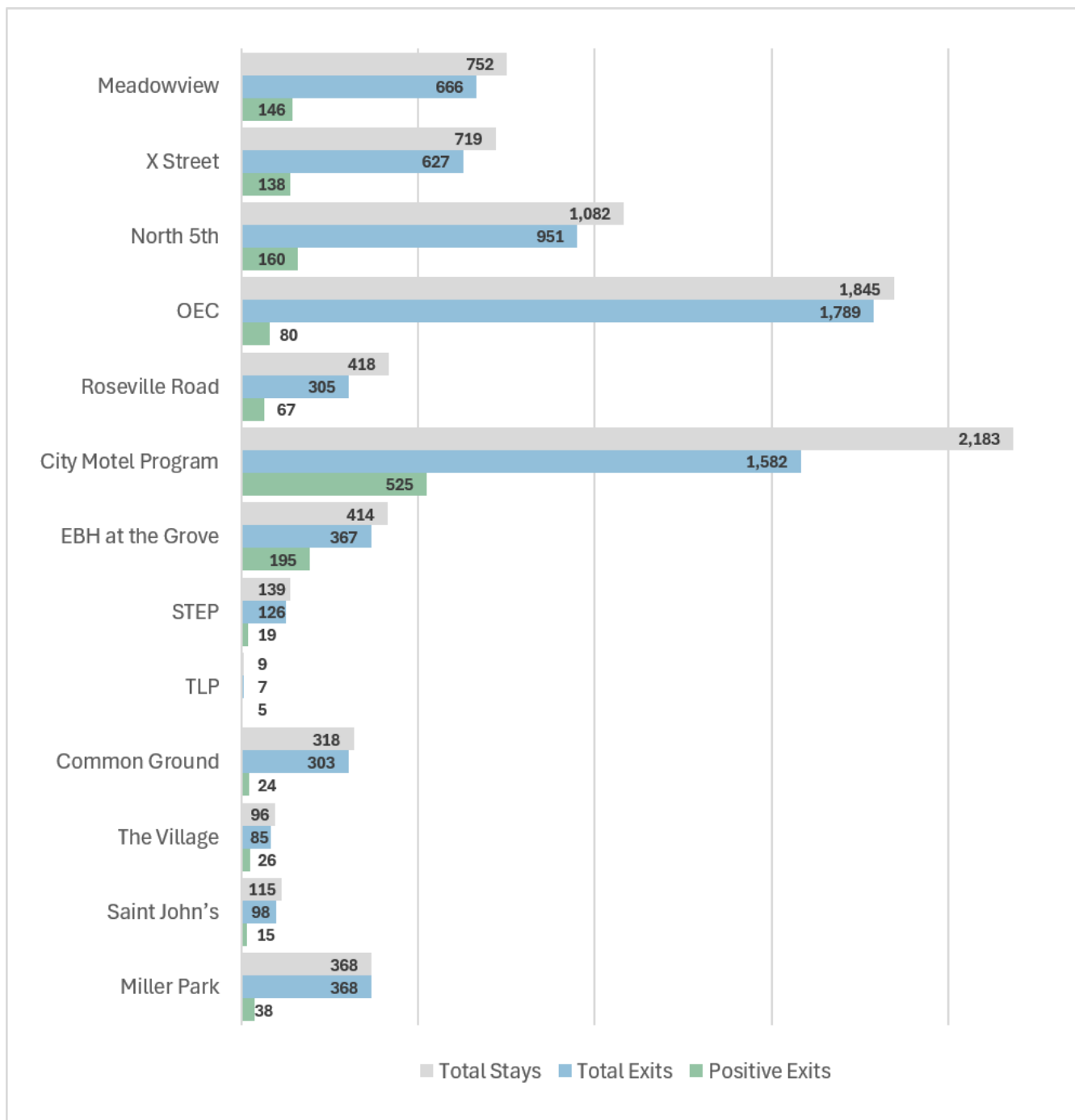
The third operational group, which is focused on resolving homelessness, demonstrates a substantially higher combined percentage of positive and improved outcomes than the other two groups at 69 percent. As suggested by the previous figure, these results may indicate that differences in shelter outcomes are closely tied to program purpose and design. That is, programs primarily designed to resolve homelessness appear to be associated with comparatively higher positive and improved exit rates.

Together, both figures show that shelters within each operational priority group generally fall within a closer range of similar exit outcome percentages, but operational priorities alone do not fully explain variations in outcomes across shelters, even within the same groups. While some variations may be influenced by operational factors that are qualitative in nature or generally more difficult to demonstrate causality with outcomes, other aspects of program design have shown distinguishable differences across outcomes. We describe these differences in the next section.

Larger Programs Account for a Disproportionate Share of Permanent Exits Due to Program Size and Number of Program Stays

Performance outcomes also appear associated with shelter scale, as larger shelters generally account for more program stays and therefore a larger share of positive exits. The following figure illustrates how the total number of program stays generally correlates with the total exits from the program and the number of positive exits from the program.

Figure 28. Correlation Between Total Clients Served, Total Exits, and Total Positive Exits by Shelter



Source: Auditor generated based on analysis of HMIS data.

Note: Totals in this figure were adjusted to reflect only the portion of clients funded by the City.

As expected, shelters with more program stays also generally reported higher numbers of both total and positive exits. We recognize that OEC is a slight anomaly, as its share of positive exits appears lower relative to its total stays and exits than at other shelters. However, this is largely explained by its high

number of improved, non-permanent exits, which is consistent with its primary function in facilitating exits to other shelters rather directly to permanent housing. OEC accounts for 35 percent of all such exits and has 2.7 times more improved (non-permanent) exits than the shelter with the second-highest total.

We also conducted additional analysis by operational capacity to evaluate the impact of shelters with capacities of 100 or more clients on total positive exits. The following figure illustrates that the six shelters with an operational capacity of 100 or more collectively accounted for 84 percent of the shelter capacity for our review period at 1,213 beds and for 75 percent of total positive exits. Although larger shelters account for a slightly smaller share of positive exits than their share of operational capacity, they nevertheless account for approximately 75 percent of all positive exits, demonstrating their central contribution to the City's overall shelter outcomes.

Figure 29. Comparison of Shelter Capacity and Positive Exits Between Shelters With More and Fewer Than 100 Beds

Number of Shelters	Shelter Program	Operational Capacity	Total Operational Capacity	Total Positive Exits
6	City Motel Program	550	1,213 (84%)	1,074 (75%)
	North 5th	163		
	Roseville Road	150		
	Miller Park	150		
	Meadowview	100		
	X Street	100		
7	OEC	75	225 (16%)	364 (25%)
	EBH at the Grove	50		
	Saint John's	50		
	Common Ground	20		
	The Village	15		
	STEP	12		
	TLP	2		

Source: Auditor generated based on analysis of HMIS data and shelter contracts.

Note: WEAVE is excluded from the figure due to not recording exit data in HMIS. Capacity and positive exits are adjusted to reflect only the City-funded portion of shelter beds.

The analysis suggests that larger congregate shelters play a significant role in generating positive permanent housing outcomes within the City's shelter system. As shown in the figure, shelters with over 100 beds represent a substantial share of overall shelter capacity and also account for the majority of positive exits, indicating that shelter capacity and client volume substantially influence systemwide outcomes. Because larger congregate shelters account for a significant share of both overall capacity and positive exits, their performance may disproportionately shape broader shelter system trends and aggregate performance measures. Accordingly, changes in the operations, capacity, or outcomes of these larger shelters may have a more pronounced effect on Citywide shelter performance than comparable changes among smaller capacity programs.

Permanent Exit Outcomes Are Partially Influenced by Client Age and Household Composition

The City's shelter system includes a range of programs that serve clients with different needs and circumstances while supporting the broader goal of reducing homelessness and helping individuals transition to stable housing. Performance outcomes also appear to vary based on client age, with younger clients having higher permanent exit rates than older clients, suggesting that differences in outcomes are reflective of client demographics.

In our HMIS data analysis of 7,274 total exits across 13 City shelter programs in FY24 through FY25,⁴⁸ 46 percent of permanent exits were associated with either youth or transitional age youth (TAY). As shown in the figure below, the cohort of TAY clients who are between 18 and 24 years olds accounted for 21 percent of all permanent placements, only topped by the largest cohort composed of youth, ages 0 to 17, which accounted for 25 percent of all permanent exits.

⁴⁸ Our analysis included 119 observations from Miller Park recorded before 7/1/2023.

Figure 30: Percent of Exit Outcomes by Age Group

Age Group	Total Exits	Exit Outcomes				
		Positive	Improved	Neutral	Negative + Unknown	Other
0-17	19%	25%	19%	17%	16%	42%
18-24	16%	21%	21%	14%	13%	3%
25-31	9%	9%	8%	7%	9%	10%
32-38	12%	9%	11%	13%	14%	17%
39-45	12%	8%	10%	14%	14%	10%
46-52	10%	8%	10%	11%	11%	10%
53-59	11%	8%	10%	12%	12%	2%
60-66	8%	9%	8%	8%	8%	2%
67-73	3%	3%	3%	3%	3%	3%
74-80	1%	1%	0%	1%	1%	0%
TOTAL	100%	100%	100%	100%	100%	100%

Source: Auditor generated based on analysis of HMIS data.

Note: Other exit outcomes include unknown destinations, exits out of the Sacramento region, and administrative data entry errors.

Given that clients under 25 years of age represented 35 percent of all program exits, yet 46 percent of all permanent exits, they accounted for a higher share of permanent exits relative to their representation in the shelter population.

We conducted additional analysis to identify which shelter programs accounted for the largest proportions of the 46 percent of permanent exits referenced above. As illustrated in the following figure, all 13 programs analyzed contributed to these permanent exits, with the City Motel Program representing the largest share overall. In total, the City Motel Program program accounted for approximately 23.9 percent of all permanent exits, including 21.8 percent of permanent exits among clients ages 0 to 17 and 2.1 percent among transitional age youth (TAY), ages 18 to 24. This was followed by EBH at the Grove, which accounted for approximately 13.5 percent of all permanent exits and exclusively served TAY clients.

Figure 31: Count and Share of All Permanent Exits for Clients Aged 0 to 24

Age Groups	Shelter Program	Positive Exit Count	Share of ALL Positive Exits
0-17	OEC	25	1.7%
	City Motel Program	314	21.8%
	The Village	11	0.8%
	Saint John's	9	0.6%
	Miller Park	1	0.1%
18-24	OEC	4	0.3%
	Roseville Road	1	0.1%
	X Street	2	0.1%
	Meadowview	8	0.6%
	North 5th	6	0.4%
	City Motel Program	30	2.1%
	EBH at the Grove	194	13.5%
	STEP	19	1.3%
	The Village	15	1.0%
	Common Ground	24	1.7%
	TLP	5	0.3%
0-24	TOTAL	667	46.4%

Source: Auditor generated based on analysis of HMIS data.

Note: Positive exits are adjusted to reflect only the City-funded portion of shelter beds.

The City Motel Program's comparatively large share of permanent exits among clients ages 0 to 17 likely reflects the program's intended population of unhoused families with minor children. More specifically, one permanent housing outcome for a household may result in multiple permanent exits for minor children, thus contributing to the shelter's total positive exits. Moreover, the City Motel Program's large contribution to permanent exits may also reflect program scale, as it is the City's largest shelter program by capacity and accounted for 26 percent of all client stays during our two-year review period.

Among TAY-focused programs, EBH at the Grove accounted for the largest share of permanent exits and is also the City's largest TAY shelter at 50 beds. According to interviews with DCR, income is a key factor that contributes to permanent housing outcomes. Research on youth homelessness similarly suggests that employment, educational attainment, and engagement with supportive health services correlate with improved housing stability among youth experiencing homelessness. Studies have also found that younger populations may experience fewer accumulated barriers associated with chronic homelessness, while generally having greater long-term earning potential compared to older adult populations. While

other TAY shelters also contributed to the total number of permanent housing exits, those programs are comparatively smaller in capacity than EBH at the Grove, thus serving less clients at a time.

Overall, our analysis suggests that client age and household composition may influence permanent exit trends within the City's shelter system, with younger clients accounting for a disproportionately higher share of permanent exits relative to their representation in the shelter population. Programs serving youth, TAY, and families with minor children accounted for a substantial share of permanent placements, which may partially reflect both inherent characteristics of the populations served and household compositions. These results suggest that differences in shelter populations should be considered when interpreting and comparing shelter performance.

Finding 4: Limited Review of Shelter Services Show No Strong Link to Positive Outcomes

The Housing First model, which prioritizes providing individuals experiencing homelessness with immediate, low-barrier access to housing before addressing other needs, has become the prevailing framework in California’s approach to homelessness and is required for shelters that operate using State funding in California. Because the City receives State funding for some of its homeless shelter programs, contracted shelter providers are required to adopt this model. Once individuals are placed in shelters, however, they begin receiving a range of supportive services – such as case management, employment assistance, and mental health referrals – intended to help them achieve stable, permanent housing and exit homelessness.

To assess whether these services are producing meaningful results, we analyzed HMIS data to examine the relationship between services received and positive outcomes, such as exits to permanent housing. Specifically, we found:

- HMIS data design and input constrain our ability to conduct a thorough analysis of service impacts;
- Limited analysis of available services data found no clear correlation between services received and client outcomes; and
- Structural or systemic barriers outside of the City’s control might explain the lack of correlation between services and outcomes.

These results raise questions about whether the City has adequate tools and data to evaluate the effectiveness of shelter services, and whether current efforts sufficiently account for the structural barriers that may be limiting participants’ ability to achieve positive outcomes.

HMIS Data Design and Input Constrain Our Ability to Conduct a Thorough Analysis of Service Impacts

Good, reliable data is the foundation of effective program oversight. Without it, the City cannot meaningfully evaluate whether shelter services are achieving their intended goals, identify which interventions are most effective, or make informed decisions about how to allocate limited resources. When data is incomplete, inconsistent, or not designed to capture the right information, it limits the City’s ability to hold service providers accountable and ensure that individuals experiencing homelessness are receiving the support they need to achieve stable, permanent housing.

HMIS is a data system used to record and analyze client, service, and housing data for individuals and families experiencing homelessness. In Sacramento, it is managed by Sacramento Steps Forward, the lead agency for the Sacramento Continuum of Care. While HMIS captures whether a service was delivered, it does not quantify the effect of services on an individual’s progress, nor does it capture the full range of incremental progress a client may make during their shelter stay. Additionally, HMIS does

not capture clients' acuity, stabilization, wellness, or relative service complexity in a standardized data point that can be readily analyzed, limiting visibility into how services may influence outcomes or when more intensive interventions may be warranted, as discussed further in Finding 5. Because the goal of HMIS is not to report on service effectiveness, the system lacks the data fields necessary to draw meaningful conclusions about which services, if any, are driving positive outcomes. Compounding these design limitations, we found inconsistent data entry practices across the City's shelter providers and programs.

More generally, we found that all City-designed shelters—that is, programs developed by or in collaboration with the City to advance specific homelessness response objectives—all used HMIS as their primary data system for tracking client information and services provided. In contrast, programs that were originally developed by providers and later funded by the City generally used an additional data system or other system of management alongside HMIS to document certain services, operational information, and client files.

The following figure shows which systems each group of shelters use for tracking client data and services. As shown below, provider-developed programs are also the ones that primarily serve specific subpopulations, such as transitional age youth (TAY), women, and children. EBH at the Grove is the only TAY program that is City-designed and primarily uses HMIS.

Figure 32. Data Systems Used For Tracking Client and Services Data Across Shelters

Shelter Program			Data System
City-Designed Programs	Congregate	Meadowview X Street North 5th OEC	HMIS
	Non-Congregate	Roseville Road City Motel Program	
	Safe Grounds	Miller Park	
	TAY Women and children	EBH at the Grove	
Provider-Developed Programs		STEP TLP Common Ground The Village Saint John's WEAVE	• Apricot; or • Efforts to Outcomes; or • Other system of management Alongside some use of HMIS for client information and some services

Source: Auditor generated based on information provided by service providers, service provider interviews, and procedures manuals.

Service providers that do not primarily use HMIS typically use other systems like Apricot or Efforts to Outcomes (ETO), or their own system of management. Service providers cited several operational reasons for not relying primarily on HMIS. Many providers stated that HMIS is less effective for real-time tracking of basic high-volume services, such as meals. While HMIS allows for some level of customization to meet service provider needs, providers also described limitations related to extracting raw data, completing extensive intake and assessment fields before services can be recorded, meeting training requirements before staff can access the system and enter data, storing organization-specific documents, and tracking grant- or program-specific information.

As a result, several providers supplement HMIS with manual or external systems to manage daily operations, immediate services, and internal documentation, which in turn may limit the completeness of information available within HMIS itself. While these operational considerations are understandable, they nonetheless limit the usefulness of available data for ongoing monitoring and performance analysis of City-funded shelters, and obtaining supplemental information directly from providers would require additional coordination, administrative effort, and time.

Most notably, just four of the 13 shelters in our review accounted for 98 percent of the more than 2.8 million services (among roughly 340 unique client service fields) logged in HMIS during the review period

of FY24 through FY25. The range of services logged varied significantly across programs, with some providers tracking meals, wellness checks, late arrival approvals for those with curfews, along with case management services like documentation requests, application assistance, crisis management, among others. Some providers logged some of these services while others indicated that they do not consistently enter services into HMIS due to the operational constraints discussed above. This inconsistency makes it difficult to draw reliable, system-wide conclusions about the relationship between services provided and resident outcomes.

Furthermore, when clients receive services through another program operated by the same provider while concurrently enrolled in a shelter program, those services are often not captured within the shelter program's data, limiting the City's visibility into the full range of services clients receive and the extent to which those services may influence outcomes.

Despite inconsistent use of HMIS, providers still described HMIS as valuable because it allows for reviewing client histories and prior services documented by other providers. One provider that primarily uses HMIS acknowledged that, although HMIS can be cumbersome, they have adapted their internal processes to work within its limitations because the shared system remains important for coordination and information sharing, particularly given its widespread use across jurisdictions and major shelter programs. Another provider overcame operational limitations by providing staff with tablets to facilitate real-time data entry.

To address these design and input limitations and to maximize coordinated data entry, the City should work with Sacramento Steps Forward (SSF) to identify new HMIS data fields that would better capture the relationship between services received and participant outcomes, with the goal of determining which services, if any have the greatest influence on positive outcomes. Once those data fields are identified and available, the City should require all shelter providers to consistently input data into HMIS in a standardized manner to enable meaningful analysis of service impacts across providers.

RECOMMENDATIONS:

We recommend the Department of Community Response:

- 4. Work with SSF to identify new HMIS data fields to better capture the relationship between services received and participant outcomes to identify which, if any, services influence outcomes the most.**
- 5. Require service providers to consistently input data fields into HMIS in a standardized manner for analysis once data fields are identified and available to input in HMIS.**

Limited Analysis of Available Service Data Found No Clear Correlation Between Services Received and Client Outcomes

When individuals enter a shelter, they typically begin receiving services designed to help them overcome the barriers that led to their homelessness. The underlying premise is that the more support an individual receives, the better their chances of achieving stable, permanent housing. For FY24 through FY25, the City spent a total of \$4.6 million on case management and specialized services⁴⁹ for shelter participants. Evaluating whether this investment is paying off is essential to ensuring that shelter programs are structured in a way that meaningfully moves people out of homelessness rather than simply providing a temporary place to stay.

As stated above, four of the 13 sheltering programs in our review accounted for 98 percent of the services logged in HMIS: EBH at the Grove, Meadowview, X Street, and OEC. For the four shelters with the most service data in HMIS, we compared the average number of services received per day for individuals with positive exits against those with negative exits within the same shelter. Figure 33 below shows the average number of services per day at each of the four shelter programs we reviewed.

Figure 33: Average Daily Services by Exit Type

Shelter Program	Positive	Negative
OEC	7.27	5.69
X Street	16.91	17.20
Meadowview	8.69	7.48
EBH at the Grove	7.44	7.53

Source: Auditor generated based on analysis of HMIS data.

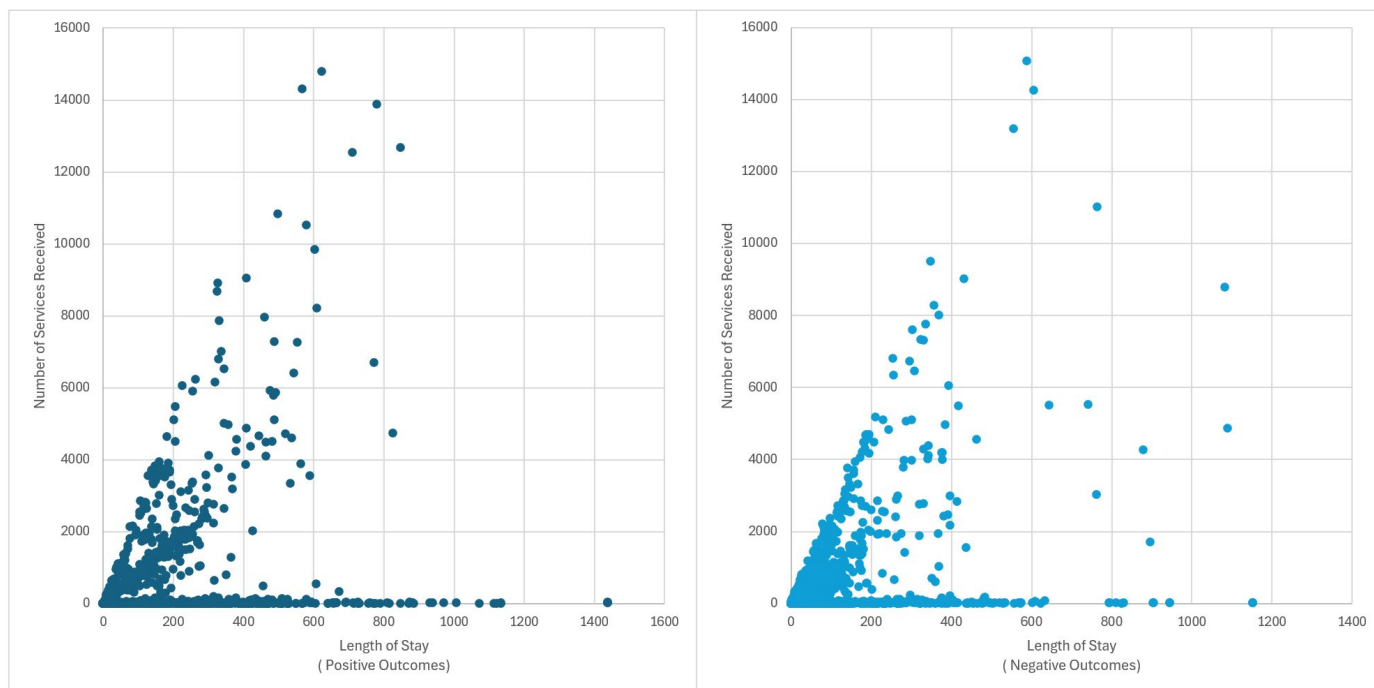
As shown in the figure above, this comparison found no material difference in the number of services received each day between the two groups, suggesting that, at least within the bounds of the available data, the volume of services received did not clearly distinguish those who achieved positive outcomes from those who did not.

We further sought to determine whether the type of services provided to clients were correlated with positive outcomes. Specifically, we analyzed whether clients who received a greater number of services, more consistent engagement, or particular categories of support services experienced higher rates of positive exits compared to clients with lower levels of service engagement. This analysis was intended to assess whether measurable relationships existed between service utilization and client outcomes within the shelter system. However, the analysis was complicated by a significant methodological challenge:

⁴⁹ These only represent staffing costs related to case management and specialty services but exclude other staff that may also provide services to clients, such as onsite staff or even management staff. This also excludes housing financial assistance as that is typically offered when the client is close to securing or has already secured housing.

services were highly correlated with length of stay, making it difficult to isolate the independent impact of services on outcomes. Figure 34 below plots the number of services and length of stay for participants with positive and negative exits.

Figure 34: Number of Services Received by Length of Stay for All Programs



Source: Auditor generated based on analysis of HMIS data.

The figure shows that clients who stay longer in shelter generally receive more services, regardless of whether they exited positively or negatively.

We attempted to further analyze the services to determine whether specific services appeared to have an impact on client outcomes. Clients were grouped by program, and program-specific service-utilization thresholds were calculated using the median and 75th percentile of total services received. Based on these thresholds, clients within each program were categorized into relative service-utilization groups (low, medium, and high). For programs with limited variation in service totals, categories were adjusted to avoid duplicate threshold ranges. Since the structure and volume of service tracking varied across programs, this approach allowed us to compare low, medium, and high-level service users within programs. For each program, we summarized the number of clients within each outcome category and service-utilization level by various service categories such as life skills.⁵⁰ Figure 35 below identifies the analysis for the Meadowview shelter.

⁵⁰ As previously mentioned, HMIS had more than 300 service categories. We grouped services together to reduce the number of categories. Life skills included services such as basic first aid, basic housekeeping, basic vehicle

Figure 35: Percentage Distribution of Assigned Outcomes by Life Skills Service Utilization Level at Meadowview

Service Level	Positive	Improved	Neutral	Negative	Total
High	42%	17%	6%	36%	100%
Medium	16%	11%	7%	66%	100%
Low	11%	8%	8%	73%	100%
Total	20%	11%	7%	61%	100%

Source: Auditor generated based on HMIS data.

Review of Figure 35 appears to show that those receiving a high level of life skills services have a much higher chance of exiting the shelter positively.⁵¹ However, 36 percent of those receiving life skills services have also exited negatively.⁵² In addition, when reviewing each group's length of stay, it appears the length of stay of clients might also play a big role in the way they exit. Figure 36 below identifies the average length of stay of clients by level of service and exit destination for clients at the Meadowview shelter.

Figure 36: Average Length of Stay (Days) by Life Skills Service Utilization Level at Meadowview

Service Level	Positive	Improved	Neutral	Negative
High	245	167	194	176
Medium	83	69	74	67
Low	44	24	30	29

Source: Auditor generated based on HMIS data.

We did a similar analysis for clients staying in the X Street shelter and found that clients that received higher levels of life skill services observed a significantly higher rate of positive exits compared to clients in the lower service tiers. We also observed that negative outcomes drastically overrepresent the low service level tier, with 75 percent of all outcomes for those that received low rates of life skill services being negative, as can be seen in Figure 37 below.

maintenance, communication skills, emergency preparedness, exercise and nutrition, food storage and preparation, home maintenance and repairs, home safety, money management and budgeting, parenting education, and sleep and hygiene.

⁵¹ We categorize positive exits as exits to permanent housing destinations or other stable long-term living situations.

⁵² We categorize negative exits as exits to homelessness, to other less stable housing situations, or client death.

Figure 37: Average Length of Stay (Days) by Life Skills Service Utilization Level at X Street

Service Level	Positive	Improved	Neutral	Negative	Total
High	46%	9%	4%	41%	100%
Medium	17%	16%	4%	63%	100%
Low	9%	11%	5%	75%	100%
Total	20%	12%	4%	64%	100%

Source: Auditor generated based on HMIS data.

The average length of stay across the distinct outcome and service levels also reflected the relationship between time in program and the level of services received, as can be seen in this next figure.

Figure 38: Average Length of Stay (Days) by Life Skills Service Utilization Level at X Street

Service Level	Positive	Improved	Neutral	Negative
High	179	170	170	182
Medium	82	97	69	73
Low	32	30	35	28

Source: Auditor generated based on HMIS data.

As indicated in the figures above, individuals who received more life skill services also tended to have longer shelter stays, and longer stays were associated with slightly more positive outcomes. However, 41 percent of those with high length of stays and high level of services still exited negatively from X Street. This raises an important question – do services drive positive outcomes, or does a longer stay simply provide individuals more time to stabilize, with services being a byproduct of that extended engagement? The available data did not allow us to disentangle these factors. Specifically, we were unable to isolate whether outcomes are more strongly associated with the number and types of services received, the duration of program participation, or the underlying acuity and needs of the individual participants.

While these results do not allow us to conclude that services have no value, they do highlight the need for better data and more rigorous outcome tracking to determine which services, if any, are most effective in helping clients achieve stable, permanent housing.

Structural or Systemic Barriers Outside the City’s Control May Explain the Lack of Correlation Between Services and Outcomes

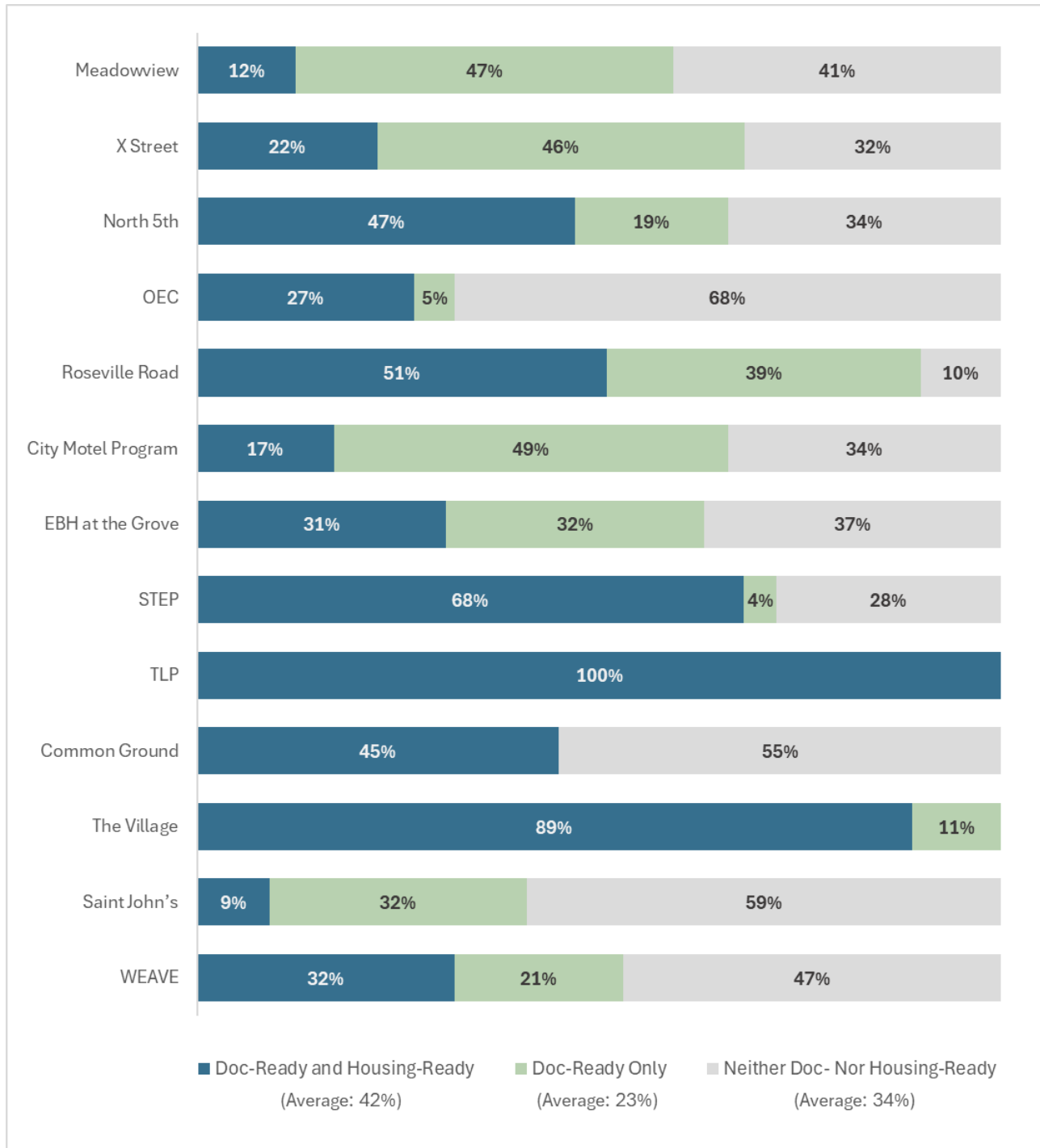
Even when individuals experiencing homelessness receive consistent support and are prepared to transition to permanent housing, their ability to do so depends on factors that extend far beyond the walls of a shelter. A shortage of affordable housing, combined with limited access to mental health and substance use treatment resources, can stall or derail an individual’s progress regardless of the quality or quantity of services they receive. Understanding and quantifying these structural barriers is essential

to painting a complete picture of why shelter services alone may not be sufficient to move individuals out of homelessness.

One of the clearest indicators of this challenge is the presence of individuals in the City’s shelters who have been identified as “housing-ready,” meaning they are ready to transition to permanent or permanent supportive housing yet remain in the shelter because no immediate, suitable housing option is available to them. As shown in Figure 39, a portion of clients enrolled at each shelter during a one-month period in early 2026⁵³ have been designated as housing-ready. This proportion averages 42 percent across all shelters and several are above the 50 percent threshold.

⁵³ This includes all clients enrolled in the shelter program on and between January 12, 2026 through February 12, 2026.

Figure 39: Percentage of Clients Designated as “Housing-Ready” by Shelter as of February 2026



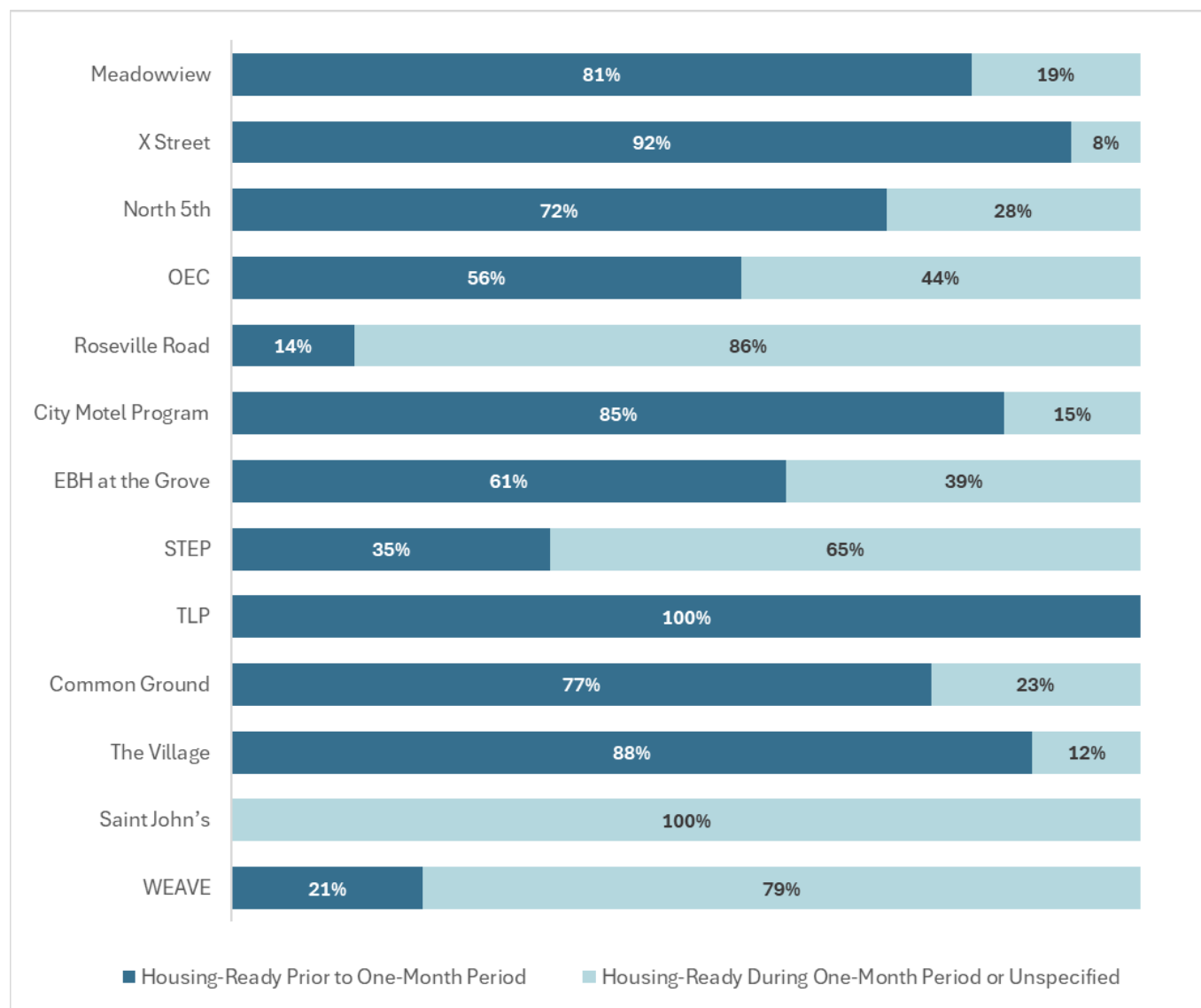
Source: Auditor generated based on information provided by service providers.

Note: Clients who are housing-ready are also typically doc-ready. We identified 5 clients across three programs who were housing-ready but not doc-ready due to unique or undisclosed circumstances, impacting only 1.1 percent or less of clients in each of those programs. These are not shown in this figure due to the minimal impact.

The next figure shows the proportion of clients who were housing-ready prior to this one-month period compared to the total of housing-ready clients by shelter.

When analyzing the percentages of clients who were housing-ready prior to the one-month period we found that at least an average of 60 percent of housing-ready clients across all shelters were in this status before the one-month period began, with some clients being housing-ready before even entering the shelter program. This suggests that for these clients, the barrier to a positive outcome is not a lack of services or readiness, but rather a lack of available and affordable housing to quickly transition into.

Figure 40: Percentage of Clients Designated as “Housing-Ready” Prior to January 12, 2026 by Shelter



Source: Auditor generated based on information provided by service providers.

As indicated in the figure, some clients were already housing-ready prior to this one-month period. Each additional night that these clients spend in shelter after becoming housing-ready is an additional bed each night that could have been used to shelter another unsheltered PEH. For example, 16 clients who became housing-ready prior to our one-month period across two shelters collectively accounted for 763 additional nights in shelter.

While the City has taken a proactive stance on housing development such as streamlining the permitting process and receiving a Pro-Housing designation from the California Department of Housing and Community Development, which recognizes communities that break down barriers to housing development, the practical challenge remains incentivizing and enabling developers to construct affordable housing units. In California, affordable housing development faces significant and well-documented obstacles, including high construction and labor costs, intricate permitting and entitlement processes, restrictive zoning laws, and difficulty assembling financing given the complex funding requirements associated with income-restricted units. These are not challenges the City can solve unilaterally, but they have a direct impact on shelter outcomes. Research indicates that California's housing developers are currently meeting only about a third of the state's housing production goals.

Sacramento has a similar challenge locally. According to the City of Sacramento 2021-2029 Housing Element, the City is facing an unprecedented housing crisis. The report states "As housing becomes less affordable and the supply of housing continues to not meet demand, it is becoming harder for residents, especially low- and middle-income families and individuals, to afford housing. Gentrification and displacement pressures have intensified and homelessness continues to increase in the City."⁵⁴ According to the 2025 Housing Element Annual Progress Report presented to the Sacramento City Council in March 2026, despite being more than halfway through its 2021-2029 cycle, the City has met only 29 percent of its Regional Housing Needs Allocation, the state-mandated target that establishes how much housing each jurisdiction is required to plan for and facilitate. To help fill this gap, the current mayor's proposed Six Point Plan to address unsheltered homelessness outlines some alternative options to traditional permanent housing units, such as tiny home micro-communities and a grant-funded tiny home initiative.⁵⁵

Compounding the affordable housing shortage, the community also faces limited availability of mental health and substance use services. This severe resource deficit was underscored by a local Grand Jury

⁵⁴ The Housing Element is the City's 8-year housing strategy to meet the City's Regional Housing Needs Allocation set by the California Department of Housing and Community Development. "City of Sacramento 2021-2029 Housing Element." *City of Sacramento*, December 14, 2021. https://www.cityofsacramento.gov/content/dam/portal/cdd/Planning/Long-Range/Housing-Element/00_Sac-HE_Amended_Final_Dec142021.pdf.

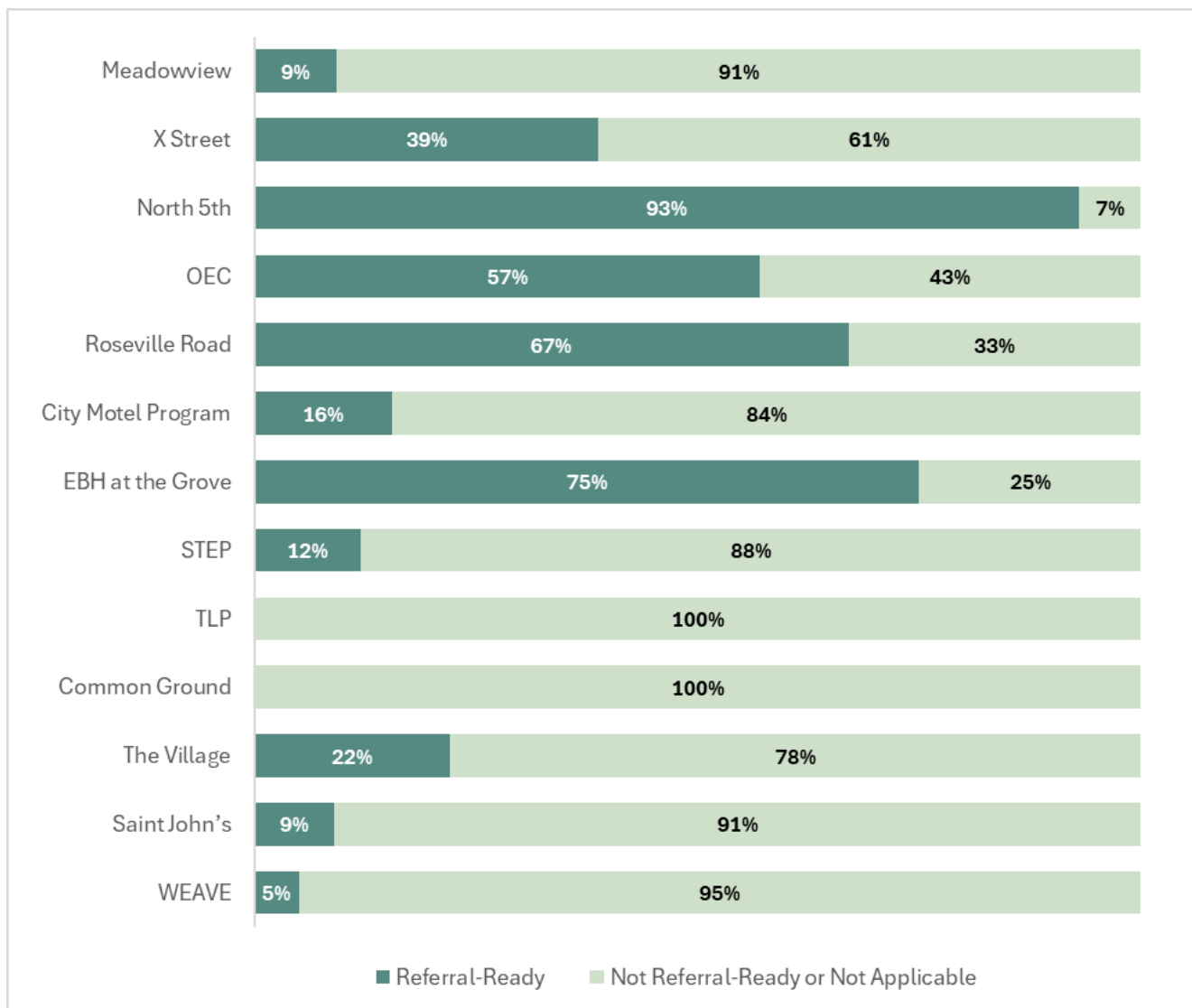
⁵⁵ Mayor Kevin McCarty's "Six Point Plan" is available at: https://www.cityofsacramento.gov/mayor-council/mayor/mayor-mccarty-memo/Unsheltered_Homelessness_Six_Point_Plan_Launch.

investigation which concluded that Sacramento County’s response fell short of meeting the treatment needs of the unhoused population struggling with mental illness and substance abuse disorders. Research shows that a significant share of individuals experiencing homelessness struggle with serious mental illness and substance use disorders – conditions that, without adequate treatment, make achieving and maintain stable housing difficult. A study published in the Journal of American Medical Association found that among adults experiencing homelessness in California, an estimated 65 percent of survey participants used illicit drugs regularly (at least three times per week) in their lifetime and 21 percent of those with regular use in the last six months reported currently wanting but not receiving treatment, pointing to a gap between need and available resources.⁵⁶

Similar to our assessment of housing-ready above, we assessed the same clients at the shelters on whether they were “referral-ready”, meaning the client requires a referral to a behavioral, medical, or substance abuse facility as part of their service plan and is ready to be referred, but may be waiting for an open spot. These clients have completed the necessary screening or assessment, have agreed to engage in the referred services, and completed administrative requirements. Figure 41 below identifies the portion of clients enrolled at each shelter during a one-month period in early 2026 that have been designated as referral-ready.

⁵⁶ Assaf RD, Morris MD, Straus ER, Martinez P, Philbin MM, Kushel M. Illicit Substance Use and Treatment Access Among Adults Experiencing Homelessness. JAMA. 2025 Apr 8;333(14):1222-1231. doi: 10.1001/jama.2024.27922. PMID: 39969877; PMCID: PMC11840688.

Figure 41: Percentage of Clients Designated as “Referral Ready” by Shelter as of February 2026



Source: Auditor generated based on information provided by service providers.

As shown in the figure above, the percentage of referral-ready clients varied widely across programs, with larger programs generally having higher referral-ready rates.

Locally, both UC Davis Health and Kaiser Permanente have identified mental and behavior health care as significant health needs for Sacramento County in their 2025 Community Health Needs Assessments.⁵⁷

⁵⁷ UC Davis Health identified “access to mental/behavioral health and substance use services” as the second priority for Sacramento County after “access to basic needs such as housing, jobs, and food” in its 2025 Community Health Needs Assessment (<https://health.ucdavis.edu/media-resources/about/documents/pdfs/community-health-needs-assessment-2025.pdf>). Kaiser Permanente identified “mental and behavioral health” as the first

When shelter staff refer individuals to mental health or substance use treatment, long wait times or insufficient capacity in the community can leave residents in a prolonged state of instability, stalling their progress along the continuum toward permanent housing regardless of the shelter-level services they are receiving. Recognizing these broader structural barriers, DCR has explored ways to utilize CalAIM reimbursement programs to support behavioral and mental health services within shelters, improving client access while minimizing additional program costs.

The City-County Partnership also acknowledges that addressing broader challenges related to housing affordability, housing availability, and access to behavioral and mental health services requires inter-jurisdictional collaboration and identifies several joint efforts for the City and County to pursue together. According to the most recent progress update, substantial progress has been made on many of these efforts.

Despite efforts to improve access to supportive services and resources, these structural barriers continue to create a situation in which shelter services may not be sufficient on their own to produce the positive outcomes the City is seeking. While these barriers are largely outside of the City's direct control, there are meaningful steps the City can take to better understand, quantify, and work around them.

To that end, the City should systematically track and publicly report analyzable data on structural barriers affecting shelter clients' ability to transition out of homelessness. This should include metrics such as average wait times for housing placements and behavioral health, mental health, or substance use treatment referrals, the number of housing-ready individuals still residing in shelters, and the availability of affordable housing units accessible to shelter clients.

RECOMMENDATION:

We recommend the Department of Community Response:

- 6. Systematically track and report on structural barriers such as housing-ready statuses and average wait times for housing placements or treatment referrals to better identify and quantify the barriers to moving individuals along the continuum after stabilization.**

priority and "access to care" as the second priority in its 2025 Community Health Needs Assessment for Sacramento: https://about.kaiserpermanente.org/content/dam/kp/mykp/documents/reports/community-health/sacramento-chna-2025_ada.pdf.

Finding 5: The City Has Not Consistently Defined How Program Success Should Be Determined, Making It Difficult to Measure Overall Performance and Progress Toward Shelter Goals

The City tracks shelter program performance using data from HMIS and reports submitted by shelter providers. The Department of Community Response (DCR) regularly reviews this information and meets with providers to discuss challenges and program operations. In recent years, DCR has also added new reporting requirements to improve oversight and better understand the services providers deliver. However, the City does not have a clear performance framework tied to shelter system goals and day-to-day operations, making it difficult to consistently evaluate results and communicate how well programs are working.

Performance metrics are intended to show whether a program is achieving its goals. However, when those measures are not clearly tied to program objectives, lack defined targets, or do not reflect services being provided, they offer limited insight into whether the programs are successful or meeting intended outcomes.

In assessing how the City evaluates shelter performance, we found that:

- Shelter performance metrics are not directly indicative of progress toward broader shelter system objectives;
- The City can strengthen accountability by more fully defining and using performance targets or expected ranges; and
- Existing metrics can be improved to measure the extent of client progress toward stabilization and wellness.

We believe the City could strengthen oversight of shelter programs by creating a clearer system for measuring performance and setting reasonable goals for how shelters are expected to operate. Because the City's shelters vary in size, population served, and services provided, performance measures should be more carefully tailored to reflect the specific purpose of each shelter. Current metrics largely track basic program activity and outputs, but do not measure the extent of client progress toward stabilization and wellness. DCR should consider developing a consistent way to track changes in client well-being over time to better show how shelters are supporting clients and to improve ongoing monitoring of client needs.

Shelter Performance Metrics Are Not Directly Indicative of Progress Towards Broader Shelter System Objectives

According to formal public sector guidance,⁵⁸ performance activities or measures, through performance goals,⁵⁹ contribute to indicating whether program or organizational-level objectives are met. While DCR monitors a range of metrics, these measures are not systematically tied to the outcomes the shelter system is intended to achieve collectively, which limits its ability to fully demonstrate shelter services that are provided. As a result, the City's current approach may overemphasize permanent exits and understate progress made towards other objectives.

The City's shelter system serves multiple objectives, including:

- Provide immediate shelter to as many PEH as possible;
- Advance progress toward obtaining permanent housing;
- Provide services that improve short-term individual wellbeing; and
- Provide services that improve long-term individual wellbeing.⁶⁰

These objectives reflect that the shelter system is intended to serve multiple functions, ranging from providing immediate safety and shelter to supporting longer-term housing stability and client wellbeing.

Shelters pursue these objectives in different ways. As discussed throughout this report, shelters can generally be grouped into three categories based on how they operate and the services they provide.

These three groups include:

- Resolving a crisis or emergency situation;
- Sheltering unsheltered PEH and supporting housing progress; and
- Resolving homelessness and supporting long-term wellness.

These shelter models reflect fundamentally different approaches, ranging from short-term emergency response to longer-term housing and wellness support. Because these shelter models are designed to address different needs and outcomes, evaluating their performance requires measures that reflect the specific role and purpose of each approach.

⁵⁸ Guidance referenced include the Government Performance and Results Act (GPRA) Modernization Act of 2010; the National Performance Management Advisory Commission's *A Performance Management Framework: From Measurement and Reporting to Management and Improving*; and the U.S. Government Accountability Office's *Standards for Internal Control in the Federal Government*.

⁵⁹ We elaborate on this in the next section of this finding.

⁶⁰ The objectives presented are not formally defined by the City, but were derived from a review of relevant plans, program documents, and interviews with DCR staff and service providers, and are intended to reflect the primary purposes of the shelter system.

In discussions with both DCR and the various service providers, we were informed that all shelters perform certain core functions, such as providing shelter, while also offering different services depending on the populations they serve and the purpose of the program. On a broader level and consistent with the shelter groupings, each of the three shelter groups fulfill these objectives to different degrees. Sheltering programs focused on responding to an immediate crisis are more likely to prioritize a client's short-term safety and stability rather than longer-term wellness needs. In contrast, shelters focused on helping clients achieve long-term stability and exit homelessness often serve fewer people at a time, which means they contribute less toward the goal of sheltering as many people as possible.

To assess how these three groups contribute to these objectives, we compared the extent to which each group supports four key objectives.⁶¹ The figure illustrates that shelters operate with different primary priorities, even though they may contribute to many of the same broader system goals. The three groupings—resolving crisis or emergency situations, sheltering unsheltered people experiencing homelessness (PEH) while supporting housing progress, and resolving homelessness while supporting long-term wellness—reflect varying levels of emphasis on immediate stabilization, housing advancement, and ongoing supportive services. This distinction is important because it demonstrates that shelters are not designed to achieve identical outcomes or provide the same intensity of services.

⁶¹ Our assessment was based on our review of program information and from interviews with DCR and shelter service providers.

Figure 42: Extent that Each Shelter Group Focuses on Each Shelter System Objective

Groups of Shelters by Operational Priorities				
Objectives		 Resolving a Crisis/ Emergency Situation	 Sheltering Unsheltered PEH and Supporting Housing Progress	 Resolving Homelessness and Supporting Long- Term Wellness
1	Shelter as many unsheltered PEH as possible	☒ ☒ ☐	☒ ☒ ☒	☒ ☐ ☐
2	Assist in obtaining stable housing	☒ ☐ ☐	☒ ☒ ☐	☒ ☒ ☒
3	Provide services that improve short-term individual wellbeing	☒ ☒ ☒	☒ ☒ ☐	☒ ☐ ☐
4	Provide services that improve long-term individual wellbeing	☒ ☐ ☐	☒ ☒ ☐	☒ ☒ ☒

Source: Auditor generated based on review of various program information and from interviews with DCR and shelter service providers.

All shelters provide basic sheltering by offering a safe place to stay, consistent with the fundamental function of shelter programs. However, some shelters serve a smaller number of clients at any given time due to capacity caps. For example, as shown in the figure above, shelters focused on “Resolving Homelessness and Supporting Long-Term Wellness” are generally smaller and provide more intensive support services. These have different objectives than shelters with operational priorities including Resolving a Crisis/Emergency Situation and shelters focused on Sheltering PEH and Supporting Housing Progress. As a result, the shelters focused on Resolving Homelessness and Supporting Long-Term Wellness do not serve as many people experiencing homelessness as the other two shelter groups, as illustrated under Objective 1 in the figure above.

Overall, the table suggests that while all shelter types support short-term wellbeing, they differ significantly in their emphasis on long-term outcomes. Emergency-oriented shelters primarily focus on immediate stabilization and safety, whereas shelters centered on housing progress and long-term homelessness resolution place greater emphasis on sustained wellbeing and long-term stability. As a result, shelter performance and outcomes should be evaluated within the context of each program’s operational purpose and intended role within the broader shelter system.

The department tracks certain performance measures as part of its monitoring process, and stakeholders generally expect some measures to improve or decline over time. However, these measures are not formally linked to shelter system goals or used to define what level of performance is needed to show shelters are effectively supporting those goals. As a result, current reporting provides limited insight into whether shelters are achieving intended system-wide outcomes.

Furthermore, despite the range of objectives supported by the shelter system, housing placement outcomes are often perceived as the primary indicator of performance, which aligns with the broader region's goal to resolve homelessness through connecting people to long-term housing solutions. Other available metrics are thus generally treated as secondary indicators and not used to assess performance against the full range of shelter system objectives. While not every performance metric needs to correspond directly to shelter system objectives, clearly linking key metrics to each objective helps provide a more meaningful picture of how well these shelter programs are performing.

Figure 43 below provides examples of existing metrics and their interpretations to illustrate how performance metrics could be more systematically aligned with shelter system objectives, what to expect in terms of expected performance thresholds, and how those metrics can be interpreted to directly indicate contribution to these objectives.

Figure 43: Example Metrics That Could Align with City Shelter System Objectives

	Shelter System Objective	Example of Existing Metric	Performance Range/ Direction	Interpretation
①	Shelter as many unsheltered PEH as possible	Returns to homelessness/ unknown exits	Lower/decreasing over time	- Measures whether people remain stably sheltered and/or connected to the system - Demonstrates whether the shelter is contributing to stabilization through retention
		Length of stay	Within a range (too short could mean not enough time to stabilize; too long could mean a systemic bottleneck)	- Captures system efficiency as more people can be helped with one bed - Measures reduced time in shelter - Contributes to stabilization through retention
②	Assist in obtaining stable housing	Improved/ permanent exits	Higher/increasing over time	- Meets the systemic goal of moving people to better outcomes - Indicates a positive trajectory to stable housing
③	Provide services that improve short-term individual wellbeing	Case management sessions in first month	Within a range (too little could mean minimal initial engagement; too high could be overwhelming)	- Indicates early engagement in services that support stabilization - Suggests clients are connected to support systems beyond basic shelter
④	Provide services improve long-term individual wellbeing	Percentage of completed Individual Service Plan goals	Higher/increasing over time	Indicates sustained engagement in services

Source: Auditor generated based on HMIS data, monthly reporting form, and interviews with service providers.

Note: The example metrics are illustrative, not exhaustive, and based on commonly used measures; alternative measures may be considered.

As an example, the figure above depicts how returns to homelessness or unknown exits can be aligned with the broader objective of sheltering unsheltered individuals, along with the expected direction of performance (i.e., lower or decreasing over time), and how this metric can be used to assess whether individuals remain sheltered, connected to the system, and supported toward stabilization.

Without a defined framework linking objectives to appropriate performance measures, the City's current approach does not provide a comprehensive view of shelter system performance or the extent

to which each objective is being achieved. Consequently, performance expectations are largely centered on housing outcomes, effectively positioning shelters as “launchpads” to permanent housing. This emphasis may not fully reflect the range of services provided and obscures other value-added activities, including efforts to support client stabilization, improve individual wellness, and facilitate incremental progress toward stable housing.

Developing a clearer framework that aligns objectives, services, and performance measures could provide a more balanced understanding of shelter effectiveness and better inform decision-making about system priorities and resource allocation.

RECOMMENDATION

We recommend the Department of Community Response:

- 7. Develop a performance framework that aligns key existing performance metrics with broader shelter system objectives to more effectively demonstrate progress across all objectives.**

The City Can Strengthen Accountability by More Fully Defining and Using Performance Targets or Expected Ranges

Although DCR collects and monitors a range of performance metrics and has established some performance targets, these are not consistently defined or utilized to measure performance. Without these benchmarks, performance data cannot be used to assess whether service providers are meeting expectations or simply demonstrating positive effort based on informal expectations.

According to widely accepted goal-setting research⁶² and multiple public sector guidance,^{63,64} goals should be clearly defined and specific enough to avoid broad or unclear interpretations of success. Best practices also emphasize establishing measurable performance goals with defined targets or expected levels of achievement so agencies can consistently track progress over time. Clear targets help distinguish between strong, moderate, and insufficient performance and provide decision-makers with a more reliable basis for evaluating whether programs are achieving intended outcomes and using resources effectively.

⁶² Edwin A. Locke and Gary P. Latham’s *Building a Practically Useful Theory of Goal Setting and Task Motivation*.

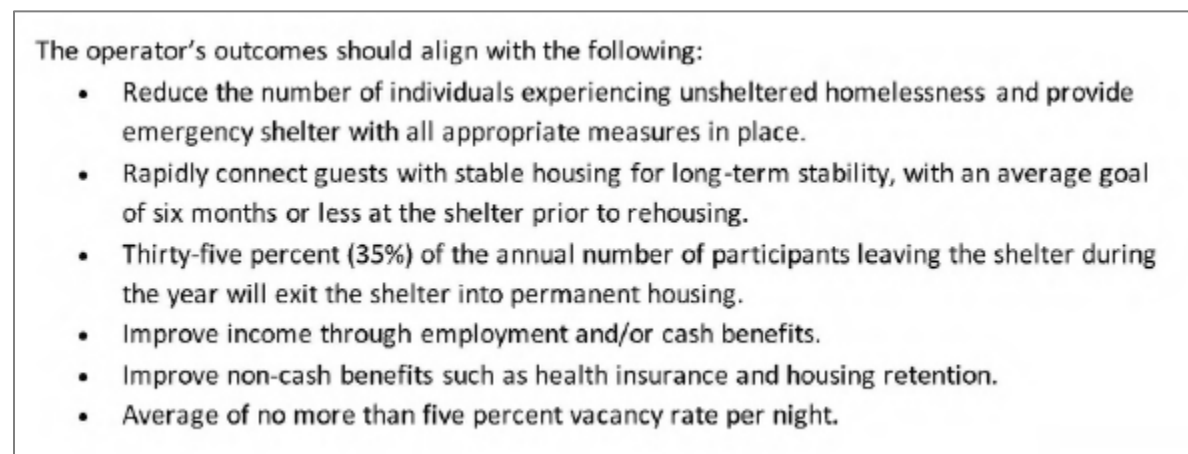
⁶³ Government Performance and Results Act (GPRA) Modernization Act of 2010.

⁶⁴ Office of Management and Budget, Circular No. A-11, Part 6.

While service provider contracts include some performance targets, these targets are typically limited to a small number of metrics (generally one to three) focused on exit destinations and utilization rates. For example, one target is for 35 percent of exited clients to exit to permanent housing in a one-year period. Another example is to have a vacancy rate of no more than 5 percent on average, meaning a 95 percent shelter bed utilization rate.

One earlier contract included a broader and more detailed set of measures, including targets related to housing and financial stability. For example, the contract expected 80 percent of clients to be “self-sufficient” or “safe and stable” in housing and 60 percent to achieve financial stability. Another contract included highly program-specific measures that may not apply across all shelter types, such as requiring hands-on employment training for all adult participants. In contrast, several more recent contracts rely on fewer defined targets, with remaining expected outcomes expressed in general terms. Figure 44 provides an example of performance outcomes from a recent service provider contract. Notably, similar language is used across other contracts from the same period.

Figure 44: Example of Performance Targets Defined in Service Provider Contracts



Source: Auditor generated based on service provider contract.

As the figure illustrates, while provider contracts continue to reference broad program goals, they include fewer clearly defined performance targets than earlier agreements. As a result, the City has a more limited basis for consistently evaluating provider performance and determining whether shelters are achieving intended system-wide outcomes.

For targets that do exist, DCR clarified that these are not strictly applied in practice to assess performance due to several factors, including that some targets were overly ambitious and influenced by external constraints. For example, exits to permanent housing rely on the availability and affordability of housing units.

Despite this, DCR has taken steps to strengthen its monitoring approach, including requesting additional metrics that better reflect output activity, working with service providers to understand anomalies, and identifying underlying causes of lower performance numbers. As an example, DCR monitors the difference between scheduled intakes at a shelter—based on referrals through the Coordinated Access System⁶⁵—and actual intakes, or the clients that are enrolled in the shelter program. In one instance, DCR was made aware that clients with significant medical vulnerabilities were being referred to shelters that were not equipped to meet those needs, leading to a higher difference between these numbers.

DCR also indicated that further consideration could be given to establishing more clearly defined performance targets, while accounting for other influencing factors that are outside of the service provider’s scope of control, like a client’s willingness to engage. This will allow the targets to better reflect what the service providers can do instead of holding them accountable for more complex outcomes.

In the absence of defined targets or expected ranges, performance is generally interpreted in relative or directional terms, such as whether a metric is higher or lower than another shelter’s or whether it is increasing over time. This approach is limited, as shelters have different operational priorities, and can create an implicit expectation that “more is better” (or “less is better,” depending on the metric) or that all measures should increase over time.

Given that the City’s shelters serve different purposes and contribute to system objectives in different ways, a single performance target may not be appropriate for all shelters. An alternative approach is to use performance ranges tailored to each group. Performance guidance indicates that some measures are best evaluated within an acceptable range, particularly when both high and low values may signal potential issues. Using ranges instead of fixed targets allows for more appropriate expectations and reflects normal variation in operations.

Overall, without defined targets or performance ranges, interpretation of metrics remains subjective, making it difficult to determine whether observed results meet expectations and represent meaningful progress. Establishing measurable targets or ranges can provide clearer accountability and a more objective basis for assessing performance than general expectations for improvement.

⁶⁵ Not all shelters use the Coordinated Access System to intake clients, which we describe in the Background section of this report and depict in Section 4, Figure 15 of the accompanying Fact Book .

RECOMMENDATION

We recommend the Department of Community Response:

- 8. Establish performance targets or ranges for key performance metrics, tailored to shelter function, and use these expectations to evaluate performance.**

Existing Metrics Can Be Improved to Measure the Extent of Client Progress Toward Stabilization and Wellness

Current shelter performance measures primarily track activities and outputs, such as services provided or completion of service plan goals, but provide limited insight into whether clients are becoming more stable over time. While both DCR and service providers identified client stabilization as a core objective of shelter services, existing measures do not fully capture this progress. More structured approaches for tracking changes in client condition could provide clearer information about individual progress and the overall effectiveness of shelter services.

DCR currently tracks several indicators related to shelter service delivery, including the number of individual service plans (ISPs) created, percent of ISP goals completed, quantity and types of services provided, income at exit, and more. These measures primarily capture discrete milestones or outputs but are limited in their ability to reflect changes in client condition over time. For example, a client may become more stable over time by improving their mental health, reducing substance use, reconnecting with family, consistently attending appointments, or learning how to maintain housing. These kinds of improvements can be important steps toward long-term stability, but they are harder to measure with current numeric indicators

Both service providers and DCR indicated that facilitating client stabilization is a key component of service delivery that is not fully reflected in these measures. This limitation is driven, in part, by focusing on tracking measures that are more readily quantifiable, as client stabilization often relies on qualitative assessment or indirect indicators.

Established approaches in human services and healthcare present options for tracking individual progress over time, such as goal-attainment scaling (GAS)⁶⁶ and the Clinical Global Impressions (CGI)⁶⁷ scale. Both apply standardized rating scales to assess changes in individual condition, with GAS

⁶⁶ GAS was developed by Thomas Kiresuk in 1968. The original application was in the evaluation of community mental health treatment programs.

⁶⁷ The CGI scale provides an overall clinician's view of their patient's global functioning that takes into account all available information, including the impact of any symptoms on the patient's ability to function.

measuring progress relative to predefined goals and CGI assessing improvement or decline relative to a prior baseline. The next figure illustrates how these two methods compare to each other.

Figure 45: Comparison of Goal Attainment Scaling (GAS) and Clinical Global Impressions (CGI)

Method	Goal Attainment Scaling (GAS)	Clinical Global Impressions (CGI)
Comparison Point	Status relative to expected outcome	Change-based (improvement or decline from baseline)
Scale Structure	Typically -2 to +2 scale: -2 = much less than expected -1 = less than expected 0 = expected outcome +1 = more than expected +2 = much more than expected	Typically 7-point scale: 1: Very much improved 2: Much improved 3: Minimally 4: No change 5: Minimally worse 6: Much worse 7: Very much worse
Best Use	Tracking progress toward specific, individualized outcomes over time	Monitoring overall improvement, stability, or decline over time

Source: Auditor generated based on online sources.

Given that case managers across the City’s shelters typically meet with clients on a weekly basis and work closely with them to understand their needs, implementing a simple rating scale—similar to the examples presented above—to document client condition at each interaction would be administratively feasible. Such a scale could track client conditions over time to assess trends, identify consecutive setbacks during their stay that may warrant additional intervention, and evaluate overall change relative to the baseline score at program enrollment.

While other approaches may also be appropriate, these methods illustrate a practical way to measure whether clients are progressing toward stabilization. Moreover, it provides clearer insight into how service providers contribute to client stabilization and supports ongoing monitoring of client condition, reducing reliance on case notes or anecdotal information to identify when additional support may be needed. Implementing more structured measures of client stabilization could provide the City with a more meaningful understanding of client progress and the effectiveness of shelter services over time.

RECOMMENDATION

We recommend the Department of Community Response:

- 9. Consider developing a standardized approach to assess changes in client condition over time, such as a simple rating scale that can be incorporated into existing case management workflows.**

Finding 6: Gaps Between Policy Intent and Practical Implementation Limit the Effectiveness of Good Neighbor Policies

Homeless shelters provide essential services, but their presence can raise concerns among nearby residents and businesses. Recognizing these concerns, policymakers and shelter operators adopt Good Neighbor Policies to guide responsible operations and maintain positive community relations. The City's approach to siting and operating homeless shelters generally requires the use of Good Neighbor Policies to establish shared expectations and provide a structured framework for addressing community concerns.

While the Good Neighbor Policies are well-intended, gaps in implementation—driven by operational constraints, unclear accountability for issue resolution, and perceived insufficiency in response—limit their effectiveness in addressing community concerns.

Based on our review, we found that:

- Preexisting neighborhood conditions influence observed activity around shelter sites;
- Policies clearly establish expected standards, but responsibility for addressing neighborhood impacts is shared and authority is limited across entities; and
- Communication is a key mechanism for managing expectations and perceived responsiveness.

We believe that revising the policy language to reflect neighborhood-specific conditions, establishing a defined radius of responsibility, and specifying dedicated response steps within that radius would strengthen the policies. In addition, communication approaches should be reviewed to identify potential improvements in relationships with neighbors.

Preexisting Neighborhood Conditions Influence Observed Activity Around Shelter Sites

While the City's Good Neighbor Policies establish expectations for shelter operations and neighborhood conditions, they do not clearly distinguish between factors within the service providers' control and those influenced by broader neighborhood conditions. City staff indicated that preexisting activity levels can significantly affect observed issues around shelter sites. This distinction is further complicated by siting decisions that often place shelters in areas with preexisting concentrations of persons experiencing homelessness.

To determine whether neighborhood conditions may affect public safety, nuisance, or similar issues, we analyzed police call data for six of the City's largest shelter locations⁶⁸ within a 1,000-foot radius of the shelter.⁶⁹ While this data is not specific to homelessness, analyzing all police calls provides a broader measure of neighborhood concerns in the area surrounding the shelter.⁷⁰

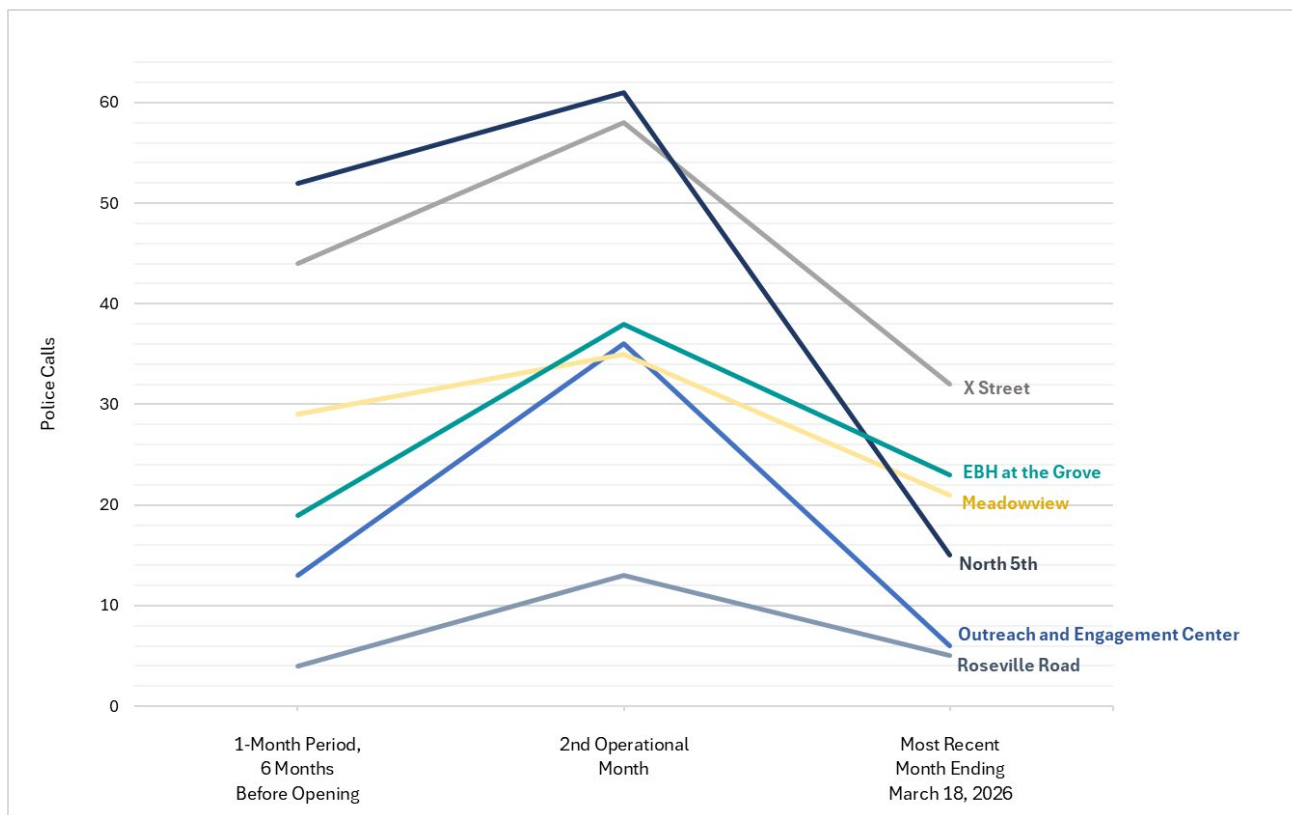
As shown in the following figure, we noted a similar pattern across these six shelter sites: calls for service increased during the initial months of shelter operation but generally returned to pre-shelter levels in the most recent period, and in some cases, falling below these baseline levels. Aside from North 5th's notable 75 percent decrease in police calls, the other shelters exhibit variation in call volume ranging from 1 to 30 calls. This pattern suggests that shelter openings may be associated with short-term changes in activity, but these changes do not appear to persist over time, and the baseline call volume may be driven by other pre-existing factors.

⁶⁸ For the purposes of this data analysis, we focused on the six largest shelters by capacity because they serve the highest number of clients and therefore represent the greatest potential for operational and neighborhood impacts. These six shelters also exclude specialty programs that are only partially City-funded.

⁶⁹ Sacramento County Code Section 9.120.010 establishes a 1,000-foot radius around emergency shelters within which encampments may be considered a neighborhood nuisance. While the City is not required to follow this standard for its Good Neighbor Policies, the 1,000-foot radius is broader and more specific than the City's shelter policies, which are often limited to the immediate vicinity of a shelter. Moreover, in terms of physical distance, the radius represents a reasonable geographic boundary for assessing neighborhood-level impacts.

⁷⁰ Homelessness-specific data is separately assessed in the following section using 311 call data.

Figure 46: Police Calls for Service Within 1,000-Foot Radius of Shelter



Source: Auditor generated based on police calls for service data.

Note: The shelter opening date used in this analysis for North 5th reflects when SHELTER Inc., the service provider that operated the shelter during the earlier portion of our review period, assumed shelter operations at the site. Although other similar programs were operated out of the North 5th site over time, this approach provides a consistent basis for comparison because it aligns the analysis with the period during which each service provider in our review operated their respective shelter.

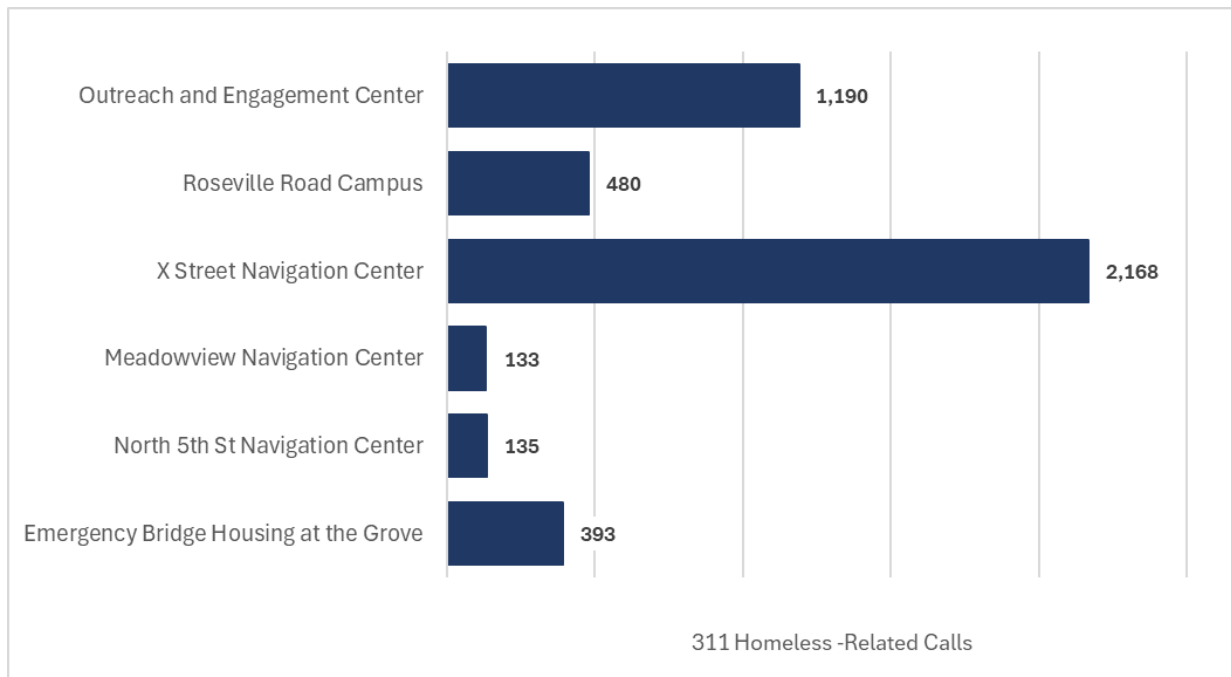
The figure above also shows that some shelters generally had a higher number of police calls than others, such as the X Street shelter, which consistently had the most or second highest number of calls across all shelters at all three points-in-time.

In addition to reviewing police call data, we also analyzed 311 service requests related to homelessness⁷¹ within a 1,000-foot radius of the same six shelter sites for approximately the last two

⁷¹ This call data only reflects reported activity and may not fully capture all issues experienced in these neighborhoods, as several neighbors near different shelters indicated they do not frequently report non-emergency concerns due to perceived delays in response.

years.⁷² Consistent with the police call data, the X Street shelter accounted for the greatest number of 311 homeless-related calls out of the six sites, specifically 48 percent. The North 5th shelter, as shown in the next figure, had the second lowest number of 311 calls and, while not illustrated in the figure, also exhibited a decline in call volume consistent with police call trends.

Figure 47: 311 Homeless-Related Calls Within 1,000-Foot Radius of Shelter (January 2024–March 2026)



Source: Auditor generated based on 311 homeless-related call data.

To understand this variation in call volume, we designed a survey⁷³ to collect feedback from neighbors near the shelter with the highest 311 homeless-related calls (X Street) and the two with the lowest calls (Meadowview and North 5th). We generally used a 1,000-foot radius around each shelter site for our survey, conducted in-person outreach with 99 neighbors, left informational flyers when neighbors were unavailable, and also distributed the survey electronically to several neighborhood associations and Property and Business Improvement Districts (PBIDs) to collect responses regarding all six shelters. We

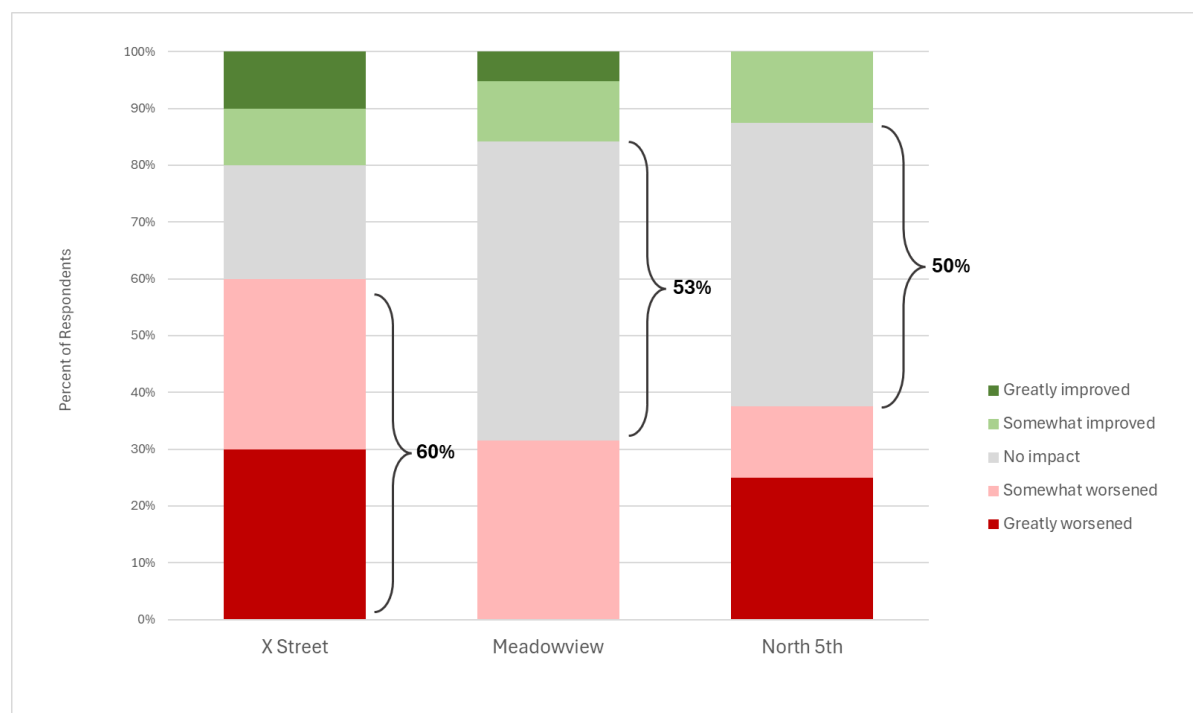
⁷² We analyzed data from January 8, 2024, the most recent opening date among the six shelters, through March 30, 2026, the date we pulled the data.

⁷³ The results of the survey are not statistically significant and cannot be applied to the entire population of residents around the shelters.

received a total of 43 responses,⁷⁴ of which six represent a group of neighbors, such as a neighborhood association, PBID, or apartment complex.

Overall, survey responses regarding whether the shelter has negatively impacted neighborhood quality generally reflect the call volume trends. As shown in the next figure,⁷⁵ X Street has the highest percentage of respondents who felt the shelter worsened neighborhood quality at 60 percent, whereas a larger percent of neighbors near the Meadowview and North 5th shelters felt the shelter had no impact on the surrounding neighborhood.

Figure 48: Impact of Shelter on Neighborhood Quality, According to Survey Respondents



Source: Auditor generated based on shelter impact survey results.

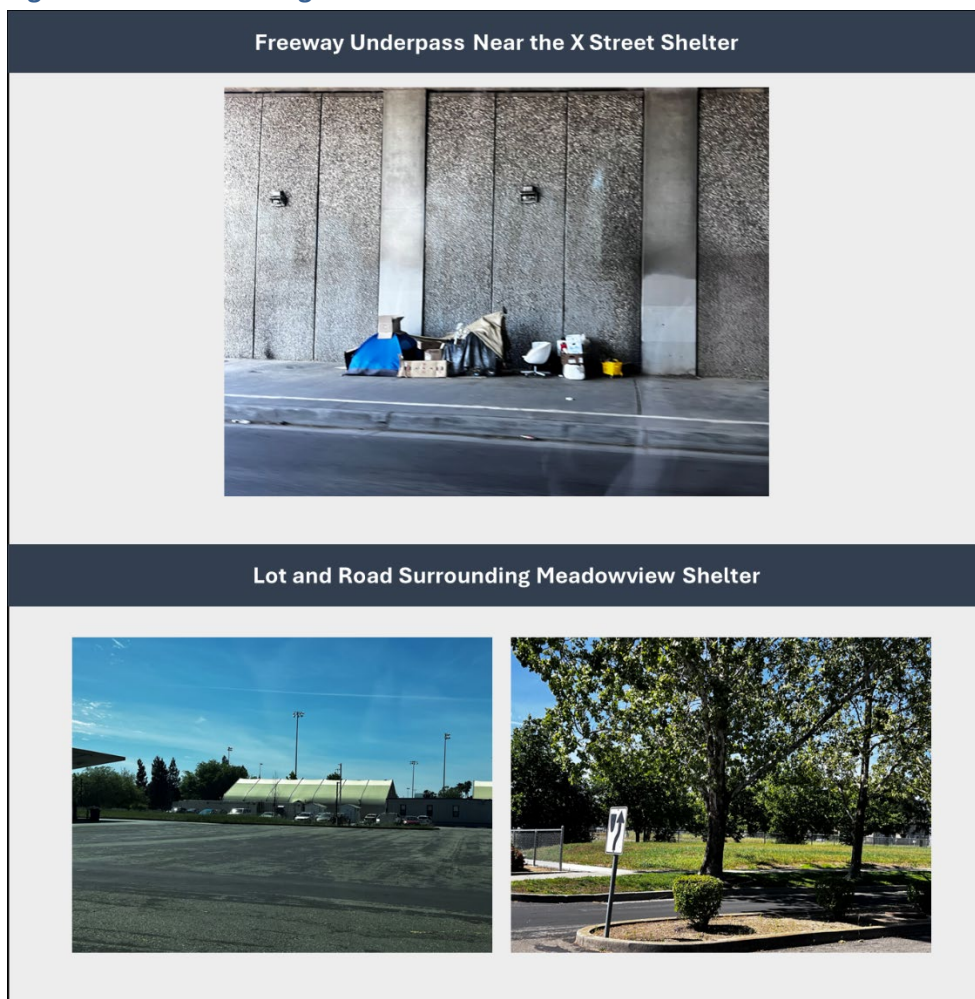
⁷⁴ While our in-person surveys were conducted within a 1,000-foot radius of the shelter site, online responses were more varied. 19 percent were outside of this distance and 14 percent did not specify their geographical proximity.

⁷⁵ The next figure and the rest of this first section focuses on only three shelters (X Street, Meadowview, and North 5th) as we used the 311 call data analysis to determine our sample for the in-person survey. As such, we have a larger quantity and more comprehensive responses from these shelter neighbor interviews than at the other three shelters. Additionally, the Meadowview shelter is in a more residential neighborhood than the other two shelters, therefore comprising almost approximately double the survey responses than each of the other shelters due to having more individual neighbors.

In our interviews with neighbors around the X Street shelter, despite 60 percent of neighbors reporting that the shelter's existence in the neighborhood has either somewhat or greatly worsened the quality of the neighborhood, neighbors also acknowledged that there were some neighborhood-specific factors that may have contributed to this impact. Specifically, during our site visit, we observed that the shelter is situated within a corridor of service providers supporting low-income and unhoused individuals, which may contribute to the concentration of PEH in the area. In addition, one neighbor indicated that the area's proximity to freeway access points and pre-existing activity associated with drug sales and use influenced neighborhood conditions. The neighbor also expressed concern that the shelter may have reinforced these conditions by concentrating individuals engaged in such activities, even if they are not shelter clients.

In addition to conducting neighbor surveys, we drove by each of the six shelter sites on a separate day to observe neighborhood conditions and noted PEH in multiple locations within a one-block radius of the X Street shelter. In contrast, we did not observe PEH by the Meadowview shelter, the shelter with the lowest 311 call volume and notably operated by the same service provider as the X Street shelter, along the block perimeter. Figure 49 exhibits photos that we took near both the X Street and Meadowview shelters.

Figure 49: Observed Neighborhood Conditions at the X Street and Meadowview Shelters



Source: Auditor generated near shelter sites.

Neighbors near the Meadowview shelter also expressed different opinions: as shown in Figure 48, 53 percent of neighbors reported that the shelter's existence in the neighborhood had no impact on the quality of the neighborhood. During our in-person surveys, we also noted a permanent wall structure directly south of the shelter that separated the shelter site from those neighbors and observed minimal negative impacts in that neighborhood.

However, more neighbors to the north of the shelter, separated by Meadowview Road, indicated more homeless-related activity along the road, but did not specifically attribute it to shelter clients. One neighbor who has lived there for 13 years reported that the neighborhood has always had public safety and sanitation challenges.

At the North 5th shelter, both the service provider and neighbors have reported that its proximity to the American River contributes to observed activity in surrounding areas. The river's secluded environment allows for individuals to congregate out of public view, while overlapping jurisdictional boundaries

complicate enforcement efforts, as individuals may move between areas with different responsible entities. Survey respondents also concurred that they did not know if the homeless-related activity in the neighborhood was caused by shelter clients, exited clients, or non-clients.

Various neighborhood factors thus appear to have some effect on the level of observed homeless-related activity near a shelter. In line with this observation, the 2021 Master Siting Plan recognizes that Good Neighbor Policies should be tailored to the site, and implicitly, to the neighborhood. However, we noted that X Street and Meadowview, the two shelters operated by the same service provider that had the highest and lowest 311 homeless-related call volumes respectively, have materially identical policies with no adjustments made to address the greater neighborhood challenges that are widely acknowledged at X Street. We believe DCR should work with service providers to revise policy language to reflect neighborhood-specific conditions and impacts. Revising policy language alone may not fully resolve neighborhood concerns, but it signals a more intentional and targeted approach to neighborhood-specific issues.

RECOMMENDATION

We recommend the Department of Community Response:

- 10. Work with service providers to revise policy language to reflect neighborhood-specific conditions and specify dedicated response steps.**

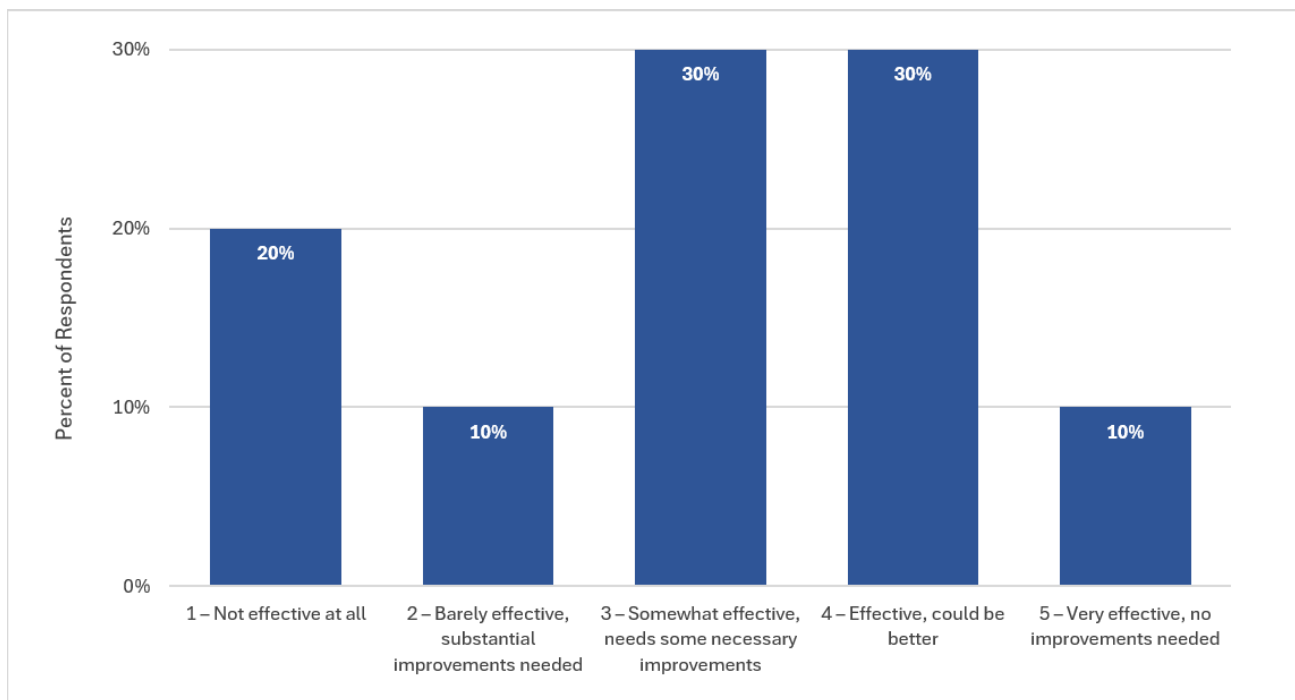
Policies Clearly Establish Expected Standards, but Responsibility for Addressing Neighborhood Impacts Is Shared and Authority Is Limited Across Entities

The Good Neighbor Policies for these six City shelters are, as written, clear on what neighbors can expect in terms of prohibited activities that may contribute negatively to the surrounding neighborhood. Specifically, the policies generally state that the area around the shelter site should be kept clean, noise levels should be within reasonable limits, and loitering, camping, unattended carts and belongings, and informal food and clothing distribution are not allowed. Survey responses were consistent with this understanding, with respondents describing Good Neighbor Policies as setting expectations on being a good neighbor, not being disruptive, and minimizing impacts to surrounding areas.

However, the responsibility for ensuring these expectations are met is shared by multiple parties, each of which have their own authoritative or procedural limits that in turn, create an accountability gap that is perceived as non-responsiveness by shelter neighbors. Some survey respondents echoed this concern, stating “What good is a limited policy if you don’t enforce it or acknowledge real impacts” and questioning how the shelter is held accountable. Moreover, as shown in the following figure, survey respondents who were aware of a Good Neighbor Policy associated with their neighborhood shelter had

mixed responses regarding the effectiveness of the policy, and 90 percent indicated that some improvements are needed.

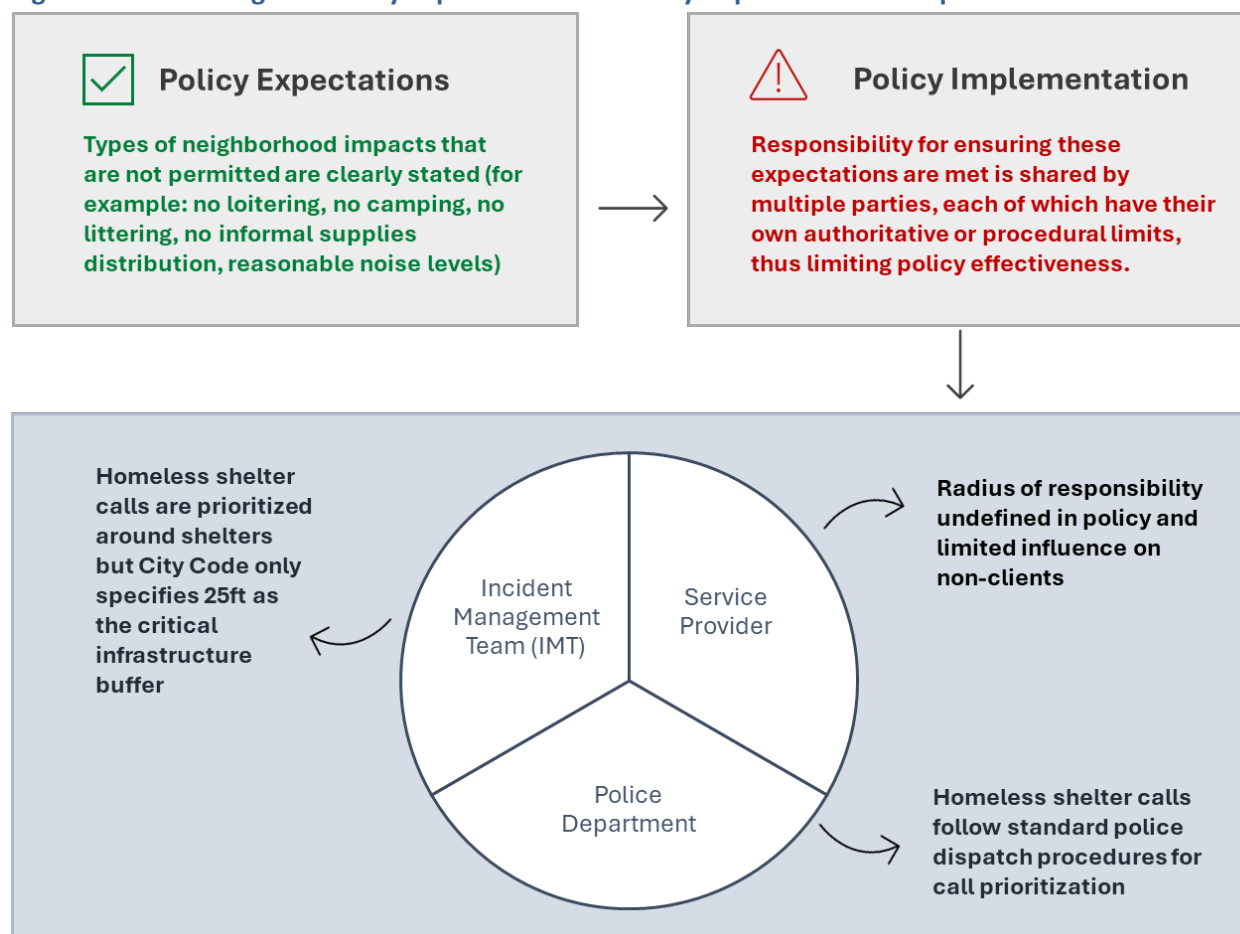
Figure 50: Survey Respondents’ Perceived Effectiveness of the Good Neighbor Policy



Source: Auditor generated based on shelter impact survey results.

The next figure identifies the various responsible entities for responding to neighborhood concerns and the limits each face in responding to neighborhood-related concerns around City shelters. In summary, service providers lack a defined radius of responsibility, the City’s homeless outreach team can prioritize calls around shelters but is limited to clearing a mere 25-foot buffer around the shelter (which is designated as critical infrastructure), and police calls are prioritized based on standard police dispatch procedures. We elaborate on each of these limitations in the next sections of this finding.

Figure 51: Good Neighbor Policy Expectations and Policy Implementation Gap



Source: Auditor generated based on shelter Good Neighbor Policies, City Code Section 8.140.010, Department of Community Response outreach procedures, and Sacramento Police Department dispatch procedures.

Policies Suggest Consequences For Client Violations But Do Not Clearly Define Service Providers' Geographical Response Radius Outside the Shelter

Service providers, by nature of their role as shelter operators, have oversight over their clients' behavior as well as shelter exit procedures. In line with this role, the six Good Neighbor Policies in our review scope specify that service providers can impose consequences on shelter clients for policy violations, including exiting them from the program. In less severe cases or first violations, service providers have stated they may work with clients to address the issue or suggest other corrective action.

While these policies and additional operational practices demonstrate that service providers have some management authority over their enrolled clients, the policies for all six shelters are vague regarding responsibility for issues outside the shelter that are not directly caused by shelter clients. These policies do not define a specific geographic radius of responsibility for the service provider, instead referring broadly to the "surrounding area," "outside perimeter," the area "immediately around the shelter," or

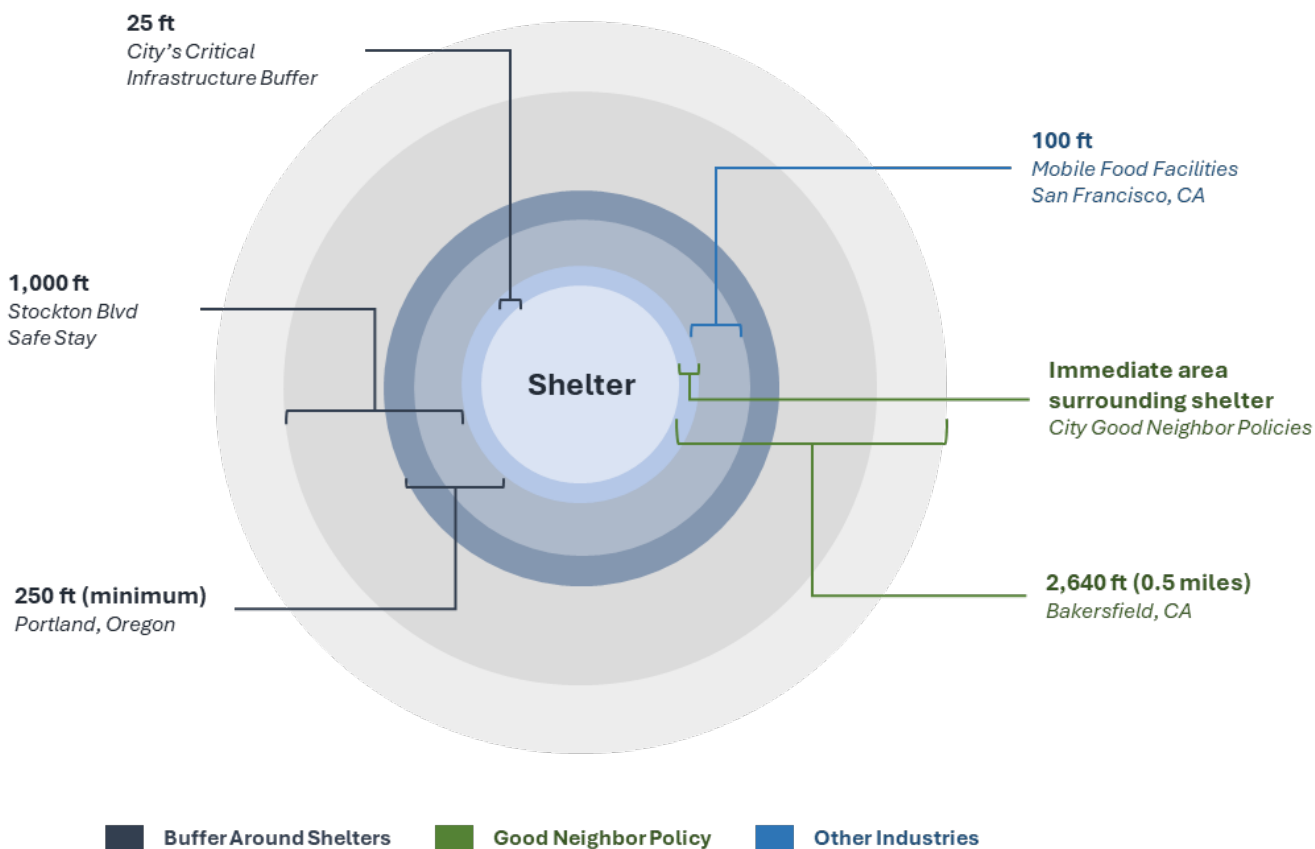
similar language for cleanup or other mitigation efforts. As a result, while the policies establish expectations for behavior, they do not clearly establish a geographic boundary within which service providers are expected to address neighborhood impacts.

In contrast, other jurisdictions have established more defined parameters; for example, the service provider at the Stockton Safe Stay shelter follows the 1,000-foot radius specified in the Sacramento County Code,⁷⁶ providing clearer guidance on the extent of responsibility.

Figure 52 below illustrates examples of a defined extent of responsibility, ranging from the City's own enforcement buffer of 25 feet around critical infrastructure to a 0.5-mile radius in Bakersfield's draft policy.

⁷⁶ Sacramento County Code Section 9.120.010 establishes a 1,000-foot radius around emergency shelters within which encampments may be considered a neighborhood nuisance. A service provider that operates both City and County homeless shelters confirms that the 1,000-foot radius applies to their implementation of the Good Neighbor Policy for their County shelter.

Figure 52: Examples of Established Radius of Responsibility



Source: Auditor generated based on shelter Good Neighbor Policies, City Code Section 8.140.010, Sacramento County Code Section 9.120.010, and other online sources.

Note: The figure is for reference only and is not to scale.

While these distances from the shelter are not prescriptive and should be viewed as a range of options for consideration, some distances are more practical than others. For example, 25 feet is a relatively short distance for the purposes of reducing impact to the neighborhood. At X Street, the sidewalk outside the shelter fence is approximately 15 feet wide, meaning a 25-foot distance covers the sidewalk and extends about one parking space into the street. In contrast, the service provider at the Stockton Boulevard Safe Stay shelter has stated that the 1,000-foot radius has been operationally feasible for managing impacts outside the shelter. We also observed while conducting in-person surveys that negative neighborhood impacts potentially attributable to the shelter appeared minimal at the outer edge of a 1,000-foot radius, and neighbors in that area reported little to no noticeable negative impacts associated with the nearby shelter.

Establishing a defined and practical geographic boundary within which service providers are responsible translates neighbor expectations into practice outside shelter premises. A defined radius represents a

reasonable balance between operational control and practical accountability. The distance should be manageable, such that the service provider can monitor and respond to concerns in a reasonable timeframe, while also capturing nearby areas where shelter-related impacts are most likely to occur. After all, service providers are well-positioned to address some of these neighborhood issues due to their onsite presence and ability to respond more promptly than other parties. At the same time, it establishes a boundary beyond which impacts are less directly attributable to the shelter and more reflective of broader neighborhood conditions.

RECOMMENDATION

We recommend the Department of Community Response:

- 11. Work with service providers to revise Good Neighbor Policy language to establish a defined radius of responsibility and specify response steps within that radius.**

Current Approaches to Addressing Neighborhood Concerns

Despite the ambiguity in the policy language, the next figure highlights some practices that the City shelters' service providers have incorporated into their operational approach to address neighborhood concerns to the extent achievable within their authority. The practices reflect examples observed among the service providers in our review scope and were not necessarily implemented across all providers. The figure also details the intent behind each practice, although the effectiveness of these approaches was not evaluated. We acknowledge that resource limitations may affect the feasibility of some approaches shown in the figure.

Figure 53: Operational Practices for Addressing Neighborhood Concerns

 Practice	 Intended Purpose	 Considerations
Daily morning cleanups	Proactively identify/resolve issues	-
Perimeter checks	Proactively identify/resolve issues	-
Organizing client-led cleanups	Reduce visible impacts	Rather than required, these often take the form of voluntary participation or are incorporated into structural programming (such as a work program).
	Connect with a community and neighborhood, which can improve client wellness and chances of sustainability after securing housing	
Restricting frequency of entry and exit	Limit opportunities for disruptive behavior and improve staff's ability to monitor and respond to activity in and around the shelter.	Given that shelter participation is voluntary, this may affect individuals' willingness to remain in or access shelter services.
Deploying dedicated outreach staff to surrounding area	Increase immediate monitoring and voluntary compliance, while also offering services	Would require additional budget (approximately \$140,600 for two outreach workers at the Stockton Boulevard Safe Stay shelter).
Hiring security patrols	Deter prohibited behavior	Combining services with existing security company who conducts patrols in the neighborhood may be a cost-effective way to increase security coverage. But, may require additional budget.
	Acts as first point of contact for nuisance issues	

Source: Auditor generated based on interviews with service providers and Good Neighbor Policies.

As summarized in the figure, these practices reflect service providers' efforts in managing neighborhood issues and include various forms of regular cleanups. Additional strategies, such as deploying dedicated outreach staff or maintaining continuous security presence, may enhance responsiveness through increased engagement and visibility, but may require sustained funding.

However, certain issues are beyond their operational authority and necessarily require partnering with other parties, such as law enforcement, to reduce negative neighborhood impact. Neighbors who responded to our survey also acknowledged this limitation. We elaborate on this in the next section.

Enforcement Mechanisms Are Limited by Existing Response Procedures

The policies in our review scope consistently prohibit serious behaviors such as drug use, criminal activity, and threats to public safety, and identify law enforcement as the appropriate responder for these issues. However, the types of issues that may prompt calls to law enforcement or 311 are subject to existing response protocol, which may not align with the level or timeliness of response expected by the caller.

DCR's Office of Community Outreach deploys outreach workers into the community daily to engage PEH and connect them with supportive services. These outreach workers also partner with public safety personnel as part of the City's Incident Management Team (IMT) to support compliance with City laws and ordinances. Homeless-related calls for service are processed through the City's 311 system, which routes concerns such as unlawful encampments on public property or encampments blocking sidewalks for response. Notably, the City designates shelters as vulnerable population sites, which are classified as critical infrastructure, and City Code⁷⁷ prohibits camping or storage of personal property within 25 feet of these locations.

According to DCR management, the IMT prioritizes calls for service within areas subject to a Good Neighbor Policy. However, response actions are subject to certain limitations. First, the IMT is generally limited to achieving compliance within the 25-foot buffer, which, as noted previously, represents a relatively small distance in practice. Absent another violation (e.g., obstruction of the sidewalk), enforcement options are limited. Second, response actions generally rely on voluntary compliance. As a result, individuals may temporarily move out of the designated area of violation to achieve compliance, without reducing the underlying neighborhood impact.

In addition to the IMT, calls are often made directly through 911 for a law enforcement response. While the IMT leads the City's unlawful camping response, the Sacramento Police Department (SPD) will respond to urgent encampment calls, which involve situations requiring attention due to safety concerns or obstructions to public access. However, similar to the limitations identified for the IMT, SPD officers also face response constraints.

First, calls are dispatched in accordance with established prioritization procedures. According to SPD officers involved in homeless-related responses, these calls are often categorized as lower-priority service calls (i.e., Priority 4 call), which include non-urgent incidents and time-element misdemeanors. As a result, response times may extend to several hours depending on the volume of higher-priority calls. By the time responders arrive on site, the issue may no longer be present, and both service providers and neighbors have noted frustration with these delays.

⁷⁷ City Code Section 8.140.030.

Second, issues perceived as public nuisances by callers may not constitute enforceable violations. For example, individuals who appear unhoused but are not obstructing sidewalks or exhibiting other prohibited behaviors are not in violation. This can create frustration among community members when perceived impacts do not result in enforcement action.

In line with this sentiment, survey respondents near the X Street shelter shared that they do not call 311 or 911 for every issue observed due to a perceived delay in or lack of response. One neighbor near the North 5th shelter reported contacting their contracted security firm instead to address observed activity, citing a more immediate response.

Taken together, these constraints illustrate that existing response systems are not designed to address all neighborhood concerns in the manner or timeframe residents may expect. Given these limitations, addressing neighborhood impacts may rely not only on response actions, but also on how effectively concerns are acknowledged and communicated to affected neighbors.

Communication is a Key Mechanism for Managing Expectations and Perceived Responsiveness

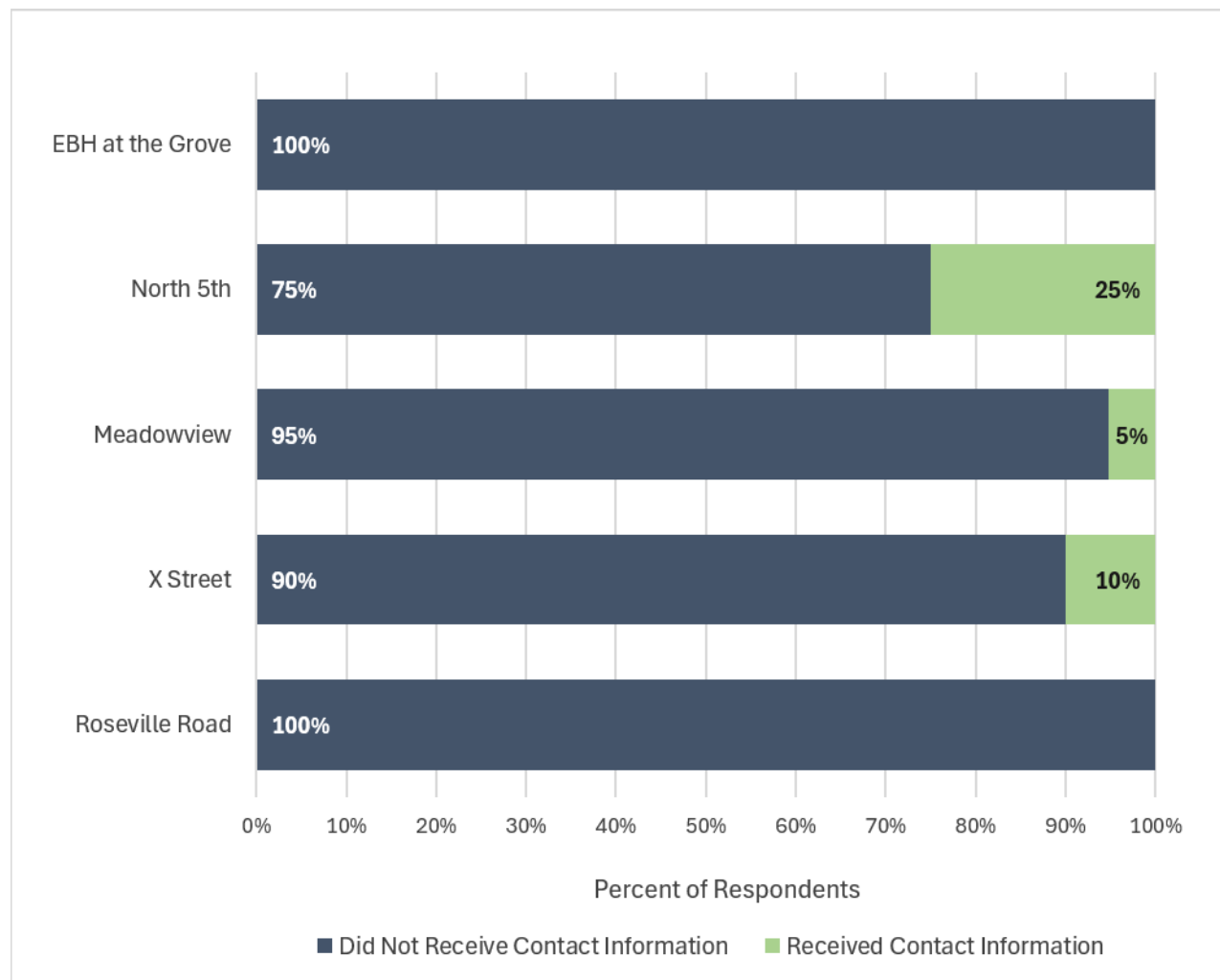
Despite multiple parties who could respond to neighbor concerns, the shared responsibility and limits in response authority contribute to a perception of non-responsiveness. As such, effective communication with neighbors becomes a more achievable approach to managing expectations and responding to concerns.

Based on our survey results, neighbors appear to have expectations regarding the extent to which shelters should affect neighborhood quality. More specifically, neighbors who are aware of a Good Neighbor Policy associated with the shelter in their neighborhood generally expected the policy to help minimize negative impacts on their neighborhood. At the same time, 77 percent of survey respondents were unaware of a Good Neighbor Policy associated with the shelter in the neighborhood, of which 70 percent felt that the shelter has somewhat or greatly worsened the impact of their neighborhood.

Furthermore, 91 percent of respondents reported that the service provider has not reached out to them with a way to contact them should an issue arise. The following figure shows that although the responses vary across shelter sites,⁷⁸ most neighbors across all shelters have not received any contact information from the service provider. This reinforces a point discussed earlier in this finding regarding how the geographic scope of shelter neighbors is defined.

⁷⁸ As previously noted, the portion of responses is affected by whether or not we conducted in-person interviews and how many neighbors were willing to participate in the survey.

Figure 54: Percent of Neighbors Who Have Received Contact Information by the Service Provider



Source: Auditor generated based on shelter impact survey results.

Despite the low percentage of neighbors who have received contact information, the North 5th shelter has the highest percent of neighbors who reported having received contact information from the service provider at 25 percent. These two neighbors both had positive feedback regarding the service provider’s responsiveness and management of the shelter. Both neighbors distinguished between neighbor issues clearly from the service providers’ responsiveness to their issues.

In the most recent version of the Good Neighbor Policy at the North 5th shelter, the service provider included a provision to provide neighbors with contact information for the program director should they have questions or concerns. The provider noted that neighbors also have contact information for the program director’s supervisor and the chief operating officer. Proactively providing a direct point of contact helps neighbors feel heard and enables the service provider to clearly communicate what

actions have been taken and what falls outside of their role. The service provider for the Stockton Boulevard Safe Stay shelter has used a similar approach for businesses next to the shelter.

Beyond providing contact information, service providers have identified other operational approaches to provide a platform for communication, which we list in the following figure. Similar to the figure earlier in this finding that depicted operational approaches for addressing neighborhood concerns, this next figure details the intent behind each practice, although the effectiveness of these approaches was not evaluated.

Figure 55: Operational Practices for Facilitating Communication with Neighbors

 Practice	 Intended Purpose
Attending/holding community meetings	Provide program updates and allow space for questions and discussion
Hosting shelter tours	Educate neighbors on shelter operations
Facilitating direct engagement with affected neighbors when client causes issues	Address neighbor concerns directly and demonstrates accountability

Source: Auditor generated based on interviews with service providers and review of Good Neighbor Policies.

As depicted in the figure, creating a platform for communication and ensuring direct contact with the service provider are operational approaches used by some service providers to maintain neighbor relations.

Accordingly, communication with neighbors serves as a practical approach to managing expectations, while also facilitating more direct and timely feedback. We recommend that the Department of Community Response review existing approaches for facilitating communication with neighbors and determine whether any should be implemented consistently across shelters.

RECOMMENDATION

We recommend the Department of Community Response:

- 12. Review existing approaches for facilitating communication with neighbors and determine whether any should be implemented consistently across shelters.**

MEMORANDUM

TO: Farishta Ahrary, Auditor, City of Sacramento

FROM: Brian Pedro, Director, Department of Community Response

CC: Maraskeshia Smith, City Manager; Ryan Moore, Assistant City Manager

Date: June 9, 2026

RE: Audit of the City's Homeless Response: Evaluation of Costs and Outcomes of Sheltering Programs

The Department of Community Response (DCR) appreciates the opportunity to review this report and respond to the recommendations proposed by the Office of the City Auditor. The department also appreciates the Auditor's acknowledgement that homelessness is a complex and dynamic issue without simple, one-size-fits-all solution. Each recommendation is listed below and is followed by the department's response.

Recommendation 1: Develop a methodology to evaluate shelter program costs in relation to program design, client populations, and housing outcomes.

Response 1: *Agree. DCR continuously evaluates costs for all its programs and has sought ways to maximize the effectiveness of its investments to both shelter as many people as possible as well as support longer-term client outcomes. DCR will use the information in this recommendation to inform the development of new tools for evaluating costs in relation to operating models, facility types, client populations, and housing outcomes. In addition, DCR has been working to develop a standardized budget template that will allow for more direct comparisons of sheltering costs versus rehousing costs across all shelter projects.*

Recommendation 2: Use the methodology to assess whether variations in expenditures reflect intended operational priorities and effective resource allocation and identify opportunities to reduce costs while maintaining intended service levels and outcomes.

Response 2: *Agree. DCR will use these new evaluation tools to better correlate intended operational priorities with resource allocation while identifying any cost savings and maintaining appropriate service levels.*

Recommendation 3: Evaluate shelter capacity at existing City shelters, including conducting site-specific assessments of physical space, staffing models, and service requirements, to determine

whether capacity at larger congregate shelters can be safely and effectively increased within existing resources.

Response 3: *Agree. DCR will evaluate existing City shelter programs and sites to determine if larger congregate shelters can support capacity increases.*

Recommendation 4: Work with SSF to identify new HMIS data fields to better capture the relationship between services received and participant outcomes to identify which, if any, services influence outcomes the most.

Response 4: *Agree. DCR will work with SSF and other partners on the design of standardized tools that measure the qualitative impact of the services offered in City shelters.*

Recommendation 5: Require service providers to consistently input data fields into HMIS in a standardized manner for analysis once data fields are identified and available to input in HMIS.

Response 5: *Agree. Timely, consistent data entry into HMIS will remain an area of priority focus with DCR's service providers.*

Recommendation 6: Systematically track and report on structural barriers such as housing-ready statuses and average wait times for housing placements or treatment referrals to better identify and quantify the barriers to moving individuals along the continuum after stabilization.

Response 6: *Agree. Based on recommendations from the audit of the City Motel Program, DCR began tracking housing-ready status in its new Emergency Sheltering Voucher (ESV) program. This tracking, which will also include wait times for housing placements and treatment referrals, will be extended to all City shelter programs.*

Recommendation 7: Develop a performance framework that aligns key existing performance metrics with broader shelter system objectives to more effectively demonstrate progress across all objectives.

Response 7: *Agree. DCR will continue to develop and refine a performance framework to align its established key performance metrics with broader shelter system objectives to provide a better understanding of overall system effectiveness.*

Recommendation 8: Establish performance targets or ranges for key performance metrics, tailored to shelter function, and use these expectations to evaluate performance.

Response 8: *Agree. DCR will further develop or establish performance targets or ranges for key performance metrics to enhance data that is already being collected from shelters and strengthen*

accountability. These key performance metrics, which will be tailored to shelter function, will be included in future sheltering service provider contracts.

Recommendation 9: Consider developing a standardized approach to assess changes in client condition over time, such as a simple rating scale that can be incorporated into existing case management workflows.

Response 9: *Agree. An assessment of this nature would be of value in better charting a client's progress toward stabilization and wellness. DCR will work to determine how it could be successfully designed, deployed and documented.*

Recommendation 10: Work with service providers to revise policy language to reflect neighborhood-specific conditions and specify dedicated response steps.

Response 10: *Agree. DCR, in coordination with service providers, will revise its Good Neighbor Policy to reflect the particular conditions of the neighborhood where a shelter is located and specify dedicated response steps to enhance policy understanding and effectiveness.*

Recommendation 11: Work with service providers to revise Good Neighbor Policy language to establish a defined radius of responsibility and specify response steps within that radius.

Response 11: *Agree. DCR, in coordination with service providers, will revise its Good Neighbor Policy to include a defined radius of responsibility and specify response steps within that radius for issue resolution.*

Recommendation 12: Review existing approaches for facilitating communication with neighbors and determine whether any should be implemented consistently across shelters.

Response 12: *Agree. DCR will review how to best facilitate clear, consistent communications about its Good Neighbor Policy to increase localized comprehension of its contents, such as roles, responsibilities and points of contact for responding to community concerns.*

City's Homeless Sheltering Programs - Fact Book

Report# 2025/26-17|June 2026

Section 1. Shelter Profiles

Section 2. City Shelters Within the Sacramento Continuum of Care

Section 3. Overview of the City's Shelters

Section 4. Shelter Characteristics

Section 5. Shelter Costs

Section 6. Client Outcomes

Section 7. Outcome Trends

Section 8. Client Services



City of
SACRAMENTO

Office of the City Auditor

Performance Audit Division

Farishta Ahrary, City Auditor
Kevin Christensen, Assistant City Auditor
Joyce Chih, Principal Fiscal Policy Analyst
Ricardo Sanchez Molinero, Fiscal Policy Analyst
Mary Washburn, Senior Fiscal Policy Analyst



Our Mission

To provide a catalyst for improvements of municipal operations and promote a credible, efficient, effective, equitable, fair, focused, transparent, and fully accountable City government.

Our Vision

To improve City services by providing independent, objective, and reliable information regarding the City's ability to meet its goals and objectives and establish an adequate system of internal controls, root out improper governmental activities (i.e., fraud, waste, or abuse), and address racial, gender, and ethnic inequities.

Suggest an Audit

The Office of the City Auditor conducts performance audits of the City of Sacramento's operations to determine whether these operations and programs are operating efficiently and effectively. If you would like to offer ideas for audits to save the City money, increase revenues, or improve the efficiency and effectiveness of City operations and programs, please fill out our online form:

https://forms.cityofsacramento.org/f/Suggest_an_Audit_Form

Whistleblower Hotline

In the interest of public accountability and being responsible stewards of public funds, the City has established a whistleblower hotline. The hotline protects the anonymity of those leaving tips to the extent permitted by law. The service is available 24 hours a day, 7 days a week, 365 days per year. Through this service, all phone calls and emails will be received anonymously by third party staff.

Report online at <http://www.cityofsacramento.ethicspoint.com> or call toll-free: 888-245-8859.

The City of Sacramento's Office of the City Auditor can be contacted by phone at 916-808-1166 or at the address below:

915 I Street
MC09100
Historic City Hall, Floor 2
Sacramento, CA 95814

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Introduction

As part of its broader homeless response efforts, the City of Sacramento (City) operates and funds a variety of homeless shelters to serve those experiencing homelessness. Addressing homelessness continues to be a concern for the community and a priority for the City Council, particularly in anticipation of funding constraints in upcoming years and the continued need for homeless services to assist those in need.

The objective of this Fact Book is to supplement our concurrently released *Audit of the City's Homeless Response: Evaluation of Costs and Outcomes of Homeless Shelter Types* (audit report) by providing an informative, educational overview of the City's homeless sheltering programs.¹ The Fact Book is designed to present information about the City's various shelters collectively to illustrate any differences and similarities in shelter characteristics, operational priorities, outcomes, and costs. While this Fact Book allows for comparison across shelters, it does not fully describe the operational context that may account for variations in performance metrics or other relevant measures. To that end, the audit report and this Fact Book together provide a more comprehensive understanding of the City's homeless shelters from both a factual and operational perspective.

The City Auditor's Office would like to thank the Department of Community Response and the various shelter operators for their cooperation and assistance during the audit process.

Scope and Methodology

More generally, the Fact Book focused on homeless sheltering programs operated or funded by the City during fiscal year 2022-2023 (FY23), fiscal year 2023-2024 (FY24), and fiscal year 2024-2025 (FY25). However, certain analyses focused primarily on FY24 and FY25 based on data availability and the relevance of more current information. Additionally, the nature of the audit work required that some information is from fiscal year 2025-2026 (FY26). For example, site visits and observations necessarily reflected current operating conditions, procedures and practices may have changed over time, and certain data was not consistently available for earlier periods.

To produce the Fact Book, we reviewed and integrated information from multiple sources through a variety of methods. We interviewed DCR staff and 10 service providers to understand current policies and procedures for managing daily operations, providing case management and other services to clients, maintaining client records, upholding program rules, and addressing onsite and neighborhood conditions. We visited all 13 active sheltering sites, reviewed 72 contracts that were effective between

¹ We refer to the City's homeless sheltering programs as "shelter programs," "shelters," or "programs" throughout the Fact Book. While some programs are more accurately classified as respite centers or transitional living programs, we use these terms interchangeably for ease of reference and readability.

FY23 and FY25, and requested additional client data on intermediate milestones for a one-month period in FY26.

We also conducted additional research on existing shelter types and identified characteristics associated with these sheltering programs, such as service models, target populations, physical configurations, staffing approaches, program size, and operational priorities—to support figures depicted in this Fact Book.

During our review process, we analyzed data from the Homeless Management Information System (HMIS), including shelter entry and exit records from the GNRL220 reports and client services data from the GNRL400 reports. We compared operational and performance metrics across sheltering programs, identified program characteristics that may influence these metrics, and analyzed whether services affected housing outcomes. The analysis covered 8,885 program stays across 12 of the 13² active programs for FY24 and FY25, as well as Miller Park³ for an alternative two-year period from approximately January 2022 through January 2024, which reflects the program’s full two years of operations.

To understand how the City allocates funding across shelter programs, we compiled and assessed cost information^{4, 5} for the two most recent fiscal years (FY24 and FY25) from a variety of sources, including service provider invoices, accounting journals, the City’s general ledger, the City’s main energy system, and information provided by the Department of Community Response (DCR). Similar to our HMIS analysis for Miller Park, we used an alternative two-year period that covered the program’s approximate two years of operations. Our analysis also included amortizing startup costs, primarily capital and facility-related costs, that were incurred prior to our review period to more accurately account for those expenditures over time. We determined the cost per stay, cost per bed per night, and proportional costs associated with each exit destination. We calculated the proportion of costs associated with typical cost categories, which include facilities, operations, staffing, direct client services, and administrative/indirect costs. Additionally, we estimated the proportion of costs associated with the two primary shelter program roles: stabilizing clients and providing services.

² Due to confidentiality reasons, WEAVE does not use HMIS to track client and services data and was therefore excluded from our HMIS analysis.

³ This was the City’s only safe camping/parking program in our review period and was included to provide context for currently proposed programs.

⁴ Our cost analysis only reflects City funding and does not capture supplemental funding sources that service providers may use to support operations. Additionally, cost information for two programs administered indirectly through the Sacramento Housing and Redevelopment Agency (SHRA) partially relied on estimates as detailed cost data for the review period was not fully available.

⁵ Our cost analysis does not include administrative costs incurred by DCR in administering these shelter programs and only includes programmatic costs attributable to each shelter.

Section 1. Shelter Profiles

This section introduces each of the City's sheltering programs in our full review period (July 1, 2022 through June 30, 2025).⁶

⁶ Some shelters have no performance and cost metrics as they were either not active during the F24 through FY25 review period or, in the case of one shelter, did not use HMIS for confidentiality reasons. Additionally, other information may also not be as readily available for shelters that were no longer active during F24 through FY25.

Meadowview Navigation Center

ABOUT THE SHELTER

The Meadowview Navigation Center provides safety to women experiencing homelessness in Sacramento. Women are often victims of violence when they are left to navigate the streets without housing or the resources to protect them. The Meadowview Navigation Center has created a space for up to 100 women to come out of the elements and heal from the trauma of homelessness. The focus of this shelter is moving individuals off the street, into shelter, and into permanent housing as quickly as possible through services and support that increase income and self-sustainability.



STATUS

Active as of June 30, 2025 (end of review period)
Active as of April 30, 2026



SERVICE PROVIDER

Volunteers of America



POPULATION SERVED

Women



LOCATION

2700 Meadowview Road, Sacramento, CA 95822



DCR GROUPING

Non-congregate	Congregate	Safe grounds	Women and children	Transitional age youth (TAY)
----------------	-------------------	--------------	--------------------	------------------------------



SHELTER TYPE

Safe grounds	Respite center/night-by-night shelter	Emergency shelter	Transitional/interim housing
--------------	---------------------------------------	--------------------------	------------------------------



OPERATIONAL PRIORITY

Resolving a crisis	Sheltering	Resolving homelessness
--------------------	-------------------	------------------------



PROGRAM ORIGIN

City-designed	Provider-developed
----------------------	--------------------



PORTION FUNDED BY CITY

Fully funded	Partially funded
---------------------	------------------



SHELTER ENTRY METHOD

Street outreach	Coordinated Access System (CAS)	Multiple/other access points
-----------------	--	------------------------------



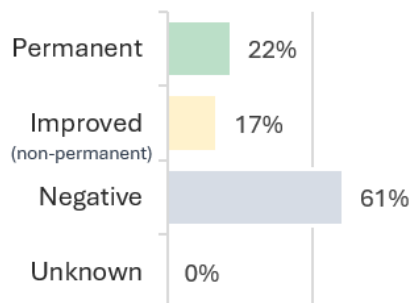
USED AS WEATHER RESPITE

Yes	No
-----	-----------

PERFORMANCE AND COST METRICS (FY24-FY25)

TOTAL STAYS 752	TOTAL EXITS 666
LENGTH OF STAY (days) 115 (average) 61 (median)	
NIGHTLY OCCUPANCY 97 (average)	

CLIENT OUTCOMES



TOTAL COST \$6.41 M
COST PER EXIT \$8,385
COST PER BED PER NIGHT \$90

X Street Navigation Center

ABOUT THE SHELTER

X Street Navigation Center is a 100-bed shelter that opened September 21st, 2021. Priority is given to unsheltered adults in the immediate vicinity of the shelter. All shelter clients are given access to a myriad of services that will meet them where they are and assist them in obtaining permanent housing.



STATUS

Active as of June 30, 2025 (end of review period)
Active as of April 30, 2026



SERVICE PROVIDER

Volunteers of America



POPULATION SERVED

Co-ed adults



LOCATION

2970 X Street, Sacramento, CA 95817



DCR GROUPING

Non-congregate	Congregate	Safe grounds	Women and children	Transitional age youth (TAY)
----------------	-------------------	--------------	--------------------	------------------------------



SHELTER TYPE

Safe grounds	Respite center/night-by-night shelter	Emergency shelter	Transitional/interim housing
--------------	---------------------------------------	--------------------------	------------------------------



OPERATIONAL PRIORITY

Resolving a crisis	Sheltering	Resolving homelessness
--------------------	-------------------	------------------------



PROGRAM ORIGIN

City-designed	Provider-developed
----------------------	--------------------



PORTION FUNDED BY CITY

Fully funded	Partially funded
---------------------	------------------



SHELTER ENTRY METHOD

Street outreach	Coordinated Access System (CAS)	Multiple/other access points
-----------------	--	------------------------------



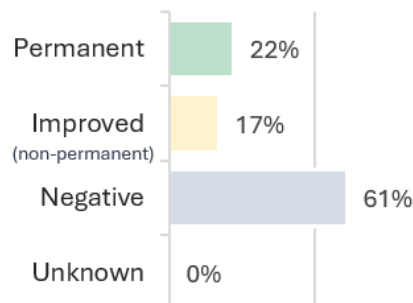
USED AS WEATHER RESPITE

Yes	No
-----	-----------

PERFORMANCE AND COST METRICS (FY24-FY25)

TOTAL STAYS 719	TOTAL EXITS 627
LENGTH OF STAY (days) 104 (average) 49 (median)	
NIGHTLY OCCUPANCY 98 (average)	

CLIENT OUTCOMES



TOTAL COST \$7.14 M
COST PER EXIT \$9,441
COST PER BED PER NIGHT \$100

North 5th Navigation Center

ABOUT THE SHELTER

The North 5th Navigation Center provides 24/7 shelter services for up to 163 adult men and women. Clients have access to meals and essential supportive services. Onsite case management connects clients to stable income, public benefits, and community support services, helping individuals prepare for a transition to permanent housing.

STATUS

Active as of June 30, 2025 (end of review period)
Active as of April 30, 2026

SERVICE PROVIDER

The Gathering Inn
(Previous Provider: SHELTER Inc.)

POPULATION SERVED

Co-ed adults

LOCATION

700 North 5th Street, Suite 200,
 Sacramento, CA 95811

DCR GROUPING

Non-congregate	Congregate	Safe grounds	Women and children	Transitional age youth (TAY)
----------------	-------------------	--------------	--------------------	------------------------------

SHELTER TYPE

Safe grounds	Respite center/ night-by-night shelter	Emergency shelter	Transitional/ interim housing
--------------	---	--------------------------	----------------------------------

OPERATIONAL PRIORITY

Resolving a crisis	Sheltering	Resolving homelessness
--------------------	-------------------	------------------------

PROGRAM ORIGIN

City-designed	Provider-developed
----------------------	--------------------

PORTION FUNDED BY CITY

Fully funded	Partially funded
---------------------	------------------

SHELTER ENTRY METHOD

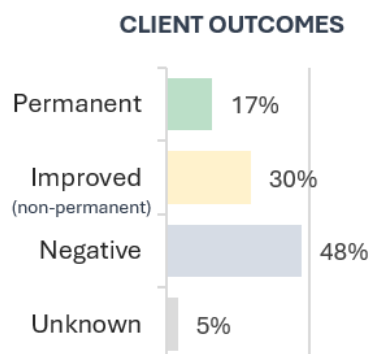
Street outreach	Coordinated Access System (CAS)	Multiple/other access points
-----------------	--	------------------------------

USED AS WEATHER RESPITE

Yes	No
------------	----

PERFORMANCE AND COST METRICS (FY24-FY25)

TOTAL STAYS 1,082	TOTAL EXITS 951
LENGTH OF STAY (days) 130 (average) 57 (median)	
NIGHTLY OCCUPANCY 146 (average)	



TOTAL COST \$5.59 M
COST PER EXIT \$5,218
COST PER BED PER NIGHT \$53

Outreach and Engagement Center

ABOUT THE SHELTER

The Outreach and Engagement Center provides overnight respite to people experiencing homelessness. While not a long-term shelter, it will assist people in identifying barriers to housing and match them up with the available resources. Caseworkers can help connect clients with health care, mental healthcare, substance abuse treatment, other services, and housing opportunities. The center is open 23 hours a day, seven days a week, and staffed around the clock.

STATUS

Active as of June 30, 2025 (end of review period)
Active as of April 30, 2026

SERVICE PROVIDER

Hope Cooperative

POPULATION SERVED

Co-ed adults/families

LOCATION

3615 Auburn Blvd, Sacramento, CA 95821

DCR GROUPING

Non-congregate	Congregate	Safe grounds	Women and children	Transitional age youth (TAY)
----------------	-------------------	--------------	--------------------	------------------------------

SHELTER TYPE

Safe grounds	Respite center/night-by-night shelter	Emergency shelter	Transitional/interim housing
--------------	--	-------------------	------------------------------

OPERATIONAL PRIORITY

Resolving a crisis	Sheltering	Resolving homelessness
---------------------------	------------	------------------------

PROGRAM ORIGIN

City-designed	Provider-developed
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PORTION FUNDED BY CITY

Fully funded	Partially funded
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SHELTER ENTRY METHOD

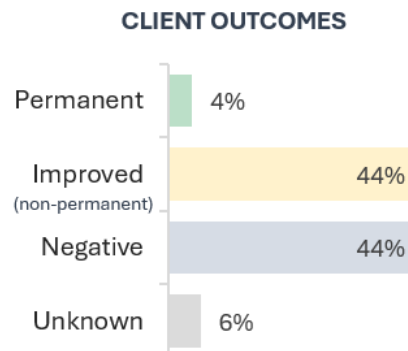
Street outreach	Coordinated Access System (CAS)	Multiple/other access points
------------------------	---------------------------------	------------------------------

USED AS WEATHER RESPITE

Yes	No
------------	----

PERFORMANCE AND COST METRICS (FY24-FY25)

TOTAL STAYS 1,845	TOTAL EXITS 1,789
LENGTH OF STAY (days) 22 (average) 9 (median)	
NIGHTLY OCCUPANCY 56 (average)	



TOTAL COST \$6.57 M
COST PER EXIT \$3,336
COST PER BED PER NIGHT \$160

Roseville Road Campus (South)

ABOUT THE SHELTER

Roseville Road Campus is a pallet home and previously also a trailer shelter that provides a multitude of services, including basic necessities like meals and showers, case management, on-site therapy, medical care, and connection to mental health services. Clients are placed in this program through referrals from DCR's outreach team.

STATUS

Active as of June 30, 2025 (end of review period)
Active as of April 30, 2026

SERVICE PROVIDER

First Step Communities

POPULATION SERVED

Co-ed adults

LOCATION

3900 Roseville Rd, North Highlands, CA 95660

DCR GROUPING

Non-congregate	Congregate	Safe grounds	Women and children	Transitional age youth (TAY)
-----------------------	------------	--------------	--------------------	------------------------------

SHELTER TYPE

Safe grounds	Respite center/ night-by-night shelter	Emergency shelter	Transitional/ interim housing
--------------	---	--------------------------	----------------------------------

OPERATIONAL PRIORITY

Resolving a crisis	Sheltering	Resolving homelessness
---------------------------	-------------------	------------------------

PROGRAM ORIGIN

City-designed	Provider-developed
----------------------	--------------------

PORTION FUNDED BY CITY

Fully funded	Partially funded
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SHELTER ENTRY METHOD

Street outreach	Coordinated Access System (CAS)	Multiple/other access points
------------------------	---------------------------------	------------------------------

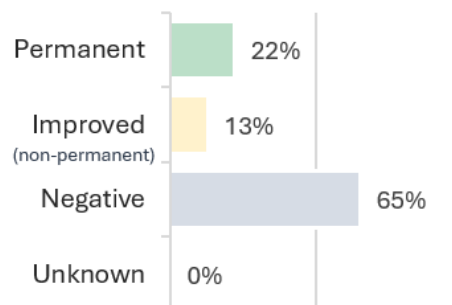
USED AS WEATHER RESPITE

Yes	No
-----	-----------

PERFORMANCE AND COST METRICS (FY24-FY25)

TOTAL STAYS 418	TOTAL EXITS 305
LENGTH OF STAY (days) 108 (average) 56 (median)	
NIGHTLY OCCUPANCY 112 (average)	

CLIENT OUTCOMES



TOTAL COST \$5.78 M
COST PER EXIT \$11,275
COST PER BED PER NIGHT \$96

City Motel Program

ABOUT THE SHELTER

The City Motel Program was established in December 2020 as a non-congregate voucher-based shelter program intended to respond to both COVID-19 public health emergency and the continuous need for more shelter. The City has since shifted to operating the program more generally as a motel shelter program that primarily serves unhoused families with minor children. The lower cost per bed per night of the Motel Program is partly attributable to members of the same household, averaging 3.1 people per household, typically sharing motel rooms, which may not be replicable with other populations.

STATUS

Active as of June 30, 2025 (end of review period)
Active as of April 30, 2026

SERVICE PROVIDER

Step Up on Second Street
(Previous Concurrent Provider: City of Refuge)

POPULATION SERVED

Families (with minor children)

LOCATION

(only motel locations active as June 30, 2025 are listed below)

- (1) Arden Acres: 2421 Clay Street
- (2) Motel 6 Central: 7850 College Town
- (3) Paul & Sons: 3796 Northgate Boulevard
- (4) Motel 6 Sacramento Old North: 227 Jibboom Street

DCR GROUPING

Non-congregate	Congregate	Safe grounds	Women and children	Transitional aged youth (TAY)
----------------	------------	--------------	--------------------	-------------------------------

SHELTER TYPE

Safe grounds	Respite center/night-by-night shelter	Emergency shelter	Transitional/interim housing
--------------	---------------------------------------	-------------------	------------------------------

OPERATIONAL PRIORITY

Resolving a crisis	Sheltering	Resolving homelessness
--------------------	------------	------------------------

PROGRAM ORIGIN

City-designed	Provider-developed
---------------	--------------------

PORTION FUNDED BY CITY

Fully funded	Partially funded
--------------	------------------

SHELTER ENTRY METHOD

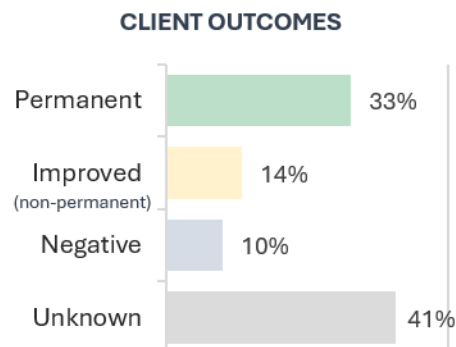
Street outreach	Coordinated Access System (CAS)	Multiple/other access points
-----------------	---------------------------------	------------------------------

USED AS WEATHER RESPITE

Yes	No
-----	----

PERFORMANCE AND COST METRICS (FY24-FY25)

TOTAL STAYS 2,183	TOTAL EXITS 1,582
LENGTH OF STAY (days) 192 (average) 138 (median)	
NIGHTLY OCCUPANCY 546 (average)	



TOTAL COST \$14.97 M
COST PER EXIT \$6,997
COST PER BED PER NIGHT \$38

Emergency Bridge Housing at the Grove

ABOUT THE SHELTER

The Grove is a 50-unit tiny cabin community for TAY ages 18-24. It is a comprehensive shelter program designed to empower and uplift young people. The program offers wraparound services, such as case management, employment services, counseling, and group sessions, in addition to a rapid re-housing component.

STATUS

Active as of June 30, 2025 (end of review period)
Active as of April 30, 2026

SERVICE PROVIDER

First Step Communities

POPULATION SERVED

Transitional age youth

LOCATION

2787 Grove Avenue, Sacramento CA 95815

DCR GROUPING

Non-congregate	Congregate	Safe grounds	Women and children	Transitional age youth (TAY)
----------------	------------	--------------	--------------------	------------------------------

SHELTER TYPE

Safe grounds	Respite center/night-by-night shelter	Emergency shelter	Transitional/interim housing
--------------	---------------------------------------	-------------------	------------------------------

OPERATIONAL PRIORITY

Resolving a crisis	Sheltering	Resolving homelessness
--------------------	------------	------------------------

PROGRAM ORIGIN

City-designed	Provider-developed
---------------	--------------------

PORTION FUNDED BY CITY

Fully funded	Partially funded
--------------	------------------

SHELTER ENTRY METHOD

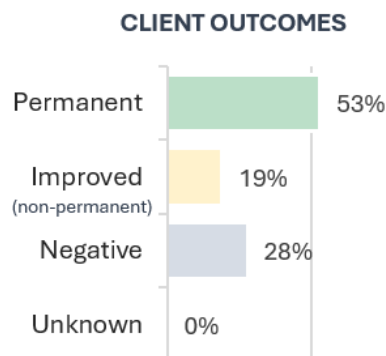
Street outreach	Coordinated Access System (CAS)	Multiple/other access points
-----------------	---------------------------------	------------------------------

USED AS WEATHER RESPITE

Yes	No
-----	----

PERFORMANCE AND COST METRICS (FY24-FY25)

TOTAL STAYS 414	TOTAL EXITS 367
LENGTH OF STAY (days) 94 (average) 73 (median)	
NIGHTLY OCCUPANCY 50 (average)	



TOTAL COST \$4.74 M
COST PER EXIT \$10,701
COST PER BED PER NIGHT \$130

Short-Term Transitional Emergency Placement Program

ABOUT THE SHELTER

The Sacramento LGBT Community Center's Short-Term Transitional Emergency Placement Program provides shelter to youth ages 18-24. Youth will receive assistance from case managers and advocates to obtain identification documents, access medical and mental health services, and navigate next step in their transition to more permanent housing.

STATUS

Active as of June 30, 2025 (end of review period)
Active as of April 30, 2026

SERVICE PROVIDER

Sacramento LGBT Community Center

POPULATION SERVED

Transitional age youth

LOCATION

2031 P Street Sacramento CA, 95811

DCR GROUPING

Non-congregate	Congregate	Safe grounds	Women and children	Transitional age youth (TAY)
----------------	------------	--------------	--------------------	-------------------------------------

SHELTER TYPE

Safe grounds	Respite center/night-by-night shelter	Emergency shelter	Transitional/interim housing
--------------	---------------------------------------	--------------------------	------------------------------

OPERATIONAL PRIORITY

Resolving a crisis	Sheltering	Resolving homelessness
--------------------	------------	-------------------------------

PROGRAM ORIGIN

City-designed	Provider-developed
---------------	---------------------------

PORTION FUNDED BY CITY

Fully funded	Partially funded
--------------	-------------------------

SHELTER ENTRY METHOD

Street outreach	Coordinated Access System (CAS)	Multiple/other access points
-----------------	--	------------------------------

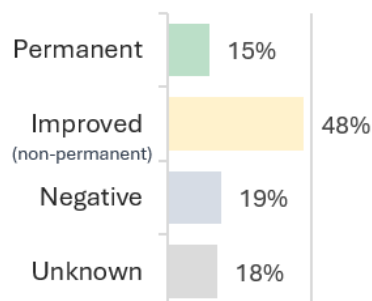
USED AS WEATHER RESPITE

Yes	No
-----	-----------

PERFORMANCE AND COST METRICS (FY24-FY25)

TOTAL STAYS 139	TOTAL EXITS 126
LENGTH OF STAY (days) 54 (average) 54 (median)	
NIGHTLY OCCUPANCY 10 (average)	

CLIENT OUTCOMES



TOTAL COST \$1.27 M
COST PER EXIT \$8,518
COST PER BED PER NIGHT \$176

Transitional Living Program

ABOUT THE SHELTER

The Sacramento LGBT Community Center's Transitional Living Program provides youth ages 18-24 with stable housing in community for up to 24 months. Services include meals, clothing, transportation assistance, intensive case management, counseling, transportation, education and employment services, life skills workshops, and establishment of a support system that they can maintain after exiting the program.



STATUS

Active as of June 30, 2025 (end of review period)
Active as of April 30, 2026



SERVICE PROVIDER

Sacramento LGBT Community Center



POPULATION SERVED

Transitional age youth



LOCATION

Confidential



DCR GROUPING

Non-congregate	Congregate	Safe grounds	Women and children	Transitional age youth (TAY)
----------------	------------	--------------	--------------------	------------------------------



SHELTER TYPE

Safe grounds	Respite center/night-by-night shelter	Emergency shelter	Transitional/interim housing
--------------	---------------------------------------	-------------------	------------------------------



OPERATIONAL PRIORITY

Resolving a crisis	Sheltering	Resolving homelessness
--------------------	------------	------------------------



PROGRAM ORIGIN

City-designed	Provider-developed
---------------	--------------------



PORTION FUNDED BY CITY

Fully funded	Partially funded
--------------	------------------



SHELTER ENTRY METHOD

Street outreach	Coordinated Access System (CAS)	Multiple/other access points
-----------------	---------------------------------	------------------------------



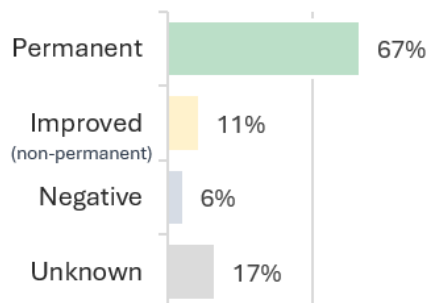
USED AS WEATHER RESPITE

Yes	No
-----	----

PERFORMANCE AND COST METRICS (FY24-FY25)

TOTAL STAYS 9	TOTAL EXITS 7
LENGTH OF STAY (days) 175 (average) 143 (median)	
NIGHTLY OCCUPANCY 2 (average)	

CLIENT OUTCOMES



TOTAL COST \$0.17 M
COST PER EXIT \$18,508
COST PER BED PER NIGHT \$130

Host Homes

ABOUT THE SHELTER

The Sacramento LGBT Community Center's Host Homes program served transitional aged youth who are experiencing homelessness or at-risk of becoming unhoused by matching them with community members in the Sacramento area who can provide housing within their home for 4-6 months. During their stay, youth could attend one-on-one case management, participated in educational workshops, and received employment resources.

STATUS

Inactive as of June 30, 2025 (end of review period)
Inactive as of April 30, 2026

SERVICE PROVIDER

Sacramento LGBT Community Center

POPULATION SERVED

Transitional age youth

LOCATION

Confidential; multiple locations

DCR GROUPING

Non-congregate	Congregate	Safe grounds	Women and children	Transitional age youth (TAY)
----------------	------------	--------------	--------------------	------------------------------

SHELTER TYPE

Safe grounds	Respite center/ night-by-night shelter	Emergency shelter	Transitional/ interim housing
--------------	--	-------------------	-------------------------------

OPERATIONAL PRIORITY

Resolving a crisis	Sheltering	Resolving homelessness
--------------------	------------	------------------------

PROGRAM ORIGIN

City-designed	Provider-developed
---------------	--------------------

PORTION FUNDED BY CITY

Fully funded	Partially funded
--------------	------------------

SHELTER ENTRY METHOD

Street outreach	Coordinated Access System (CAS)	Multiple/other access points
-----------------	---------------------------------	------------------------------

USED AS WEATHER RESPITE

Yes	No
-----	----

PERFORMANCE AND COST METRICS (FY24-FY25)

TOTAL STAYS n/a	TOTAL EXITS n/a
LENGTH OF STAY (days) n/a (average) n/a (median)	
NIGHTLY OCCUPANCY n/a (average)	

CLIENT OUTCOMES

Permanent
 Improved (non-permanent)
 Negative
 Unknown

TOTAL COST n/a
COST PER EXIT n/a
COST PER BED PER NIGHT n/a

Common Ground

ABOUT THE SHELTER

Common Ground offers low-barrier, emergency overnight shelter services to transitional age youth experiencing homelessness. In addition to basic necessities like shelter and food, the program integrates comprehensive case management, counseling services, individualized service plans, and access to resources such as healthcare, education, mental health, and housing assistance. Additionally, it offers a job readiness program aimed at equipping young adults with essential skills such as resume writing, job search techniques, attire provision, and on-the-job training.



STATUS

Active as of June 30, 2025 (end of review period)
Active as of April 30, 2026



SERVICE PROVIDER

Wind Youth Services



POPULATION SERVED

Transitional age youth



LOCATION

3671 5th Avenue Sacramento, CA 95817



DCR GROUPING

Non-congregate	Congregate	Safe grounds	Women and children	Transitional age youth (TAY)
----------------	------------	--------------	--------------------	-------------------------------------



SHELTER TYPE

Safe grounds	Respite center/night-by-night shelter	Emergency shelter	Transitional/interim housing
--------------	---------------------------------------	--------------------------	------------------------------



OPERATIONAL PRIORITY

Resolving a crisis	Sheltering	Resolving homelessness
--------------------	------------	-------------------------------



PROGRAM ORIGIN

City-designed	Provider-developed
---------------	---------------------------



PORTION FUNDED BY CITY

Fully funded	Partially funded
---------------------	------------------



SHELTER ENTRY METHOD

Street outreach	Coordinated Access System (CAS)	Multiple/other access points
-----------------	--	------------------------------



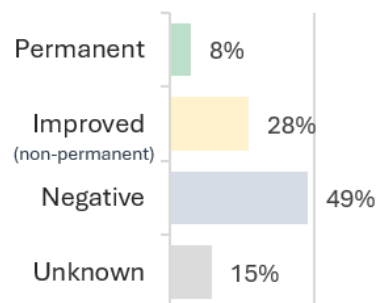
USED AS WEATHER RESPITE

Yes	No
-----	-----------

PERFORMANCE AND COST METRICS (FY24-FY25)

TOTAL STAYS 318	TOTAL EXITS 303
LENGTH OF STAY (days) 39 (average) 27 (median)	
NIGHTLY OCCUPANCY 17 (average)	

CLIENT OUTCOMES



TOTAL COST \$1.04 M
COST PER EXIT \$3,029
COST PER BED PER NIGHT \$83

The Village

ABOUT THE SHELTER

The Village is a program for pregnant and parenting transitional age youth and their children. Located in a safe home in a quiet neighborhood, The Village centers on a daily program of engagement with the goal of discerning best housing fit and creating traction toward long term wellness and stability. The program's youth development teams ensure housing connections happen quickly and youth are matched with the housing program that best fits their support needs while also connecting to supports in wellness, employment, education, and parenting.

STATUS

Active as of June 30, 2025 (end of review period)
Active as of April 30, 2026

SERVICE PROVIDER

Waking the Village

POPULATION SERVED

Parenting transitional age youth

LOCATION

Confidential

DCR GROUPING

Non-congregate	Congregate	Safe grounds	Women and children	Transitional age youth (TAY)
----------------	------------	--------------	--------------------	------------------------------

SHELTER TYPE

Safe grounds	Respite center/ night-by-night shelter	Emergency shelter	Transitional/ interim housing
--------------	--	-------------------	-------------------------------

OPERATIONAL PRIORITY

Resolving a crisis	Sheltering	Resolving homelessness
--------------------	------------	------------------------

PROGRAM ORIGIN

City-designed	Provider-developed
---------------	--------------------

PORTION FUNDED BY CITY

Fully funded	Partially funded
--------------	------------------

SHELTER ENTRY METHOD

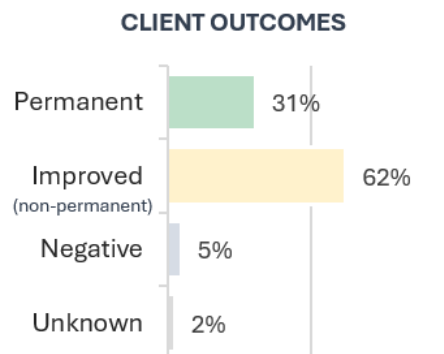
Street outreach	Coordinated Access System (CAS)	Multiple/other access points
-----------------	---------------------------------	------------------------------

USED AS WEATHER RESPITE

Yes	No
-----	----

PERFORMANCE AND COST METRICS (FY24-FY25)

TOTAL STAYS 96	TOTAL EXITS 85
LENGTH OF STAY (days) 120 (average) 83 (median)	
NIGHTLY OCCUPANCY 14 (average)	



TOTAL COST \$1.28 M
COST PER EXIT \$12,392
COST PER BED PER NIGHT \$124

Saint John's Emergency Shelter Program

ABOUT THE SHELTER

Saint John's Program for Real Change assists women struggling with homelessness in combination with other challenges, like poverty, substance use disorder, mental health, violence, and abuse, on their journey to healthy and independent lives for themselves and their children. The 12-month residential program provides wraparound services and is designed to support women in taking responsibility for themselves and their families, specifically to give women the ability to rise above past struggles and achieve job-readiness, self-sustainability and life-long stability.

STATUS

Active as of June 30, 2025 (end of review period)
Active as of April 30, 2026

SERVICE PROVIDER

Saint John's Program for Real Change

POPULATION SERVED

Women and children

LOCATION

Confidential

DCR GROUPING

Non-congregate	Congregate	Safe grounds	Women and children	Transitional age youth (TAY)
----------------	------------	--------------	---------------------------	------------------------------

SHELTER TYPE

Safe grounds	Respite center/night-by-night shelter	Emergency shelter	Transitional/interim housing
--------------	---------------------------------------	--------------------------	------------------------------

OPERATIONAL PRIORITY

Resolving a crisis	Sheltering	Resolving homelessness
--------------------	------------	-------------------------------

PROGRAM ORIGIN

City-designed	Provider-developed
---------------	---------------------------

PORTION FUNDED BY CITY

Fully funded	Partially funded
--------------	-------------------------

SHELTER ENTRY METHOD

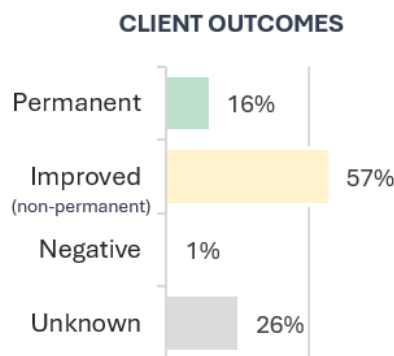
Street outreach	Coordinated Access System (CAS)	Multiple/other access points
-----------------	---------------------------------	-------------------------------------

USED AS WEATHER RESPITE

Yes	No
-----	-----------

PERFORMANCE AND COST METRICS (FY24-FY25)

TOTAL STAYS 115	TOTAL EXITS 98
LENGTH OF STAY (days) 146 (average) 82 (median)	
NIGHTLY OCCUPANCY 18 (average)	



TOTAL COST \$2.31 M
COST PER EXIT \$20,532
COST PER BED PER NIGHT \$175

WEAVE Emergency Safehouse Program

ABOUT THE SHELTER

WEAVE operates a confidential Emergency Safehouse Program for survivors of domestic violence, sexual assault, and sex trafficking and their children. The Emergency Safehouse Program is the entry point to all other housing services provided by WEAVE.

STATUS

Active as of June 30, 2025 (end of review period)
Active as of April 30, 2026

SERVICE PROVIDER

WEAVE

POPULATION SERVED

Women and children

LOCATION

Confidential

DCR GROUPING

Non-congregate	Congregate	Safe grounds	Women and children	Transitional age youth (TAY)
----------------	------------	--------------	---------------------------	------------------------------

SHELTER TYPE

Safe grounds	Respite center/night-by-night shelter	Emergency shelter	Transitional/interim housing
--------------	---------------------------------------	--------------------------	------------------------------

OPERATIONAL PRIORITY

Resolving a crisis	Sheltering	Resolving homelessness
--------------------	------------	-------------------------------

PROGRAM ORIGIN

City-designed	Provider-developed
---------------	---------------------------

PORTION FUNDED BY CITY

Fully funded	Partially funded
--------------	-------------------------

SHELTER ENTRY METHOD

Street outreach	Coordinated Access System (CAS)	Multiple/other access points
-----------------	---------------------------------	-------------------------------------

USED AS WEATHER RESPITE

Yes	No
-----	-----------

PERFORMANCE AND COST METRICS (FY24-FY25)

TOTAL STAYS n/a	TOTAL EXITS n/a	CLIENT OUTCOMES Permanent Improved (non-permanent) Negative Unknown			TOTAL COST \$1.05 M
LENGTH OF STAY (days) n/a (average) n/a (median)					COST PER EXIT n/a
NIGHTLY OCCUPANCY n/a (average)					COST PER BED PER NIGHT \$53

City of Refuge Women and Family Shelter Project

ABOUT THE SHELTER

City of Refuge's Women and Family Shelter program serves women and families experiencing homelessness. The service provider has designed the shelter program to be a space for connection that feels like a home, and believes in the power of choice and personal decisions to break harmful patterns and create new possibilities.

STATUS

Inactive as of June 30, 2025 (end of review period)
Inactive as of April 30, 2026

SERVICE PROVIDER

City of Refuge

POPULATION SERVED

Women and families

LOCATION

Confidential

DCR GROUPING

Non-congregate	Congregate	Safe grounds	Women and children	Transitional age youth (TAY)
----------------	------------	--------------	---------------------------	------------------------------

SHELTER TYPE

Safe grounds	Respite center/ night-by-night shelter	Emergency shelter	Transitional/ interim housing
--------------	--	--------------------------	-------------------------------

OPERATIONAL PRIORITY

Resolving a crisis	Sheltering	Resolving homelessness
--------------------	------------	-------------------------------

PROGRAM ORIGIN

City-designed	Provider-developed
---------------	---------------------------

PORTION FUNDED BY CITY

Fully funded	Partially funded
---------------------	------------------

SHELTER ENTRY METHOD

Street outreach	Coordinated Access System (CAS)	Multiple/other access points
-----------------	---------------------------------	------------------------------

USED AS WEATHER RESPITE

Yes	No
-----	-----------

PERFORMANCE AND COST METRICS (FY24-FY25)

TOTAL STAYS n/a	TOTAL EXITS n/a	CLIENT OUTCOMES			TOTAL COST n/a
LENGTH OF STAY (days) n/a (average) n/a (median)		Permanent Improved (non-permanent) Negative Unknown			COST PER EXIT n/a
NIGHTLY OCCUPANCY n/a (average)					COST PER BED PER NIGHT n/a

Next Step Transitional Living Center

ABOUT THE SHELTER

The Next Step Transitional Living Center Program is a clean and sober transitional living program with vocational training opportunities. The average length of program participant stay in the program is 12-15 months, although participants can stay between 6 to 24 months. The program requires a fee of \$500 per month, of which the City will cover costs for the first two months for each City-referred participant.

STATUS

Active, not utilized as of June 30, 2025 (end of review period)

Active, not utilized as of April 30, 2026

SERVICE PROVIDER

The Salvation Army

POPULATION SERVED

Co-ed adults

LOCATION

500 9th Street, Sacramento, CA

DCR GROUPING

Non-congregate	Congregate	Safe grounds	Women and children	Transitional aged youth (TAY)
----------------	------------	--------------	--------------------	-------------------------------

SHELTER TYPE

Safe grounds	Respite center/night-by-night shelter	Emergency shelter	Transitional/interim housing
--------------	---------------------------------------	-------------------	-------------------------------------

OPERATIONAL PRIORITY

Resolving a crisis	Sheltering	Resolving homelessness
--------------------	------------	-------------------------------

PROGRAM ORIGIN

City-designed	Provider-developed
---------------	---------------------------

PORTION FUNDED BY CITY

Fully funded	Partially funded
--------------	------------------

SHELTER ENTRY METHOD

Street outreach	Coordinated Access System (CAS)	Multiple/other access points
-----------------	---------------------------------	------------------------------

USED AS WEATHER RESPITE

Yes	No
-----	-----------

PERFORMANCE AND COST METRICS (FY24-FY25)

TOTAL STAYS n/a	TOTAL EXITS n/a	CLIENT OUTCOMES			TOTAL COST n/a
LENGTH OF STAY (days) n/a (average) n/a (median)					COST PER EXIT n/a
NIGHTLY OCCUPANCY n/a (average)					COST PER BED PER NIGHT n/a

Miller Park SafeGround

ABOUT THE SHELTER

Miller Park SafeGround was a safe camping site for people experiencing homelessness in a small section of the “peninsula” parking lot at Miller Park. The site was used on a temporary basis to provide safety, security, shelter, sanitary services, and access to other resources for people who had been living unhoused in the area. This site provided 60 tents and up to 17 trailers at one point in time.

STATUS

Inactive as of June 30, 2025 (end of review period)
Inactive as of April 30, 2026

SERVICE PROVIDER

First Step Communities

POPULATION SERVED

Co-ed adults

LOCATION

2701 Marina View Drive, Sacramento, CA 95818

DCR GROUPING

Non-congregate	Congregate	Safe grounds	Women and children	Transitional age youth (TAY)
----------------	------------	---------------------	--------------------	------------------------------

SHELTER TYPE

Safe grounds	Respite center/night-by-night shelter	Emergency shelter	Transitional/interim housing
---------------------	---------------------------------------	-------------------	------------------------------

OPERATIONAL PRIORITY

Resolving a crisis	Sheltering	Resolving homelessness
---------------------------	------------	------------------------

PROGRAM ORIGIN

City-designed	Provider-developed
----------------------	--------------------

PORTION FUNDED BY CITY

Fully funded	Partially funded
---------------------	------------------

SHELTER ENTRY METHOD

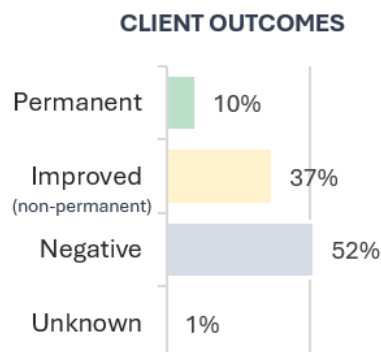
Street outreach	Coordinated Access System (CAS)	Multiple/other access points
------------------------	---------------------------------	------------------------------

USED AS WEATHER RESPITE

Yes	No
-----	-----------

PERFORMANCE AND COST METRICS (EARLY 2022 – EARLY 2024)

TOTAL STAYS 368	TOTAL EXITS 368
LENGTH OF STAY (days) 65 (average) 30 (median)	
NIGHTLY OCCUPANCY 60 (average)	



TOTAL COST \$4.66 M
COST PER EXIT \$12,669
COST PER BED PER NIGHT \$107

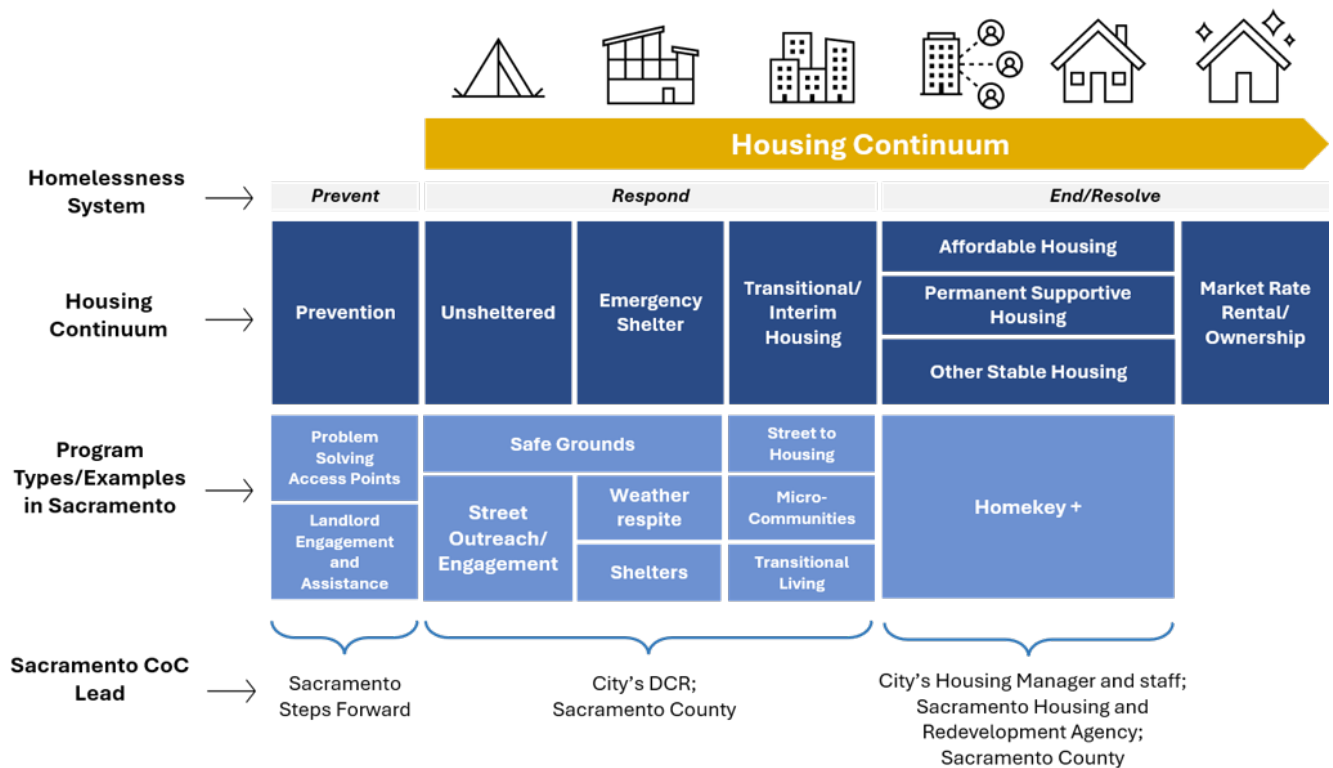
Section 2: City Shelters Within the Sacramento Continuum of Care

This section describes how the City’s sheltering programs fit into Sacramento’s broader homelessness system and provides context on the scope of programs within our review period.

How do the City's shelter programs fit into Sacramento's broader homelessness system?

The City contribution to addressing homelessness spans multiple parts of the homelessness system and the housing continuum. Some examples of programs that DCR leads include street outreach and sheltering programs.

Figure 1. Programs and Lead Agencies in Sacramento's Homelessness System and Housing Continuum



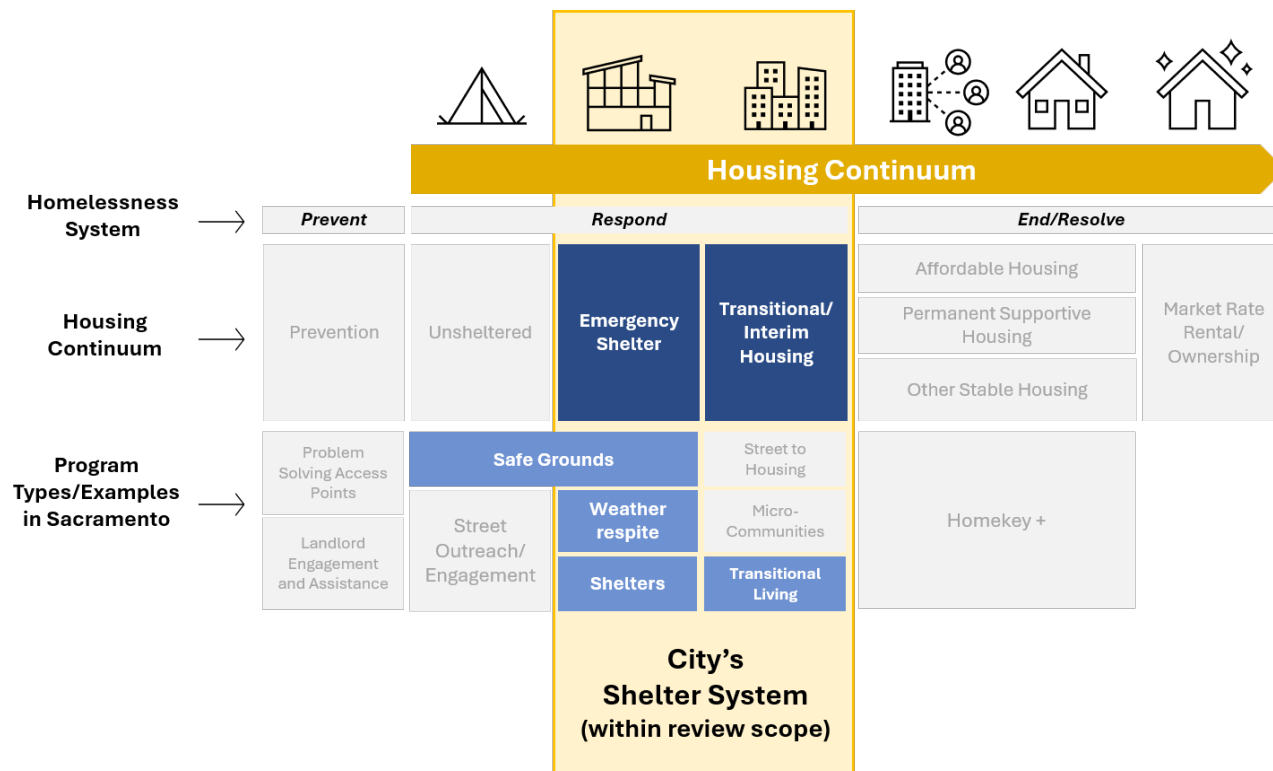
Source: Auditor generated based on *All in Sacramento* and other online sources.

Note: Prevention is not typically considered part of the housing continuum but is included as a “step” in this figure to better show overlap with the homelessness system and an individual’s housing status.

What program types in the City’s shelter system are in the review scope?

The City’s sheltering system focuses on responding to homelessness and covers a variety of program types, including safe grounds, weather respite, shelters, and transitional living programs. Some programs, such as micro-communities and street-to-housing, are not part of this review scope.

Figure 2. City’s Shelter System Within Sacramento’s Homelessness System and Housing Continuum



Source: Auditor generated based on *All in Sacramento*, other online sources, and audit scope.

Note: Prevention is not typically considered part of the housing continuum but is included as a “step” in this figure to better show overlap with the homelessness system and an individual’s housing status.

Section 2: City Shelters Within the Sacramento Continuum of Care

The number of shelters within each these program types ranges from one through 12, with the City having the most emergency shelters and only one to two of each of the other program types. Of all the shelters, only two are used as weather respites: OEC and North 5th.

Figure 3. City Shelters by Shelter Type

Program Types	Shelter Program	Used as Weather Respite
Safe Grounds	Miller Park	No
Respite Center/ Night-by-Night Emergency Shelter	OEC	Yes
Emergency Shelter	Roseville Road	No
	X Street	No
	Meadowview	No
	North 5th	Yes
	City Motel Program	No
	EBH at the Grove	No
	CoR	No
	STEP	No
	The Village	No
	Common Ground	No
	WEAVE	No
	Saint John's	No
Transitional Housing	TLP	No
	Next Step TLC	No
Interim Housing	Host Homes	No

Source: Auditor generated based information provided by DCR and review of service provider contracts.

Section 2: City Shelters Within the Sacramento Continuum of Care

Do all shelters serve the same function?

The City's shelter system appears to have three perceived purposes or objectives:

1. Shelter as many unsheltered PEH as possible;
2. Assist them in their path towards stable housing; and
3. Provide them with services that ensure individual wellbeing.

The City's shelters reflect these objectives to different degrees in practice based on their own operational priority. The three operational priorities include:

- a. Resolving a crisis/emergency situation;
- b. Sheltering unsheltered PEH and supporting housing progress; and
- c. Resolving homelessness and supporting long-term wellness.

Figure 4. City Shelters by Operational Priority

 Resolving a Crisis/ Emergency Situation	 Sheltering Unsheltered PEH and Supporting Housing Progress	 Resolving Homelessness and Supporting Long- Term Wellness
Ensure immediate safety of PEH and provide some emergency relief/stabilization and may offer additional support services; PEH enter shelters through placement by DCR's street outreach team.	Reduce unsheltered homelessness and provide some services to assist PEH in making progress towards addressing their homelessness and facilitate positive or improved exits; with 1 exception, PEH enter shelters through CAS.	Provide wraparound care to clients to resolve a client's homelessness and support long-term wellness and personal success; tend to be non-City designed.
 Miller Park SafeGround  Outreach and Engagement Center  Roseville Road Campus*	 Roseville Road Campus*  X Street Navigation Center  Meadowview Navigation Center  North 5th Navigation Center  City Motel Program	 EBH at the Grove  CoR Women and Family Shelter  Sacramento LGBT STEP  The Village Shelter  Common Ground Shelter  WEAVE  St. John's Program for Real Change  Next Step TLC  Sacramento LGBT TLP  Sacramento LGBT Host Homes
 Active shelter as of June 30, 2025  Active shelter as of June 30, 2025, but no invoices  Inactive shelter as of June 30, 2025		

* Roseville Road Campus exhibits similarities to both groups that it included under and may be compared to both groups during our analysis.

Source: Auditor generated based on interviews with DCR management and service providers, shelter site visits, shelter contracts, and programmatic information on service providers' website.

Section 3: Overview of the City's Shelters

This section provides an overview of the City's shelters, such as how many shelters were included in our review period, whether they were active as June 30, 2025, which service provider they were operated by, how many clients it can serve, and how many clients it has served.

How many shelters were active between July 1, 2022 and June 30, 2025 (FY23-FY25)? Who were they served by? Are they currently active?

The City contracted for 17 shelters in this time period and were operated by 13 different service providers, with several providers operating more than one shelter. One shelter specializing in alcohol treatment was contracted on a reimbursement basis. Because no City-referred clients utilized the program during the review period, the City incurred no costs under the contract.

As of June 30, 2025, only 14 shelters remained active⁷ and were operated by 11 different service providers (see figure on next page). These shelters remained active as of April 30, 2026.

⁷ Active refers to whether the shelter is part of the City's portfolio of sheltering programs. Some programs no longer exist, such as Miller Park, while others may still be operational, but are no longer funded by the City.

Section 3: Overview of the City's Shelters

Figure 5. Shelter Programs and Service Providers Active Between July 1, 2022 and June 30, 2025

	Shelter Program	Service Provider *	Active (as of June 30, 2025)
1	Meadowview Navigation Center (Meadowview; MNC)	Volunteers of America (<i>Prior Administrator: SHRA</i>)	Active
2	X Street Navigation Center (X Street; XNC)	Volunteers of America (<i>Prior Administrator: SHRA</i>)	Active
3	North 5th Navigation Center (North 5th)	The Gathering Inn (<i>Prior Provider: Shelter Inc.</i>)	Active
4	Outreach and Engagement Center (OEC; Auburn)	Hope Cooperative	Active
5	Roseville Road Campus (South) ** (Roseville Road; RR; RRC)	First Step Communities	Active
6	City Motel Program (CMP; Motel Shelter Program)	Step Up on Second Street (<i>Prior Concurrent Provider: City of Refuge</i>)	Active
7	Emergency Bridge Housing at Grove Ave (EBH at the Grove; The Grove)	First Step Communities (<i>Prior Administrator: SHRA</i>)	Active
8	Short-Term Transitional Emergency Placement Program (STEP; LGBT Center STEP)	Sacramento LGBT Community Center	Active
9	Transitional Living Program (TLP; LGBT Center TLP)	Sacramento LGBT Community Center	Active
10	Common Ground (Wind Youth Services)	Wind Youth Services	Active
11	The Village (Waking the Village; WTV)	Waking the Village	Active
12	Saint John's Emergency Shelter Program (Saint John's; SJC; Saint John's Program for Real Change)	Saint John's Program for Real Change	Active
13	WEAVE Emergency Safehouse Program (WEAVE)	WEAVE Inc.	Active
14	Next Step Transitional Living Center (Next Step TLC)	The Salvation Army	Active, not utilized
15	City of Refuge Women and Family Shelter Project (CoR)	City of Refuge	Inactive
16	Sacramento LGBT Host Homes (Host Homes)	Sacramento LGBT Community Center	Inactive
17	Miller Park Safegrounds (Miller Park)	First Step Communities	Inactive

* Service providers listed reflect the current provider or, where indicated, a prior provider operating within the review period.

** Roseville Road Campus was expanded in FY26, adding a Roseville Road Campus (North) portion that is operated by The Gathering Inn. This program is not in our review scope and excluded from this report.

Source: Auditor generated based on sheltering program contracts and City Council Report 2026-00777.

Section 3: Overview of the City's Shelters

Where are these shelters located?

The City's shelter programs operate at multiple locations throughout the City. The following table lists each shelter location.

Figure 6. City Shelter Addresses

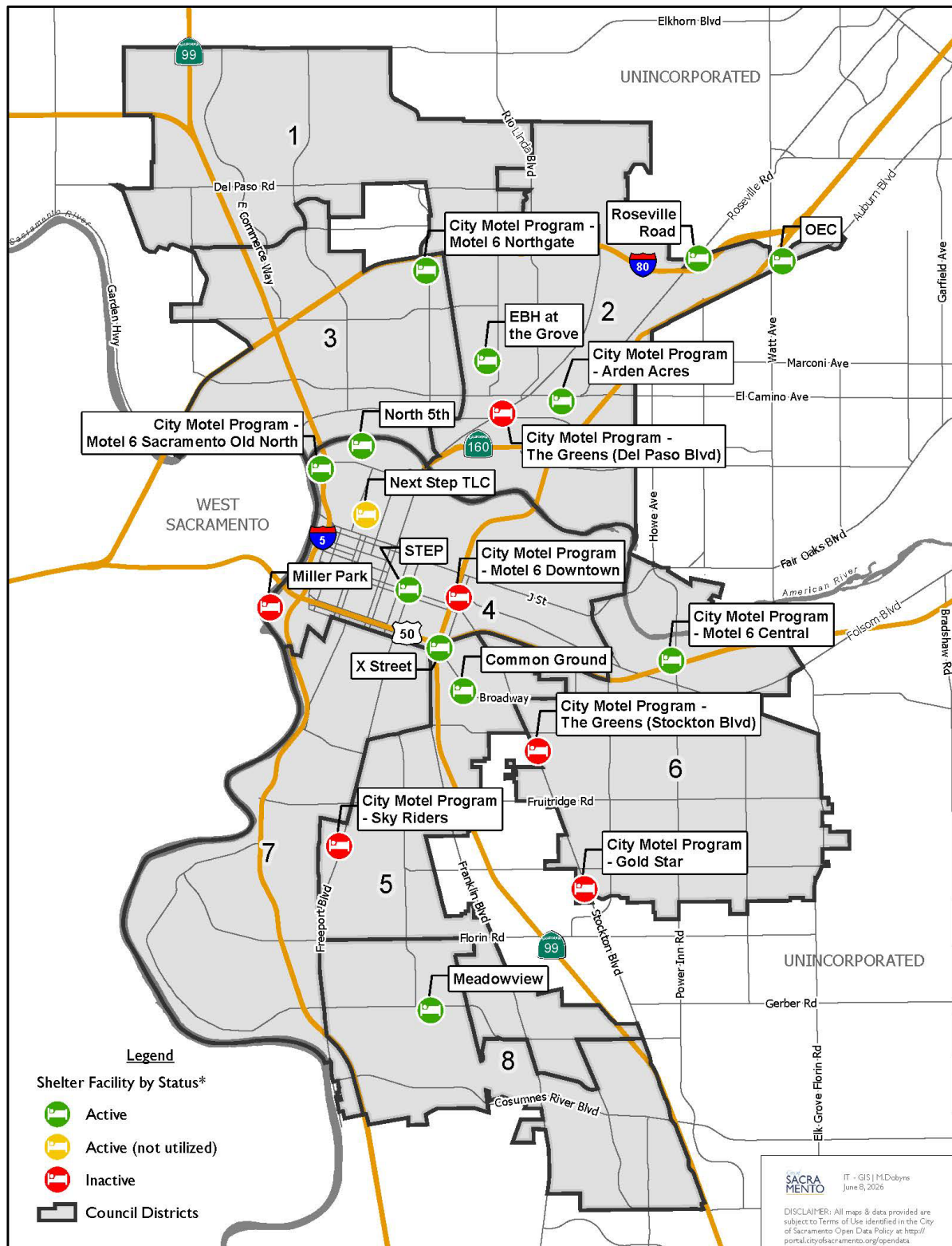
Shelter Program	Address
Meadowview	2700 Meadowview Road, Sacramento, CA 95822
X Street	2970 X Street, Sacramento, CA 95817
North 5th	700 North 5th Street, Suite 200, Sacramento, CA 95811
OEC	3615 Auburn Blvd, Sacramento, CA 95821
Roseville Road	3900 Roseville Rd, North Highlands, CA 95660
City Motel Program	(1) Arden Acres: 2421 Clay Street, Sacramento, CA 95815; (2) Motel 6 - Central : 7850 College Town Dr Sacramento, CA 95826 (3) Motel 6 - Northgate: 3796 Northgate Blvd, Sacramento, California 95834 (4) Motel 6 - Sacramento Old North: 227 Jibboom Street, Sacramento, CA 95811
EBH at the Grove	2787 Grove Avenue, Sacramento CA 95815
STEP	2031 P Street Sacramento CA, 95811
TLP	Confidential
Common Ground	3671 5th Avenue Sacramento, CA 95817
The Village	Confidential
Saint John's	Confidential
WEAVE	Confidential
Next Step TLC	500 9th Street, Sacramento, CA
CoR	Confidential
Host Homes	Confidential
Miller Park	2701 Marina View Drive, Sacramento, CA 95818

Source: Auditor generated based on service provider contracts, information provided by service providers, and the Sacramento County Assessor Parcel Viewer.

City-funded shelters are located across most of the City. Shelter beds are generally concentrated in the more central parts of the City, while there are no City-funded shelter beds in two City Council districts, Districts 1 and 7 (see figures on next two pages). In the first map, six shelter locations (four active and two inactive) are not shown due to privacy and confidentiality considerations. Similarly, their combined capacity of 94 beds is omitted from the second map, which only shows capacity by Council district for active, non-confidential shelter programs as of June 30, 2025.

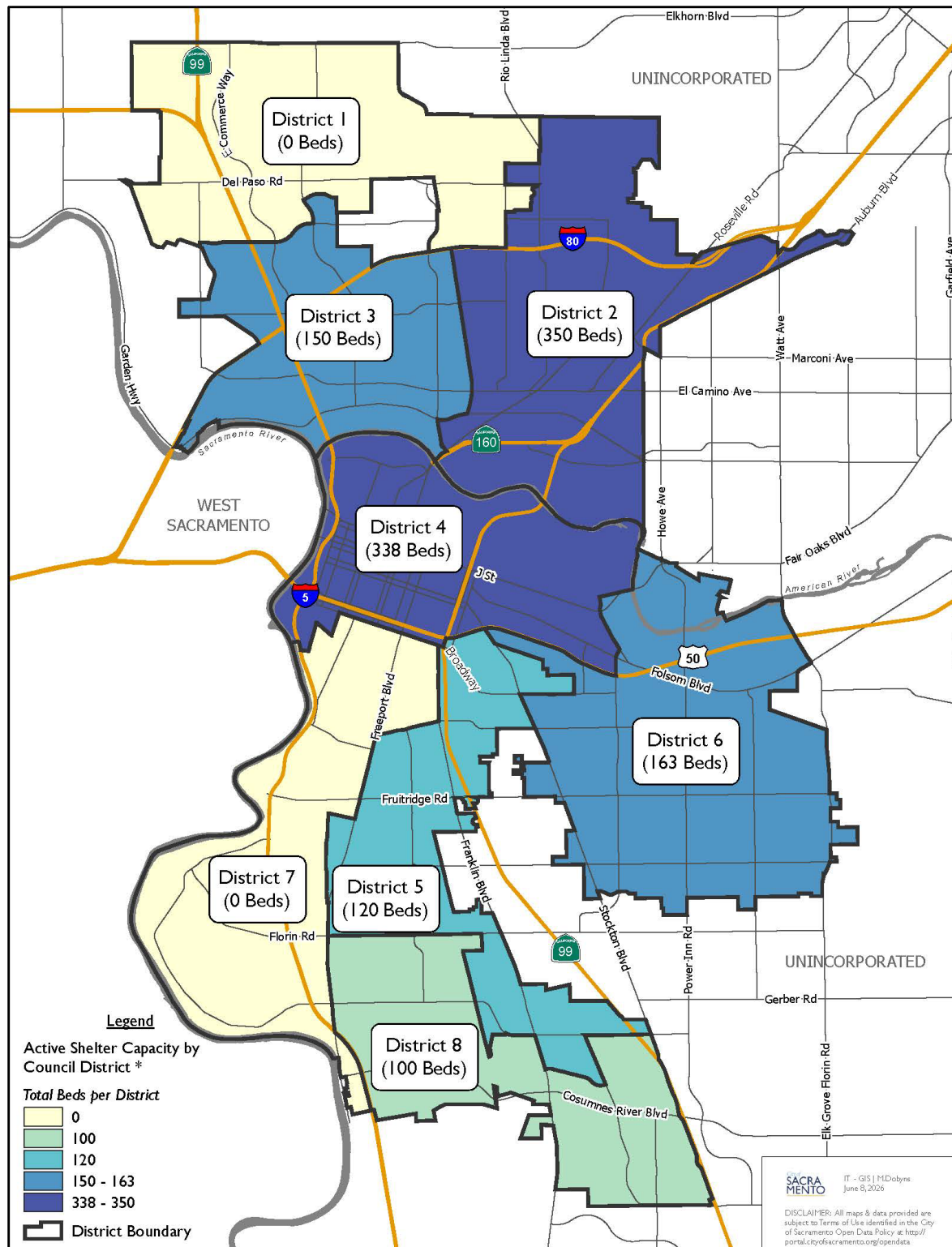
Section 3: Overview of the City's Shelters

Figure 7. Map of City Shelter Locations Active Between July 1, 2022, and June 30, 2025



Section 3: Overview of the City's Shelters

Figure 8. City-Funded Shelter Capacity By Council District for Active Shelters as of June 30, 2025

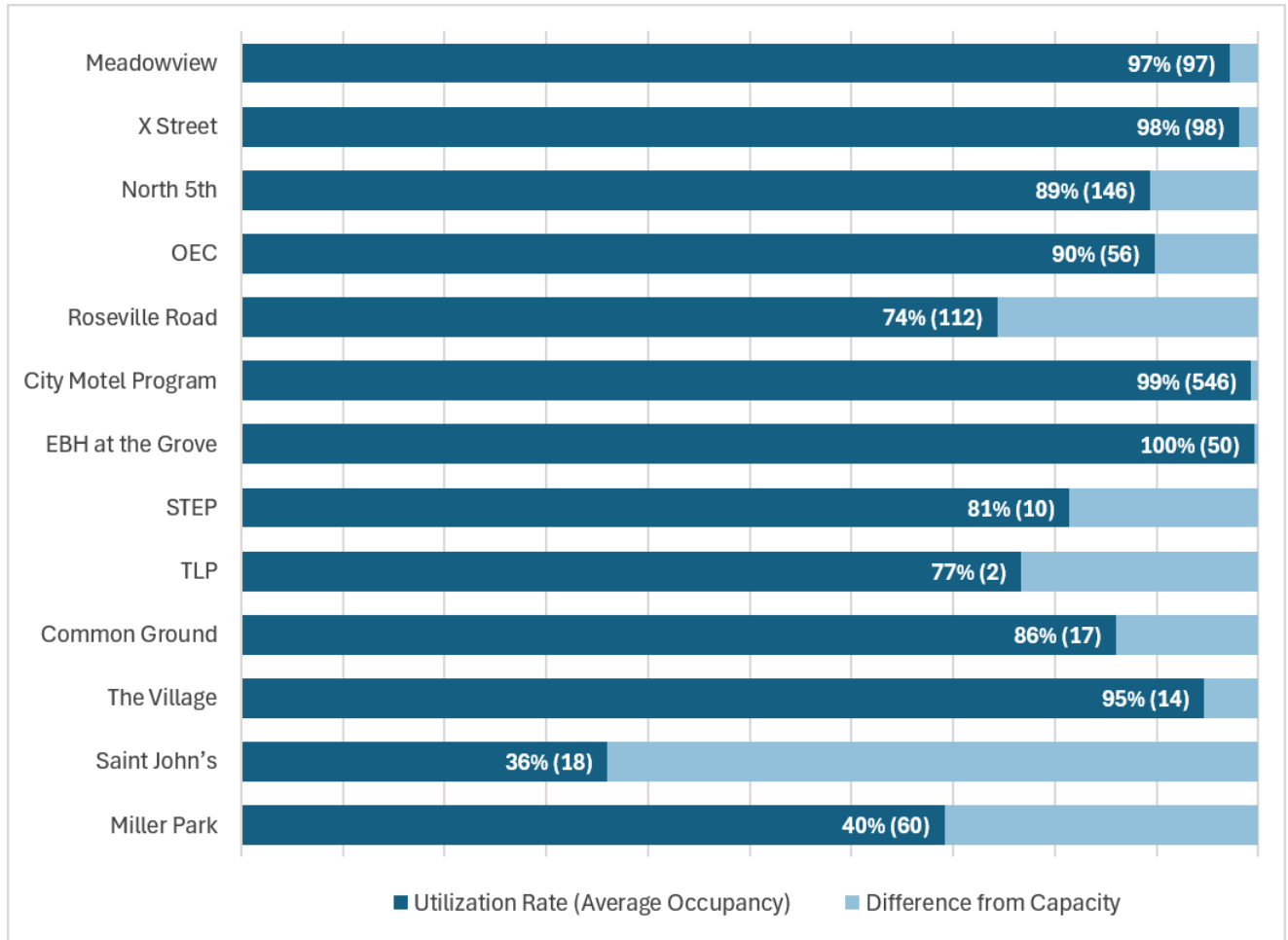


Source: Auditor generated in collaboration with the Information Technology Department's GIS team based on information from DCR, from service providers, and in program contracts.

Section 3: Overview of the City’s Shelters

The average utilization rate is 82 percent across all shelters in FY24 through FY25 for City-funded beds. This ranges from 36 percent at Saint John’s to 100 percent at EBH at the Grove.

Figure 10. Average Occupancy Per Night Compared to Capacity in FY24 through FY25



Source: Auditor generated based on HMIS analysis, service provider contracts, and information provided by service providers.

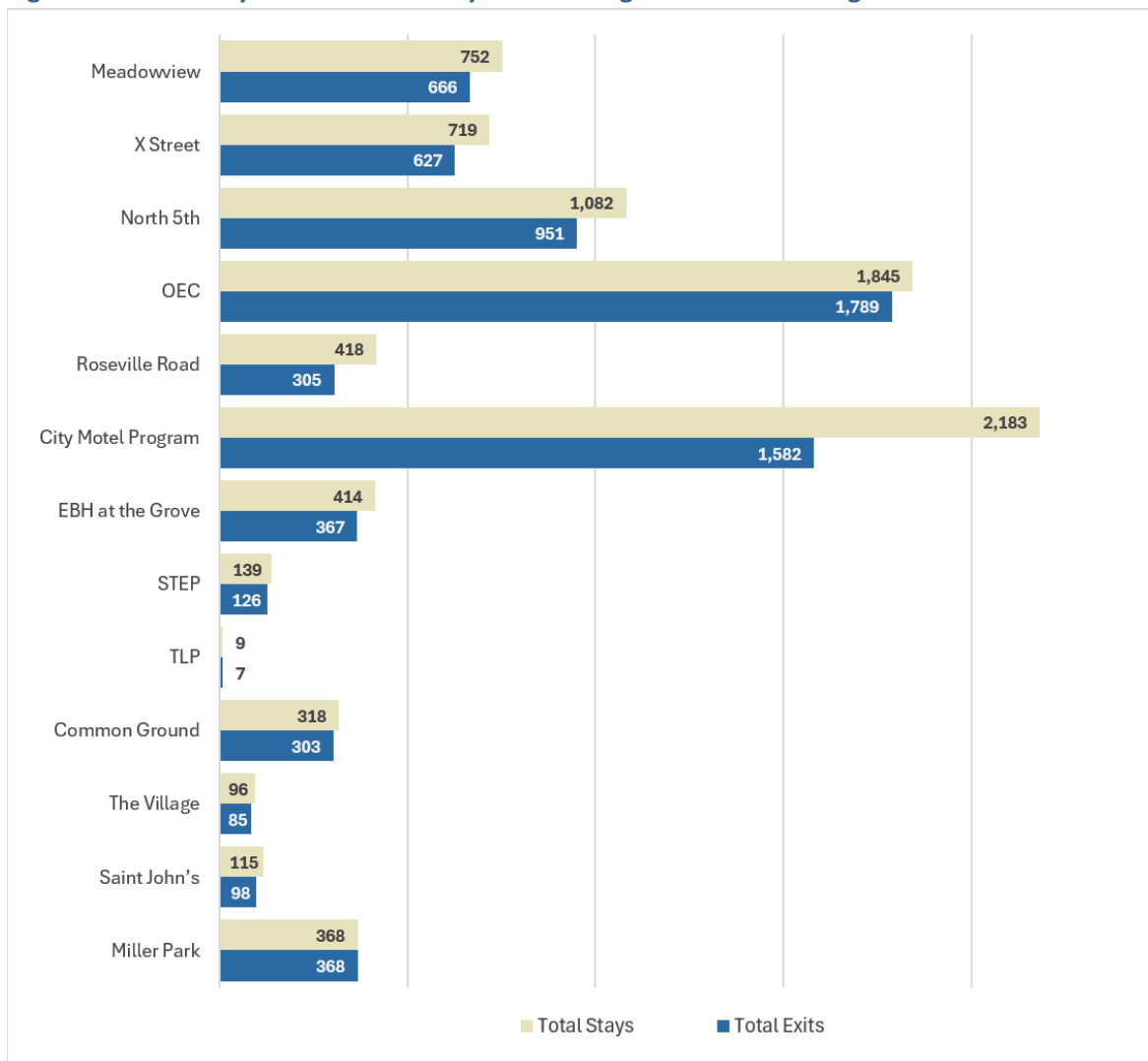
Note: These reflect only City-funded beds. Additionally, Roseville Road’s capacity assumes three clients per trailer, but that did not always reflect operational concerns, such as client privacy if they are not part of the same household. Moreover, Roseville Road underwent operational changes throughout the review period, including phasing out the trailers, which ultimately affected utilization rates.

Section 3: Overview of the City's Shelters

How many people have the City's shelters served?

The City's shelters accounted for 8,458 total stays and 7,274 total exits in FY24 through FY25. This accounts only for City-funded beds. During the same period, 6,661 unique individuals⁸ were served across all shelter programs, regardless of City funding. The total stays range between 9 in TLP and 2,183 in the City Motel Program, while total exits range from 7 in TLP to 1,789 in OEC.

Figure 11. Total Stays and Total Exits by Shelter Program in FY24 through FY25



Source: Auditor generated based on HMIS analysis, service provider contracts, and information provided by service providers.

Note: These reflect only City-funded beds.

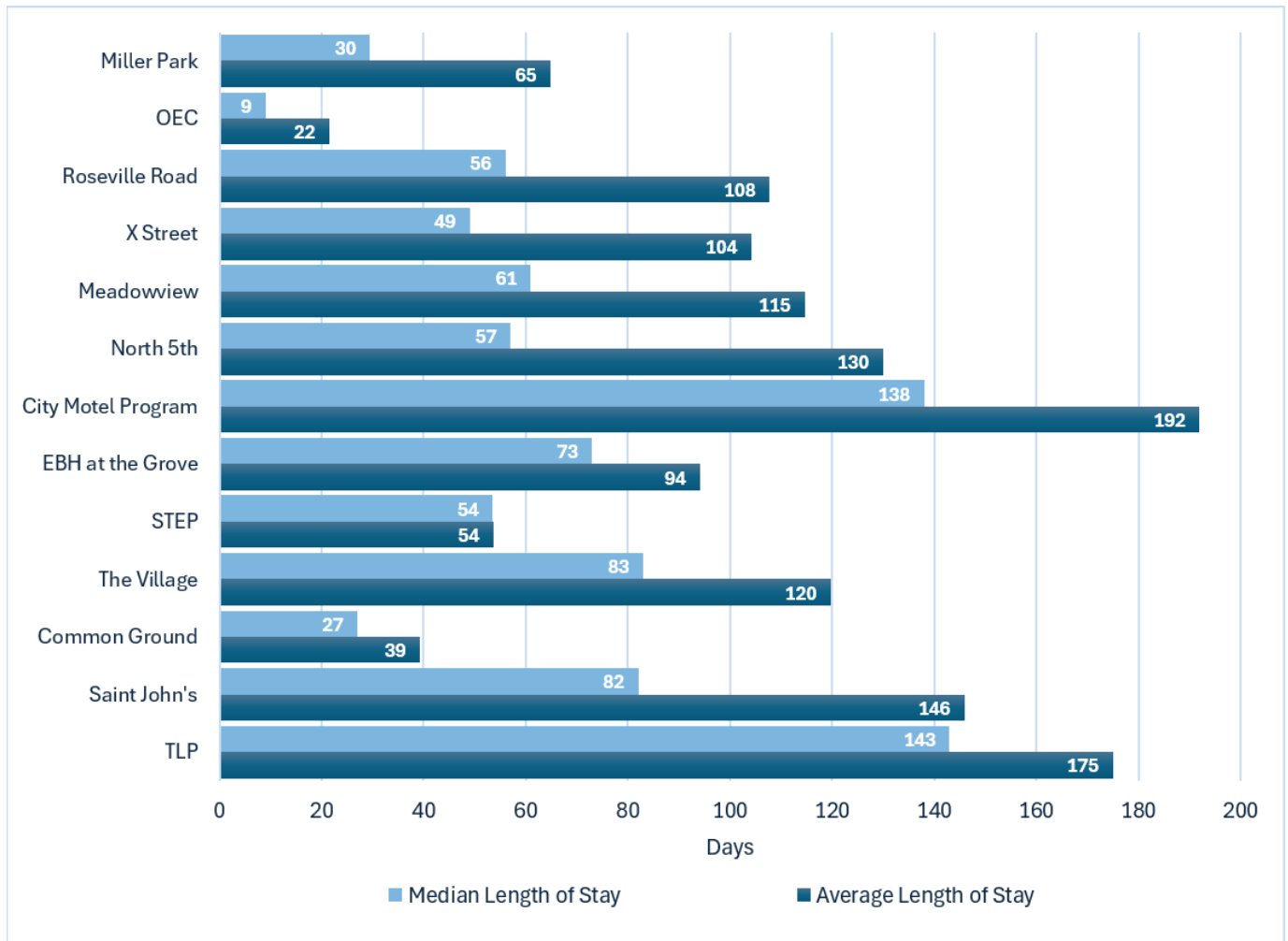
⁸ An adjusted amount to reflect a City-funded distinct client count could not be reliably calculated because clients may access multiple programs with differing levels of City funding.

Section 3: Overview of the City's Shelters

How long do people stay in shelter?

The length of stay varies greatly across programs, ranging from short-term stays in OEC at 22 days on average, with a median of 9 days, to much lengthier stays in the City Motel Program at 192 days on average, with a median of 138 days.

Figure 12. Average and Median Lengths of Stay by Shelter Program



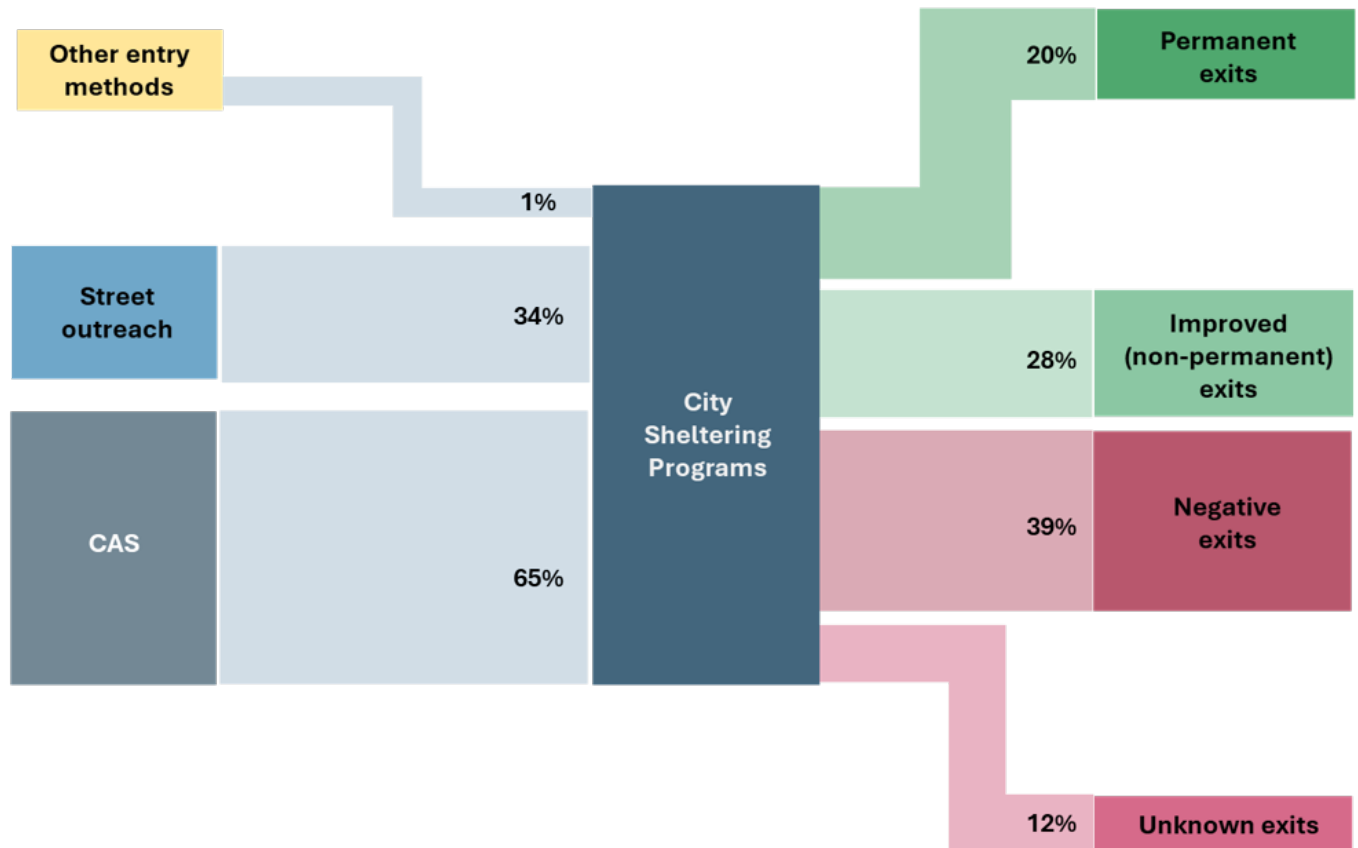
Source: Auditor generated based on analysis of HMIS data.

How do clients move through the City's shelter system?

Clients enter and exit the City's shelter system through a variety of pathways and exit to a variety of outcomes.

Approximately 65 percent of stays are associated with clients entering the City's sheltering programs through CAS, followed by approximately 34 percent entering directly from street outreach. The remaining clients entered through other methods. Across all programs, approximately 20 percent of exits were to permanent destinations, 28 percent were to improved but not permanent destinations, 39 percent were to negative exits, and 12 percent were to unknown destinations.

Figure 13. Example of Client Flow Through the City's Sheltering Programs



Source: Auditor generated based on service provider contracts, information provided by DCR, Coordinated Access System data, and analysis of HMIS data.

Note: WEAVE is excluded from this figure due to limited use of HMIS for confidentiality considerations.

Section 4: Shelter Characteristics

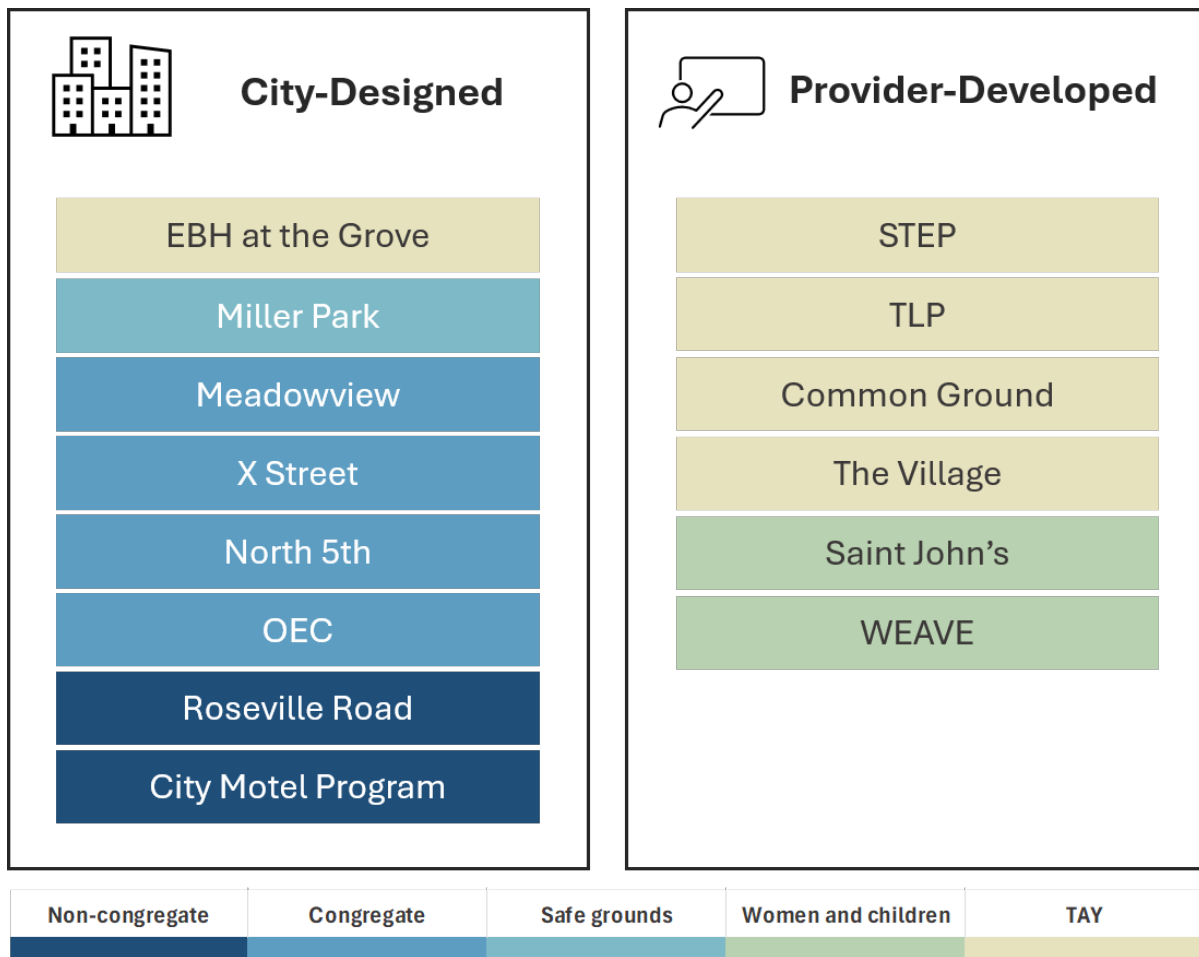
This section depicts the various shelter characteristics that may affect how the shelters operate, including the shelter design approach, shelter entry method, physical site, sleeping arrangements, and population served.

Which shelters are designed or stood up by the City?

Some of the City shelters are City-designed shelters—that is, programs developed by or in collaboration with the City to advance specific homelessness response objectives. In contrast, other shelters were originally developed by providers and later funded by the City.

Of the shelters that were active as of June 30, 2025, with the addition of Miller Park, eight are City-designed—including all safe grounds, congregate, and non-congregate programs—while 6 are provider-developed, including all but one TAY shelter (EBH at the Grove) and all women and family shelters.

Figure 14. Shelter Programs by Development Model



Source: Auditor generated based on service provider contracts, interviews with DCR, and information provided by service providers.

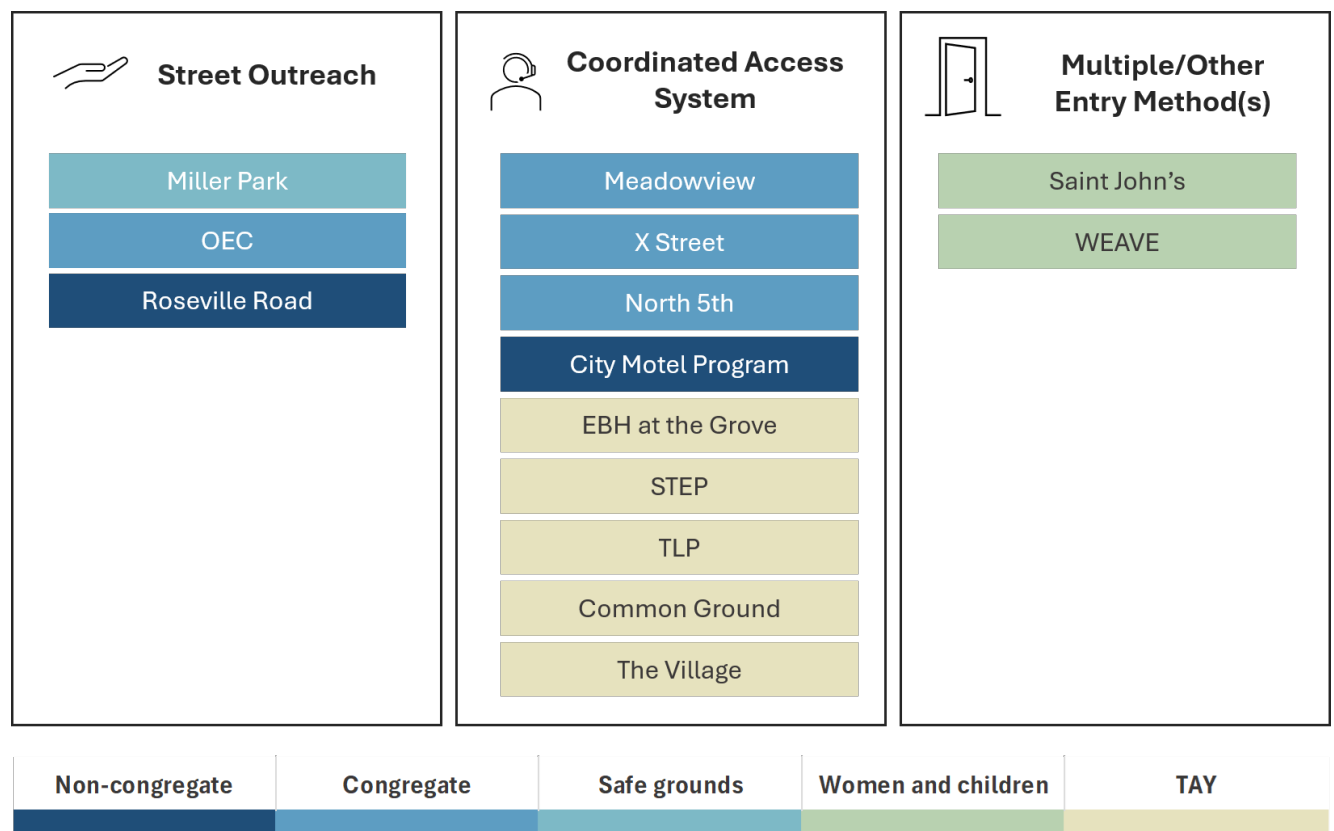
Section 4: Shelter Characteristics

How do clients enter each shelter?

The City’s shelter programs offer multiple entry points, including street outreach, the Coordinated Access System (CAS),⁹ or through other entry methods, such as calling in directly or walking into the shelter to be placed on shelter-specific waitlists. Some shelters offer entry through CAS and one or more of these other entry methods.

Of the shelters in our review period, three shelters used the street outreach approach, nine used CAS, and two used multiple and/or other entry methods.

Figure 15. Shelter Programs by Shelter Entry Method



Source: Auditor generated based on service provider contracts, interviews with DCR, and information provided by service providers.

⁹ For more CAS, please refer to the section titled “Supporting the Homeless Response System” starting on page 13 (PDF page 14) of our [Preliminary Report on the City's Homeless Response](#).

What types of shelter facilities does the City use? How big is each site?

City shelters operate from a variety of facility types that differ in ownership structure, available infrastructure, and parcel size. However, parcel size is not necessarily indicative of either the size of the shelter facility or the amount of space dedicated to sleeping areas, which could not be consistently determined based on available information.

Of the shelters in our review period, seven are located on sites owned by the City or provided by another entity for use as a shelter (see figure on next page). Of these seven shelters, two operate from newly constructed facilities, two are located on sites with existing and newly constructed infrastructure, two utilize existing infrastructure, and one is located on a site without infrastructure suitable for sheltering purposes (Miller Park). Of the remaining seven shelters, six operated out of provider-owned or leased facilities, while the City Motel Program is considered contracted commercial lodging.

Section 4: Shelter Characteristics

Figure 16. Shelter Facility Ownership, Infrastructure, and Parcel Size

City-Owned or Other Provided Site – Newly Constructed Infrastructure	Meadowview	171,626 sq. ft.
	X Street	77,101 sq. ft.
City-Owned or Other Provided Site – With Existing and Newly Constructed Infrastructure	Roseville Road	326,700 sq. ft.
	EBH at the Grove	13,939 sq. ft.
City-Owned or Other Provided Site – With Existing Infrastructure	North 5 th	211,702 sq. ft.
	OEC	3,343,666 sq. ft.
City-Owned or Other Provided Site – No Infrastructure	Miller Park	2,320,876 sq. ft.
Provider-Owned or Leased Facility	STEP	3,246 sq. ft.
	TLP	Confidential location
	Common Ground	4,792 sq. ft.
	The Village	Confidential location
	Saint John's	Confidential location
	WEAVE	Confidential location
Contracted Commercial Lodging	City Motel Program	39,770 - 106,722 sq. ft.

Non-congregate	Congregate	Safe grounds	Women and children	TAY
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Source: Auditor generated based on service provider contracts, site visits, information provided by DCR, and the Sacramento County Assessor Parcel Viewer.

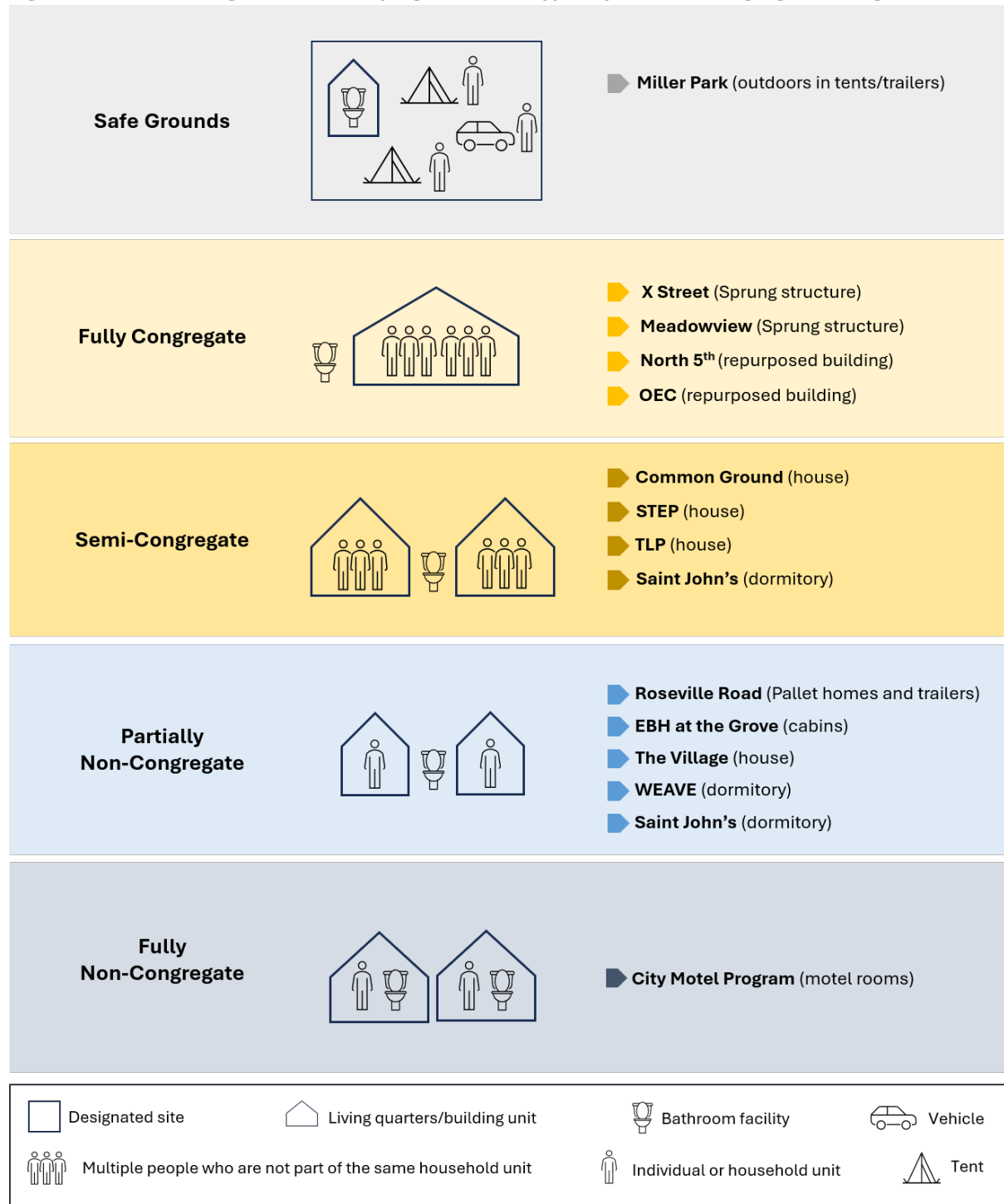
How are shelter sites configured? What are sleeping arrangements like?

The City's shelters differ considerably in their physical configuration, specifically their level of congregate living and the type of sleeping structure. City shelters in our review scope can be grouped into five levels of congregate living ranging from fully congregate (such that both sleeping and common spaces are shared) to fully non-congregate settings (such that both rooms and bathrooms are not shared with non-household members), as well as safe ground programs. Sleeping structures range from large sleeping facilities in Sprung structures or repurposed buildings, to motel rooms, pallet homes, cabins, houses, dormitory-style buildings, and safe ground sites.

The four fully congregate shelters use Sprung structures or repurposed buildings as their sleeping structure, while shelters with lower levels of congregate living—that is, those that are semi-congregate, partially non-congregate, or fully non-congregate—utilize a wider variety of sleeping structure types.

Section 4: Shelter Characteristics

Figure 17. Shelter Programs and Sleeping Structure Type, by Level of Congregate Living



Source: Auditor generated based on site visits and service provider contracts.

Note: Saint John's is included in two categories as it depends on the client's household size. For example, a single-person household may have roommates while someone with multiple children may get their own room.

Additionally, trailers at Roseville Road were being phased out during our review period.

What population does each shelter serve?

City shelters primarily serve different populations, including adults, women, families, and transitional age youth. Each shelter serves a designated target population and multiple shelter programs serve each population group.

Figure 18. Shelter Population by Shelter Program

Shelter Program	Shelter Population
Meadowview	Women
X Street	Co-ed adults
North 5th	Co-ed adults
OEC	Co-ed adults/families
Roseville Road	Co-ed adults
City Motel Program	Families
EBH at the Grove	Transitional aged youth (TAY)
STEP	Transitional aged youth (TAY)
TLP	Transitional aged youth (TAY)
Common Ground	Transitional aged youth (TAY)
The Village	Parenting transitional aged youth (TAY)
Saint John's	Women and children
WEAVE	Women and children
Miller Park	Co-ed adults

Source: Auditor generated based information provided by DCR, service provider contracts, and service provider websites.

Note: WEAVE is specifically a shelter for survivors of domestic violence.

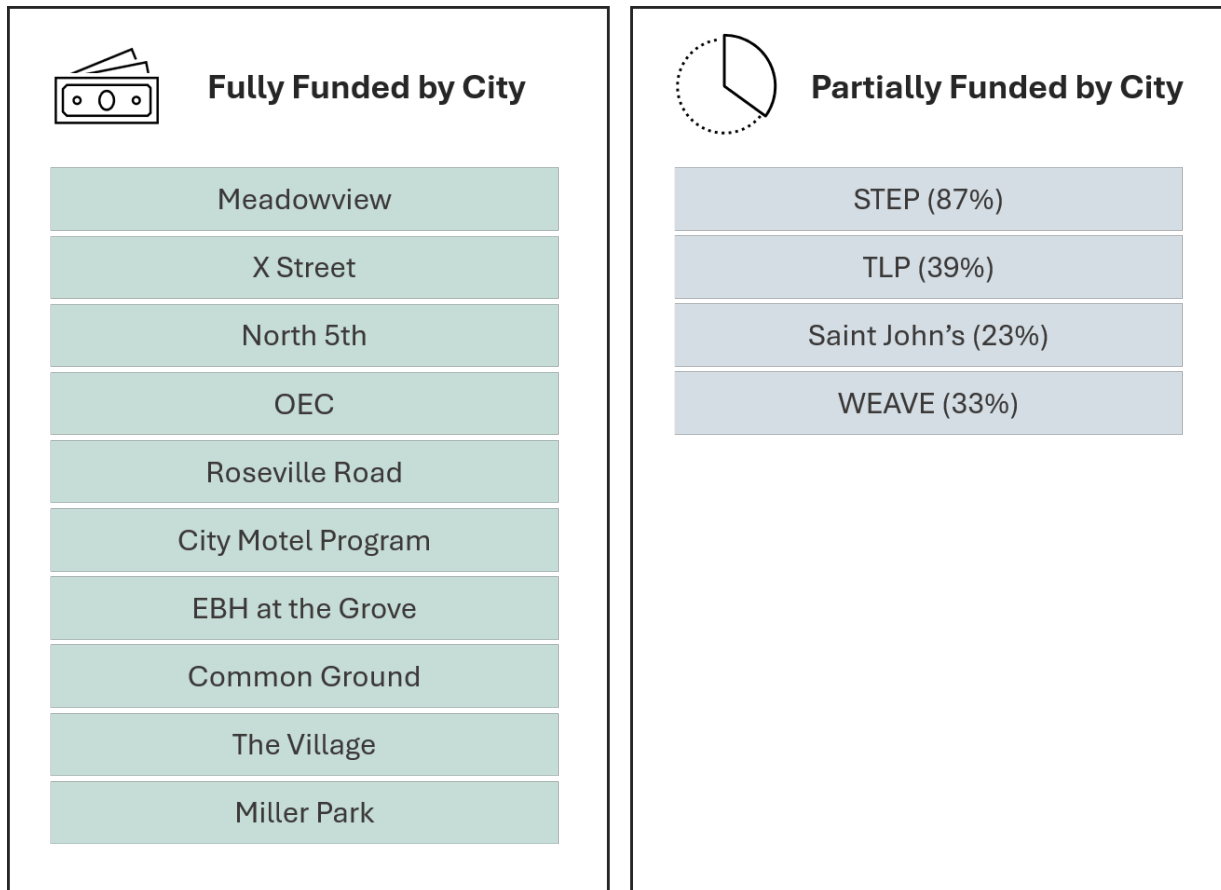
Section 5: Shelter Costs

This section presents various cost measures associated with operating shelters—including total cost, cost per bed per night, cost per stay, and cost per exit—and breaks down program costs by cost categories and shelter function.

How are shelters funded?

The City fully funds 10 shelter programs and partially funds four based on available budget information. In addition, fully funded programs may further supplement some program costs with other sources, such as donations.

Figure 19. City-Funded Portion of Shelter Programs' Budget

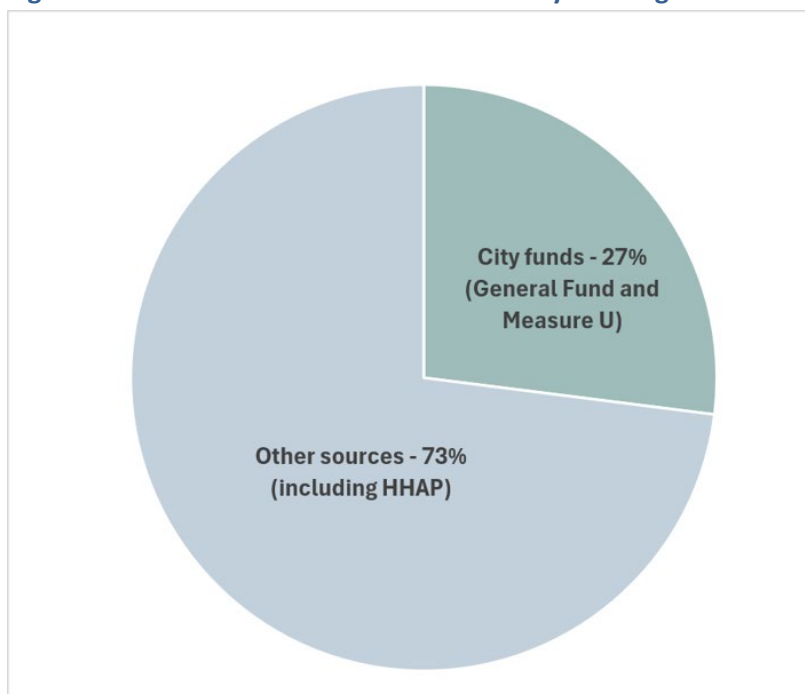


Source: Auditor generated based service provider contracts and information provided by service providers.

How much of the City's money was spent on these shelters?

The City has spent approximately \$63.2 million on its sheltering programs in fiscal years 2023-24 (FY24) through 2024-25 (FY25).^{10, 11} An estimated 27 percent came from City funds, specifically the General Fund and Measure U Fund, while the remaining 73 percent came from other sources, including Homeless Housing, Assistance, and Prevention (HHAP) funds.

Figure 20. Estimated Share of Shelter Costs by Funding Source



Source: Auditor generated based on information provided by DCR.

Note: These are estimates provided by DCR and do not correlate directly with our cost analysis. For example, startup costs from previous years were amortized into our cost analysis and not captured by these percentages. However, these percentages provide a frame of reference for funding sources that support homeless shelter programs.

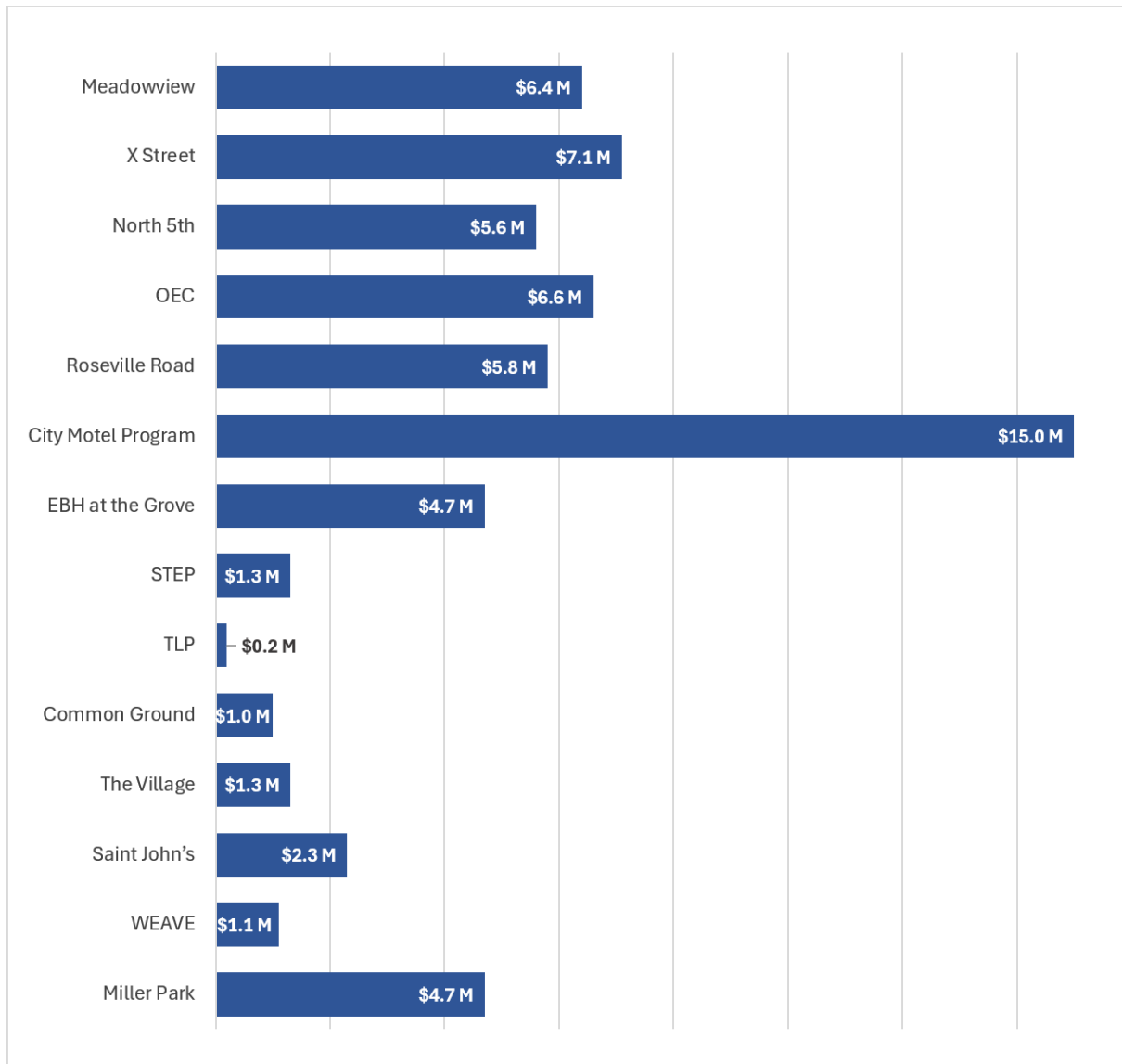
¹⁰ We included Miller Park in our cost analysis as it is the only safe camping and safe parking model in our group of shelters and accordingly adjusted the review period for Miller Park to their approximate two years of operations, with invoices covering February 2022 through March 2024. As such, the timeframe for Miller Park's costs is not reflective of the entirety of these two fiscal years, but we still include the program's cost in this total.

¹¹ We included the City of Refuge's Women and Family Shelter Project in this total cost analysis because invoice data was available for the first two months of FY24. However, because the contract ended in August 2023, no additional costs were incurred during the remainder of FY24 or FY25. Therefore, the program is excluded from shelter-level comparative analyses to ensure consistent comparisons across shelters with more complete cost data.

Section 5: Shelter Costs

Shelter programs funded by the City vary in total cost. The City Motel Program has the highest program expenditure at \$15 million, while TLP has the lowest program expenditure at \$0.2 million in FY24 through FY25.

Figure 21. Total Program Expenditures by Shelter for FY24-FY25

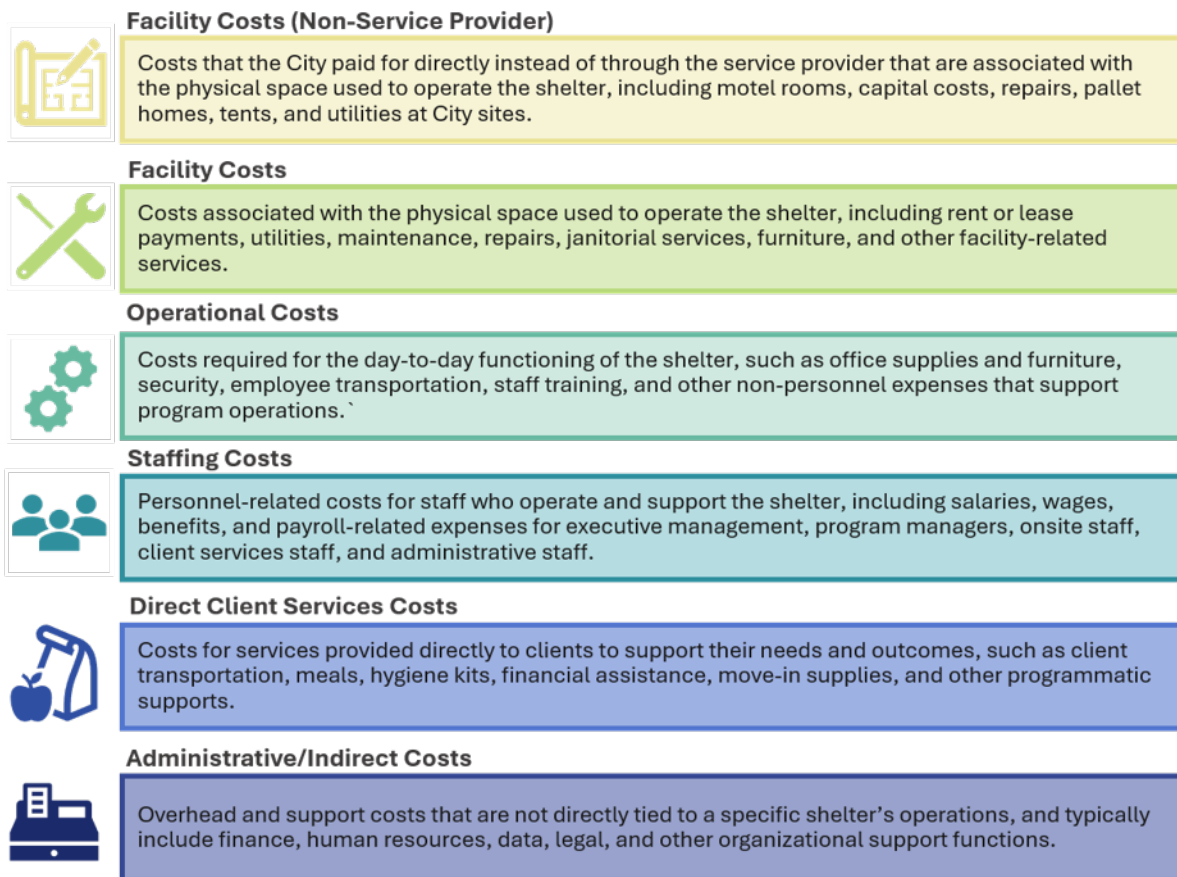


Source: Auditor generated based on service provider invoices, accounting journals, the City's general ledger, the City's primary energy system, and information provided by DCR.

What type of costs do shelters incur?

Costs incurred by shelter programs generally fall into six categories: facility (non-service provider¹²), facility, operations, staffing, direct client services, and administrative/indirect costs.

Figure 22. Types of Shelter Costs



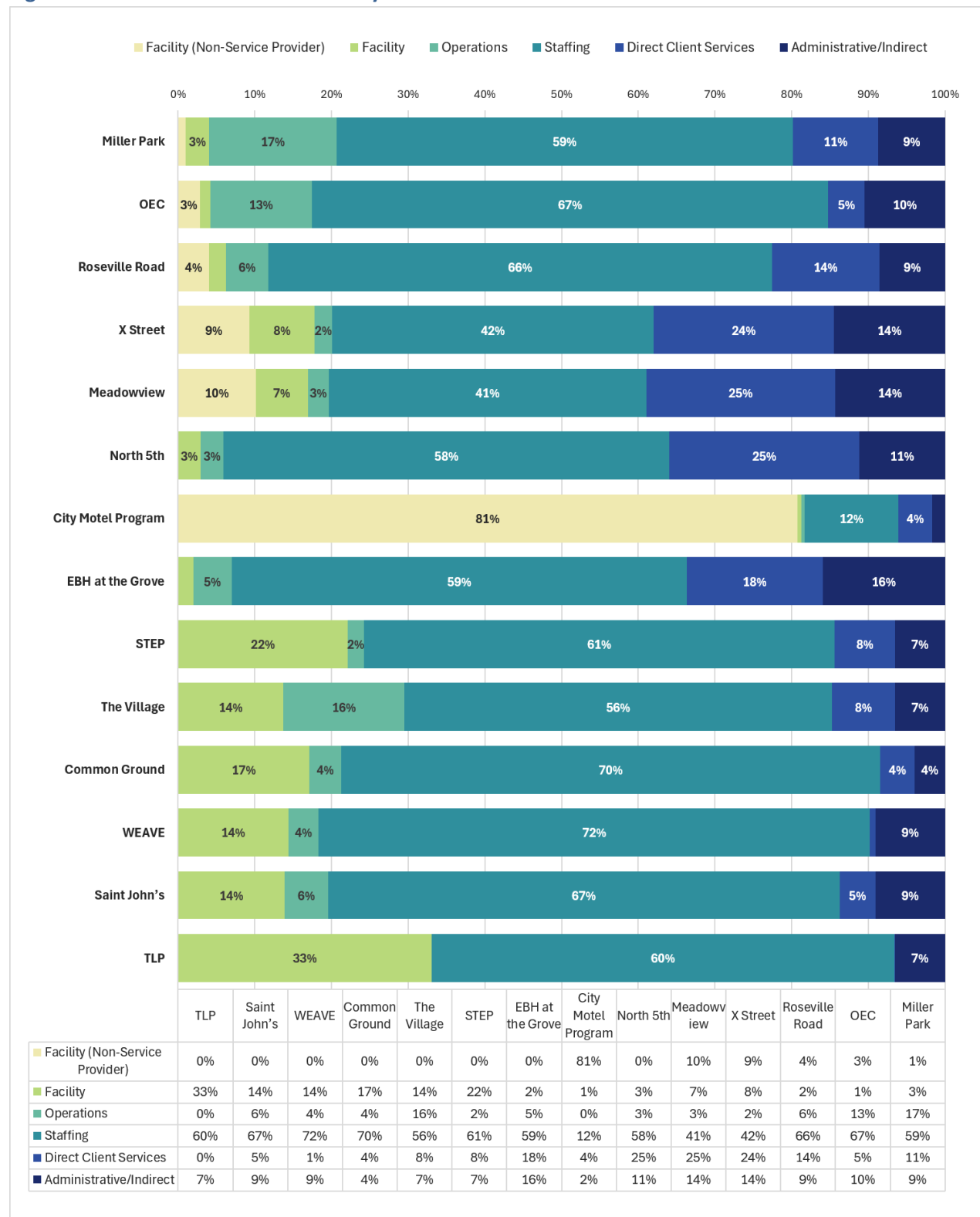
Source: Auditor generated based on service provider invoices, accounting journals, the City's general ledger, the City's primary energy system, and information provided by DCR.

The distribution of costs across these six major cost categories varies by shelter program, resulting in different cost structures (see figure on next page). Despite these differences, some common patterns are evident. The City Motel Program has the highest combined share of facility costs at 81 percent of total costs, including both costs incurred separately and by the service provider, while all other shelters average 13 percent. Additionally, with the exception of the City Motel Program, staffing costs represent the largest share of total program costs at every shelter, averaging 60 percent across these shelters.

¹² This is the only category that the City pays for directly. All other costs were incurred and paid through service provider invoices.

Section 5: Shelter Costs

Figure 23. Cost Structure Breakdown by Shelter for FY24-FY25

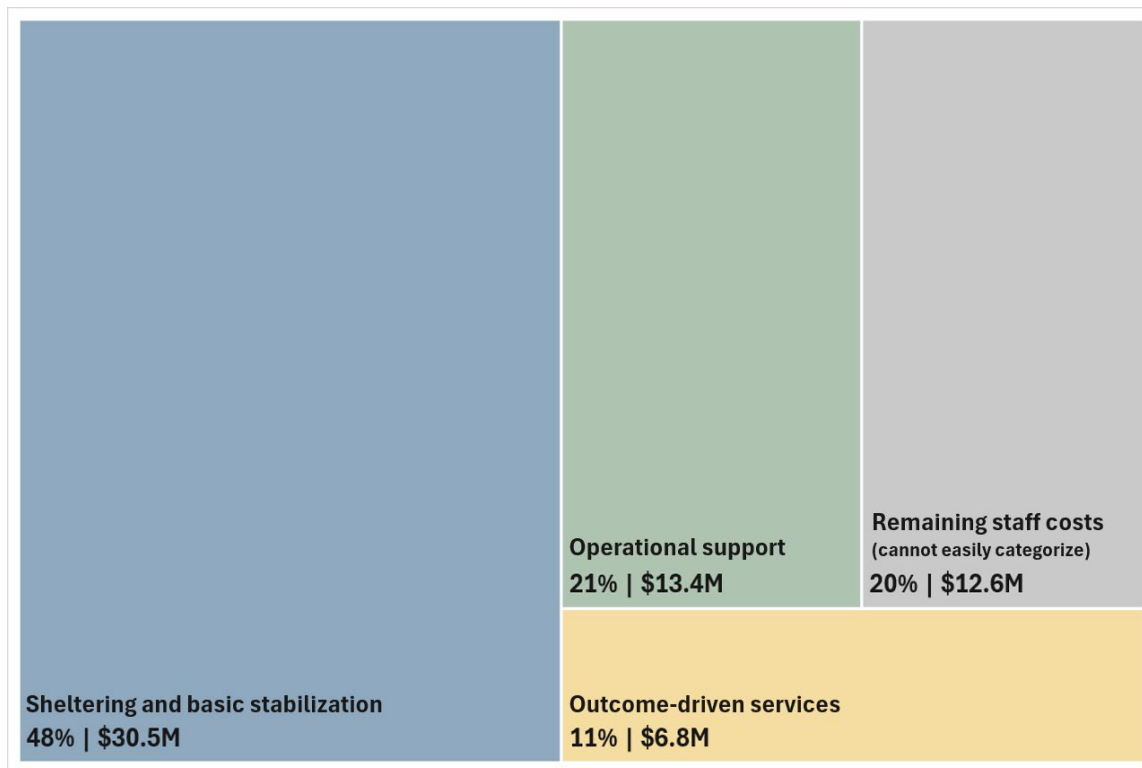


Source: Auditor generated based on service provider invoices, accounting journals, the City's general ledger, the City's primary energy system, and information provided by DCR.

How much of the total cost is spent on helping the client?

Inclusive of general operational support at 21 percent of program costs, approximately 69 percent of total program expenditures, totaling \$43.9 million, were attributable to sheltering and basic stabilization functions. Specifically, approximately 48 percent of expenditures (\$30.5 million) across all shelters directly supported sheltering and stabilization activities, including facilities-related costs, clients' basic needs such as meals, and onsite staffing. In comparison, approximately 11 percent of expenditures (\$6.8 million) were dedicated to outcome-oriented services, including housing financial assistance, case management, and specialized service staff. Finally, approximately \$12.6 million in staffing-related expenditures could not be readily categorized based on the level of review.

Figure 24. Allocation of Shelter Program Costs by Functional Role



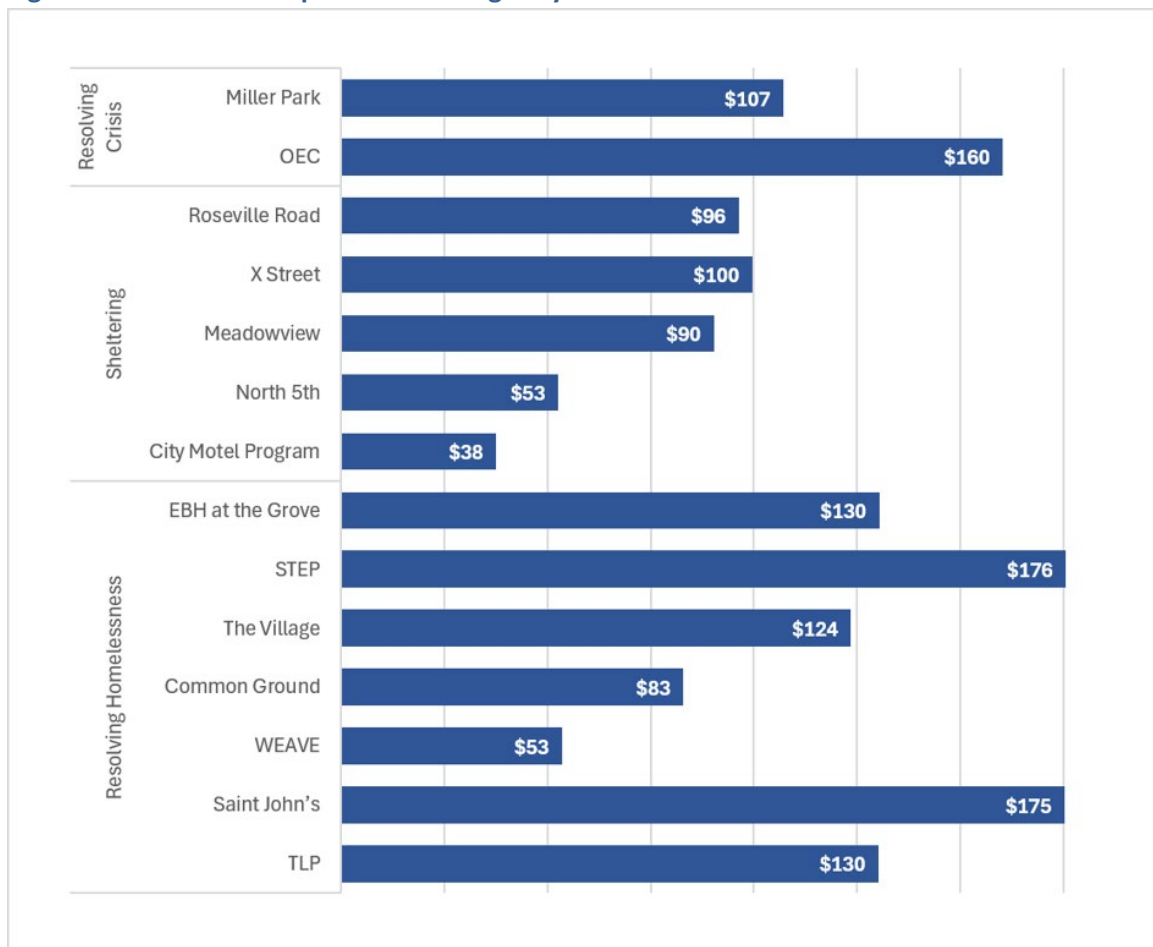
Source: Auditor generated based on service provider invoices, accounting journals, the City's general ledger, the City's primary energy system, and information provided by DCR.

Note: We included the City of Refuge's Women and Family Shelter Project in this total cost analysis because invoice data was available for the first two months of FY24. However, because the contract ended in August 2023, no additional costs were incurred during the remainder of FY24 or FY25. Therefore, the program is excluded from shelter-level comparative analyses to ensure consistent comparisons across shelters with more complete cost data.

How much does it cost to serve one individual?

The cost per bed per night varies across operational priority groups and within those groups. STEP and Saint John's had the highest cost per bed per night at \$176 and \$175, respectively, while the City Motel Program had the lowest cost per bed per night. However, the lower cost of the Motel Program is partly attributable to members of the same household, averaging 3.1 people per household, typically sharing motel rooms. Based on the number of contracted rooms and the average occupancy during our review period, each room averaged 2.5 occupants. These cost efficiencies may not be directly replicable in a motel program serving single adults, who would likely require individual rooms or lower room occupancy levels.

Figure 25. Cost Per Occupied Bed Per Night by Shelter



Source: Auditor generated based on service provider invoices, accounting journals, the City's general ledger, the City's primary energy system, and information provided by DCR.

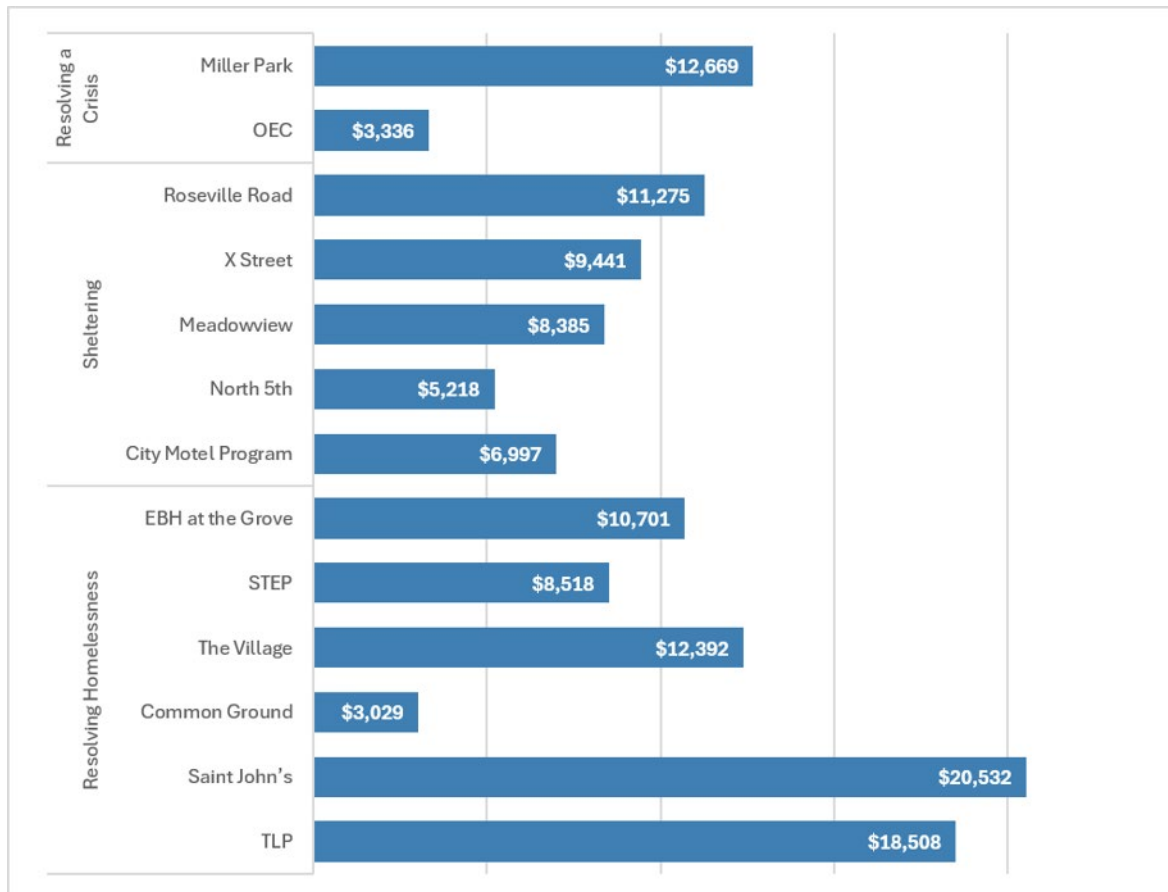
Note: The cost per occupied bed per night was calculated using average occupied beds (utilization) rather than total bed capacity to reflect actual shelter use during the reporting period. For programs where City funding supported only a portion of total beds, occupied bed nights were proportionally attributed based on the City-funded share of beds. Due to limited HMIS data related to confidentiality considerations, we used bed capacity for WEAVE rather than average utilization for this calculation.

Section 5: Shelter Costs

In addition to the cost per bed per night, the cost per exit, or the average cost associated with each client who exited from the program during the scope period, is an additional per client cost measure.

There is also substantial variation in the cost per exit both across and within the operational priority groups. Common Ground has the lowest cost per exit, followed by OEC. Saint John's has the highest cost per exit, followed by TLP.

Figure 25. Cost Per Exit by Shelter



Source: Auditor generated based on service provider invoices, accounting journals, the City's general ledger, the City's primary energy system, and information provided by DCR.

Note: For programs where City funding supported only a portion of total beds, occupied bed nights were proportionally attributed based on the City-funded share of beds. Additionally, some exited clients were enrolled before the start of the review period, and their total length of stay includes days outside the cost period. As a result, cost per exit estimates may be understated.

Which client outcomes account for the largest share of shelter expenditures?

Shelter costs can be attributed to each client outcome by considering the length of stay of each client who exited to a specific outcome—essentially, the total bed-nights associated with each outcome type—and the cost per bed per night for each shelter program.

The City Motel Program accounts for both the highest cost attributed to positive exits as well as the highest cost attributed to negative and unknown exits. Saint John's accounts for the highest improved cost out of all shelters, with the Outreach and Engagement Center (OEC) accounting for the highest costs related to neutral outcomes across all shelters.

Figure 26. Cost Distribution of All Outcomes by Shelter

	Client Outcomes				
	Positive	Improved	Neutral	Negative + Unknown	
Miller Park	\$707,662	\$422,526	\$1,510,695	\$2,021,361	1e6 5 4 3 2 1 0
OEC	\$374,246	\$961,528	\$2,603,278	\$2,000,015	
Roseville Road	\$1,457,712	\$231,409	\$266,769	\$1,482,924	
X Street	\$2,205,721	\$807,000	\$199,416	\$2,707,615	
Meadowview	\$2,014,998	\$762,886	\$227,637	\$2,578,931	
North 5th	\$1,407,386	\$1,056,262	\$348,795	\$2,140,108	
City Motel Program	\$4,435,433	\$1,027,631	\$398,386	\$5,097,877	
EBH at the Grove	\$2,548,113	\$579,023	\$204,268	\$595,970	
STEP	\$240,332	\$505,412	\$104,630	\$226,583	
The Village	\$294,121	\$700,672	\$28,677	\$29,816	
Common Ground	\$85,438	\$217,879	\$134,216	\$479,982	
Saint John's	\$395,124	\$1,249,711	\$160,541	\$203,167	
TLP	\$91,782	\$26,790	\$0	\$11,617	
TOTAL COST (\$)	\$16,258,067	\$8,548,730	\$6,187,307	\$19,575,965	

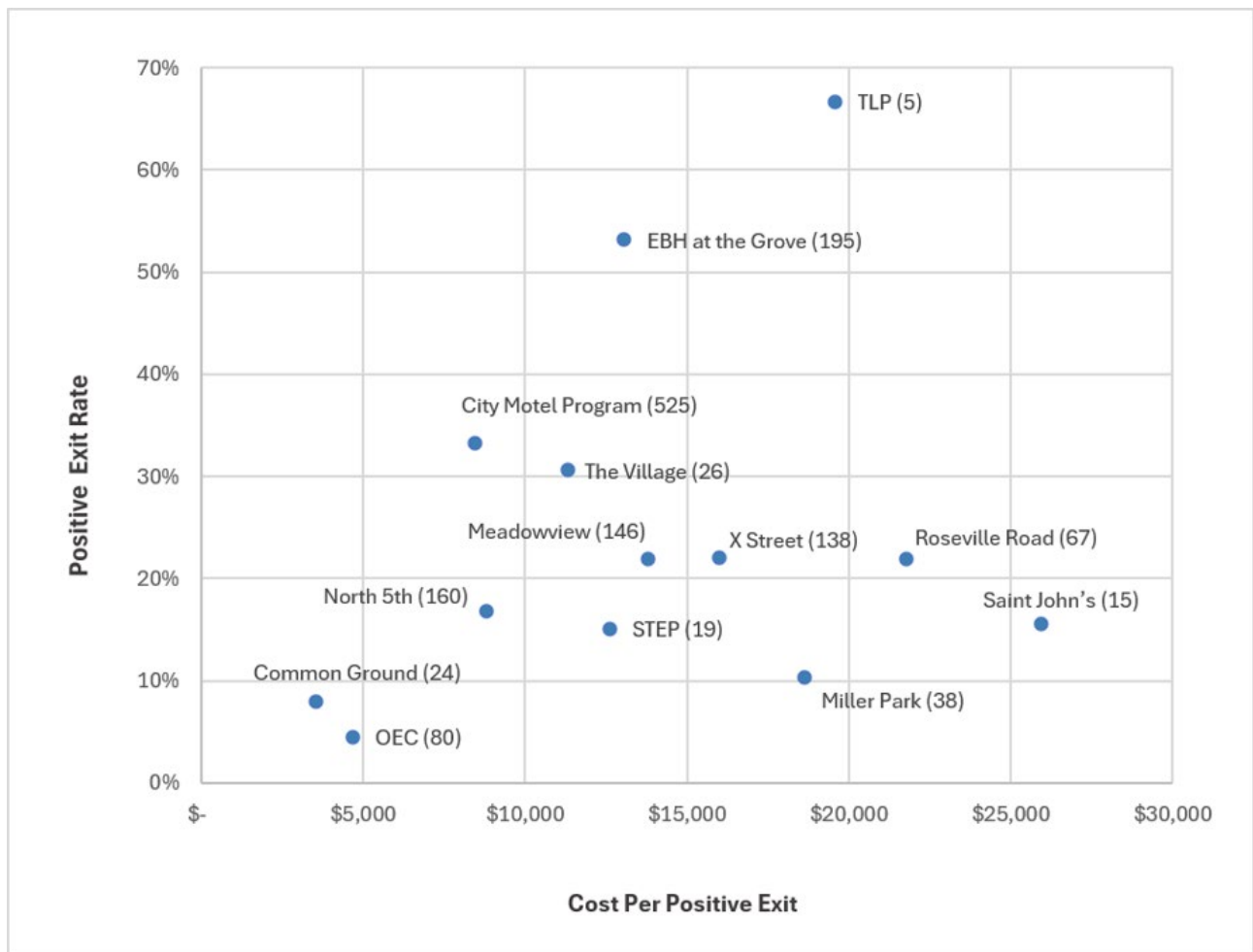
Source: Auditor generated based on analysis of HMIS data, service provider invoices, accounting journals, the City's general ledger, the City's primary energy system, and information provided by DCR.

Note: Some exited clients were enrolled before the start of the review period, and their total length of stay includes days outside the cost period. As a result, cost per exit estimates may be understated.

Do higher-cost shelters achieve better outcomes?

The relationship between cost per positive exit and positive exit rates varies across shelter programs. While some higher-cost shelters achieved higher positive exit rates, other similarly costly programs did not. OEC and Common Ground had the lowest positive exit rates (4 percent and 8 percent respectively) but also the lowest costs per exit (approximately \$4,700 and \$3,600 respectively). In comparison, TLP had the highest positive exit rate at 67 percent, but had a higher cost per exit at approximately \$19,600 and only 5 positive exits. Saint John's had the highest cost per exit (approximately \$25,900) but a lower positive exit rate at 16 percent and the second lowest number of positive exits.

Figure 27. Cost Per Positive Exit Compared to Positive Exit Rate by Shelter



Source: Auditor generated based on service provider invoices, accounting journals, the City's general ledger, the City's primary energy system, information provided by DCR, and analysis of HMIS data.

Note: The number in parentheses is the number of positive exits, adjusted for the proportional number of beds funded by the City. Additionally, some exited clients were enrolled before the start of the review period, and their total length of stay includes days outside the cost period. As a result, cost per exit estimates may be understated.

Section 6: Client Outcomes

This section summarizes how clients exit City shelter programs, including their overall outcome distributions and contrasting success rates of voluntary versus involuntary exits.

Where are people exiting to?

Housing outcomes are typically determined based on clients' exit destinations upon leaving sheltering programs, and include positive exits, improved exits, neutral exits, negative exits, unknown, and other exit types.

Figure 28. Housing Outcome Definitions

	Housing Outcome	Definition
Improved (non-permanent)	Positive Exits	Exits to permanent housing destinations or other stable long-term living situations.
	Improved Exits	Exits to temporary but more stable or supportive environments, such as transitional housing, interim housing, or treatment-focused facilities.
	Neutral Exits	Exits to another shelter program, institutional settings (jail, prison, or juvenile detention facilities), or program re-enrollees.
	Negative Exits	Exits to homelessness, other less stable housing situations, or client death.
	Unknown Exits	Clients' exit destinations were not known or communicated to the service provider at the time of exit.
	Other	- Exits to destinations outside the region, including out-of-state relocations or other locations outside the local service area; and - Exits associated reflect administrative data entry errors or other non-outcome-related system actions. These two types of exit destinations represent a comparatively small percentage of overall exits with minimal impact on our analysis.

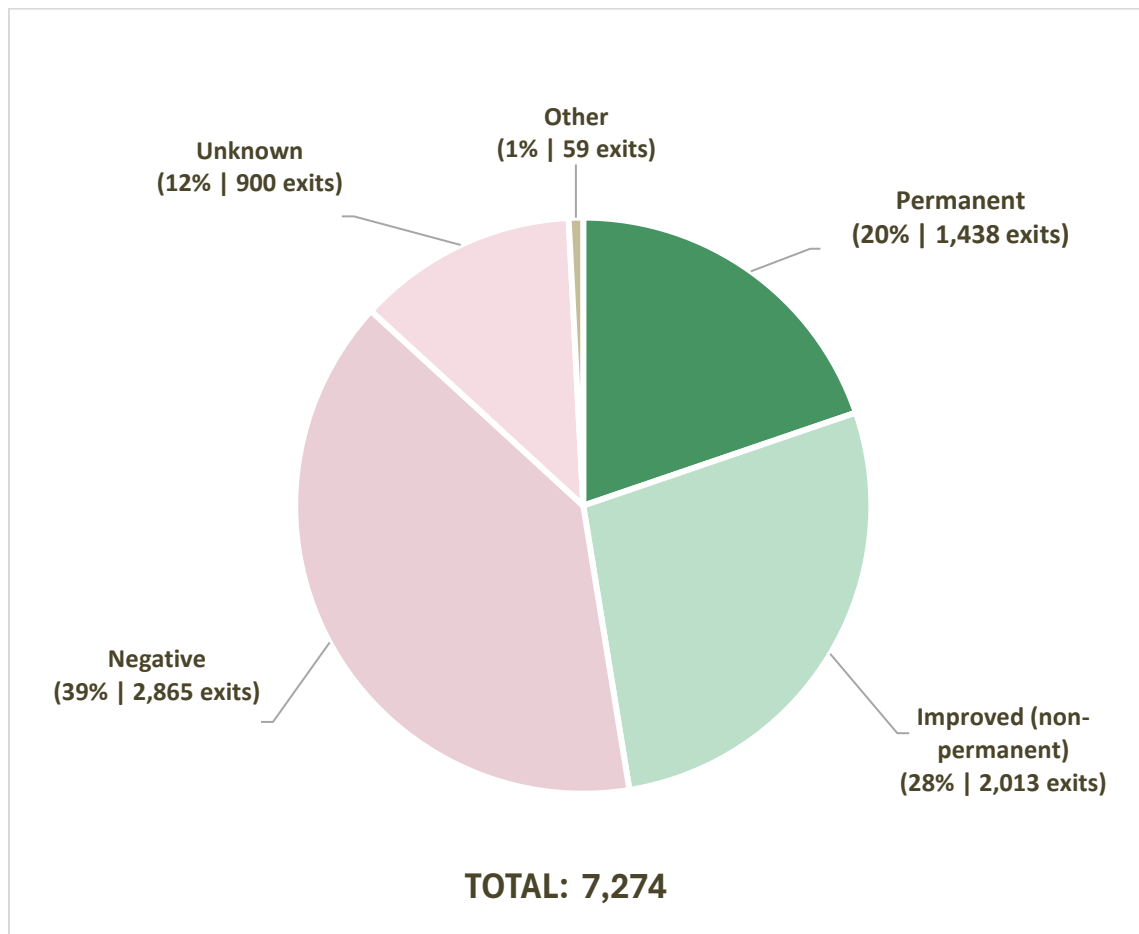
Source: Auditor generated based on analysis of HMIS data.

Note: Improved (non-permanent) exits include both improved and neutral exits; this term is consistent with how DCR categorizes exit destinations. We use both types of categorizations in this report and the accompanying Audit Report depending on the analysis.

Section 6. Client Outcomes

Across the City's shelters, permanent (or positive) exits make up 20 percent of all exits, improved (non-permanent) exits make up 28 percent, while negative and unknown exits together make up 52 percent of all exits.

Figure 29. Total Exits by Destination Type



Source: Auditor generated based on analysis on HMIS data.

Note: Other exit destinations include exits out of the Sacramento region and administrative data entry errors.

Section 6. Client Outcomes

The distribution of these client outcomes varies across shelter programs. Based on total exits, the City Motel Program accounted for the largest number of positive exits while OEC and North 5th accounted for the highest number of improved exits. However, OEC and the City Motel program also accounted for the highest number of negative and unknown exits.

Figure 30. Outcome Distribution of All Exits by Shelter



Source: Auditor generated based on HMIS data.

Section 6. Client Outcomes

How many people choose to self-exit and where do they go?

Clients may exit shelters for several reasons. In some cases, clients choose to voluntarily leave the program. We captured 1,410 client self-exits across all City programs that occurred within the first month of the shelter stay.

Generally, these voluntary exits vary across shelter programs and across client outcomes. Based on voluntary exit counts, the City Motel Program accounted for the highest number of positive exits, with 508 exits resulting in permanent destinations. X Street, Meadowview, North 5th, and EBH at the Grove also had higher voluntary, positive exits compared to other shelters.

In comparison, OEC reported the highest number of all other types of exits, with 217 self-exits to improved destinations, 555 neutral exits, and 178 exits categorized as negative or to unknown destinations

Figure 31. Outcome Distribution for Voluntary Exits by Shelter



Source: Auditor generated based on HMIS data.

Section 6. Client Outcomes

Clients may also be exited from the program for a variety of reasons, such as not following program rules. Client outcomes based on involuntary exits also vary across shelter programs.

Most involuntary exits result in negative or unknown outcomes, with the City Motel Program contributing to the highest number of negative outcomes at 563 involuntary exits.

Figure 32. Outcome Distribution for Involuntary Exits by Shelter



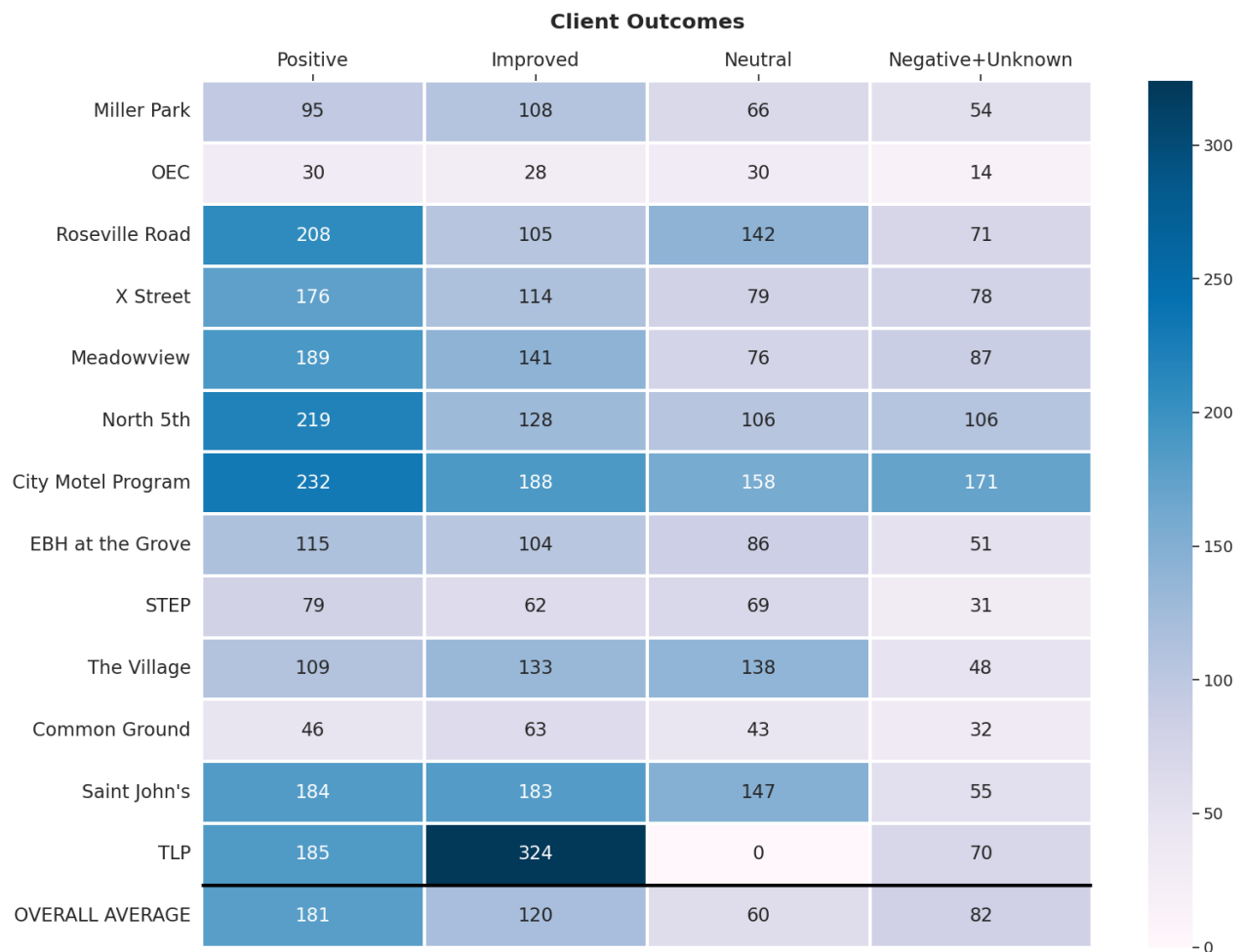
Source: Auditor generated based on HMIS data.

Section 6. Client Outcomes

Do people who stay longer exit to better outcomes?

For most programs, clients who stay longer exit positively, followed by exiting to improved destinations. Clients who exited negatively had the shortest average length of stay across most shelters. TLP is an exception, with clients who exited to improved destinations having the longest length of stay on average across all shelters and all outcomes.

Figure 33. Average Length of Stay Distribution by Outcome and by Shelter



Source: Auditor generated based on analysis of HMIS data.

How many people are making progress towards being housed or getting the help they need?

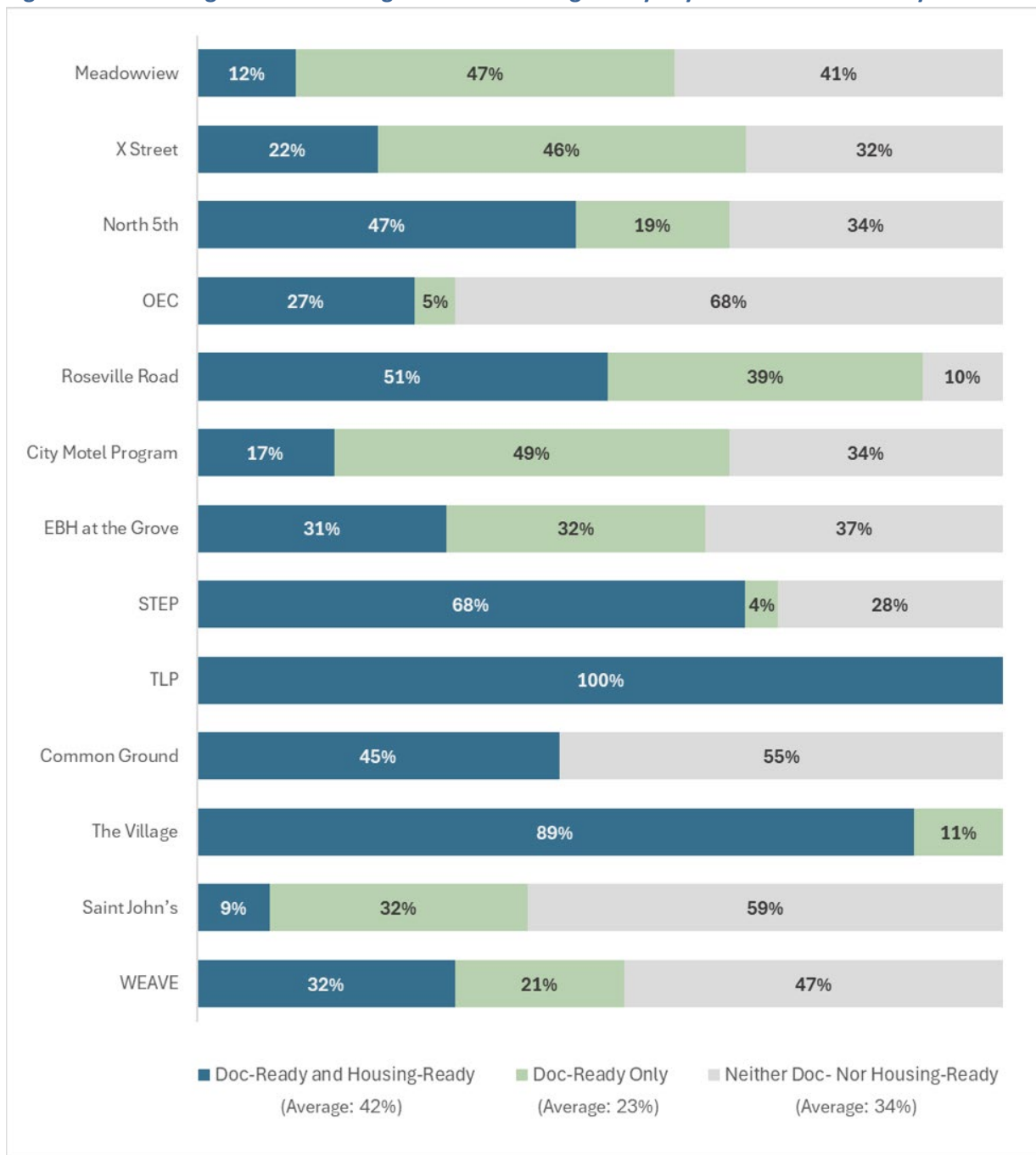
Being “doc-ready” and subsequently “housing-ready” is often an indicator of intermediate progress towards being housed. Generally, doc-ready means that a client has obtained the documents needed to access services or housing opportunities, representing an important first step toward housing placement. Housing-ready means that they are ready to transition to permanent or permanent supportive housing yet remain in the shelter because no immediate, suitable housing option is available to them.

During a one-month period in early 2026,¹³ a portion of clients enrolled at each shelter have been designated as housing-ready. This proportion averages 42 percent across all shelters and several are above the 50 percent threshold (see figure on next page).

¹³ This includes all clients enrolled in the shelter program on and between January 12, 2026, through February 12, 2026.

Section 6. Client Outcomes

Figure 34. Percentage of Clients Designated as “Housing-Ready” by Shelter as of February 2026

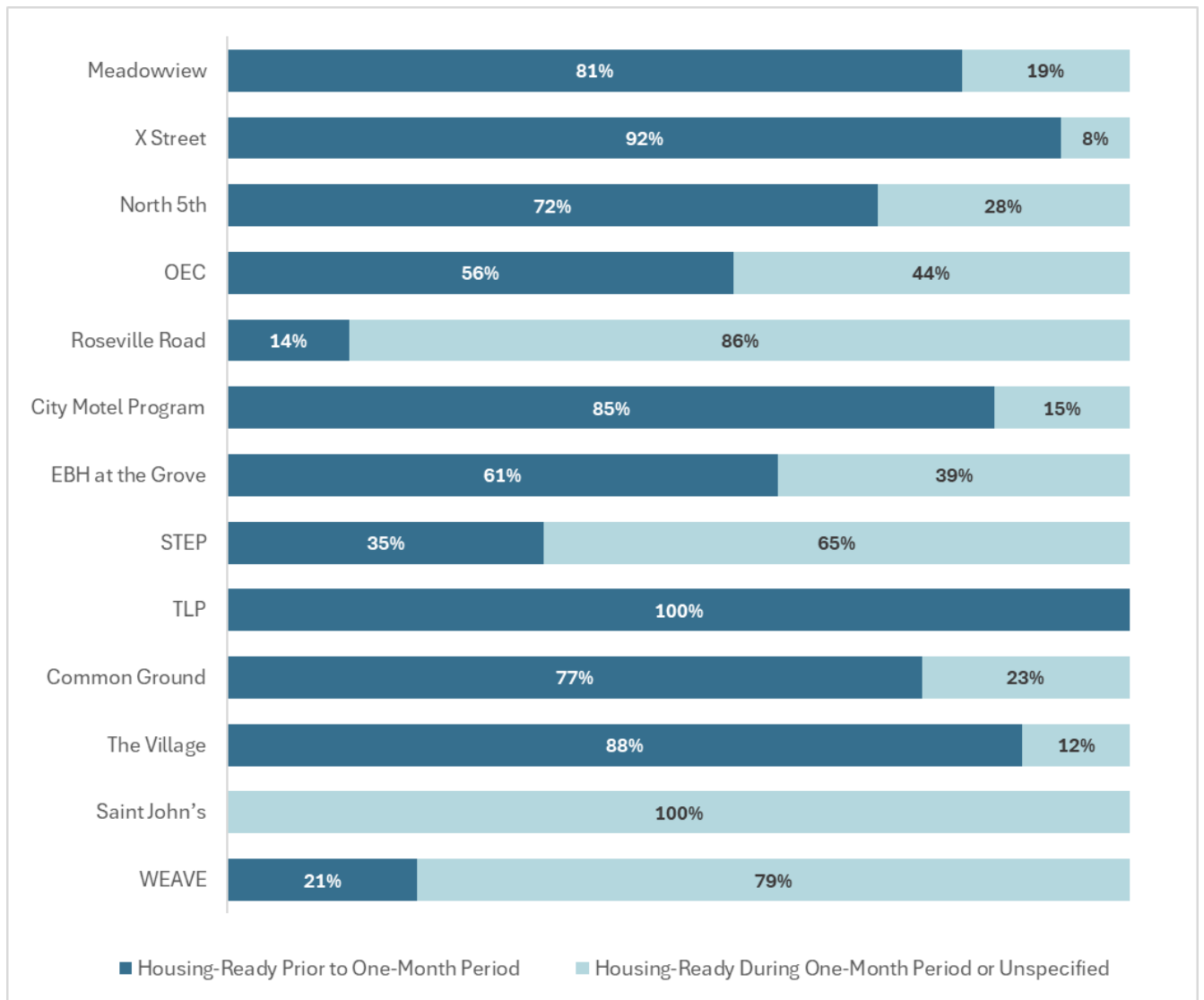


Source: Auditor generated based on information provided by service providers.

Note: Clients who are housing-ready are also typically doc-ready. We identified 5 clients across three programs who were housing-ready but not doc-ready due to unique or undisclosed circumstances, impacting only 1.1 percent or less of clients in each of those programs. These are not shown in this figure due to the minimal impact. Of the clients that are housing-ready, at least an average of 60 percent of housing-ready clients across all shelters were housing-ready before the start of this one-month period, with some clients being housing-ready before even entering the shelter program.

Section 6. Client Outcomes

Figure 35. Percentage of Clients Designated as “Housing-Ready” Prior to January 12, 2026 by Shelter



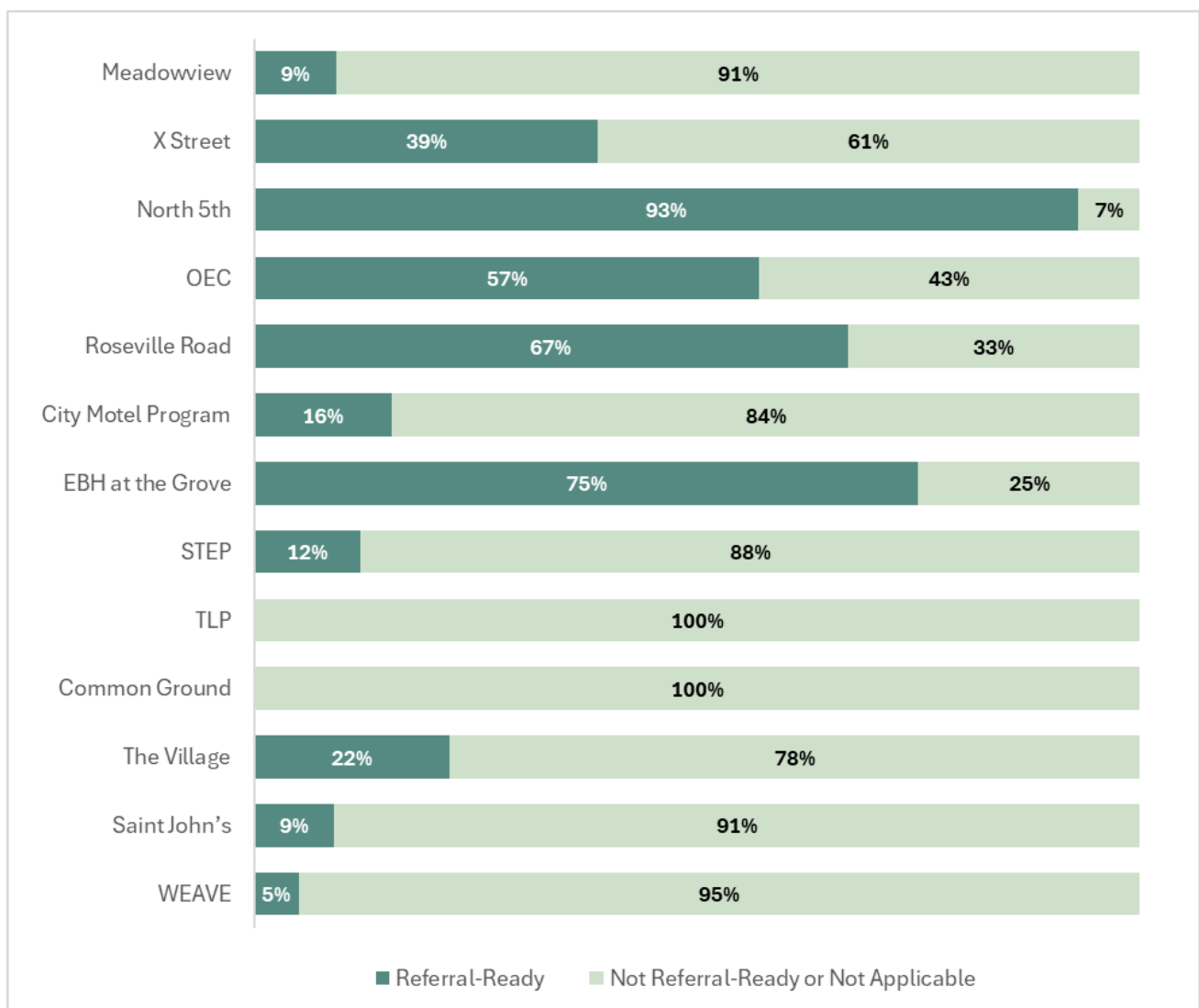
Source: Auditor generated based on information provided by service providers.

Section 6. Client Outcomes

Clients can also be designated as “referral-ready”, meaning the client requires a referral to a behavioral, medical, or substance abuse facility as part of their service plan and is ready to be referred, but may be waiting for an open spot. These clients have completed the necessary screening or assessment, have agreed to engage in the referred services, and completed administrative requirements. Not all clients require a referral as part of their housing journey.

The percentage of referral-ready clients varied widely across programs, with some larger programs, such as North 5th, OEC, Roseville Road, and EBH at the Grove, generally having higher referral-ready rates (57 percent or higher).

Figure 36. Percentage of Clients Designated as “Referral Ready” by Shelter as of February 2026



Source: Auditor generated based on information provided by service providers.

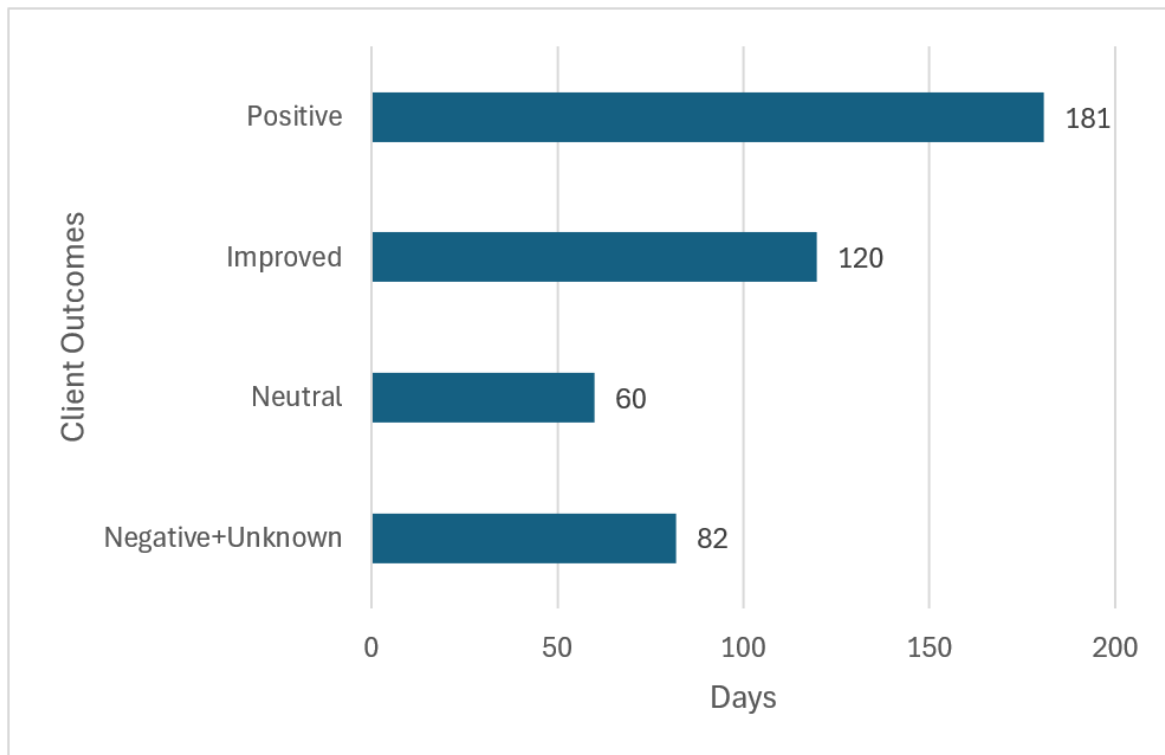
Section 7: Outcome Trends

This section illustrates some trends associated with client outcomes, including length of stay and age.

Are people who stay longer more likely to exit to better destinations?

There is generally a positive association between the length of a client's shelter stay and their type of exit outcome. Clients who achieve a positive outcome remain in the shelter system the longest, averaging 181 days—more than double the average length of stay for those who exit negatively or to unknown destinations, who stay for an average of 82 days.

Figure 37. Average Length of Stay by Client Outcome

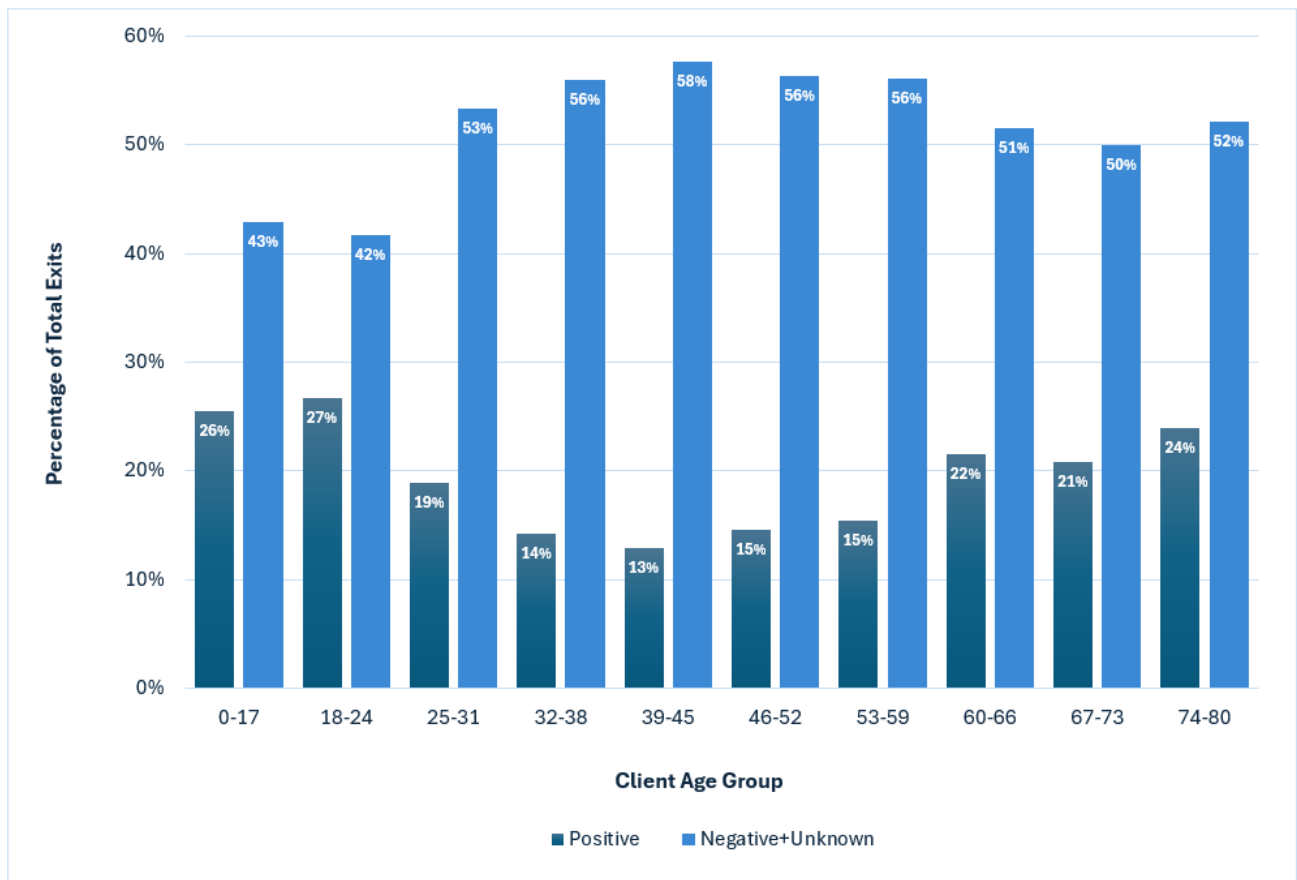


Source: Auditor generated based analysis of HMIS data.

Does age affect whether a person exits positively?

Positive and “negative+unknown” outcomes vary by age group. The youngest and oldest clients across all shelters generally have the highest rates of positive outcomes. Transitional age youth (ages 18 to 24) have the highest positive exit rate across all age groups, at 27 percent. In contrast, adults between the ages of 32 and 59 experience the fewest positive outcomes and more negative and unknown outcomes. Exits to negative or unknown destinations are highest for adults in the 39 to 45 age group at 58 percent.

Figure 38. Percentage of Total Exits by Age Group

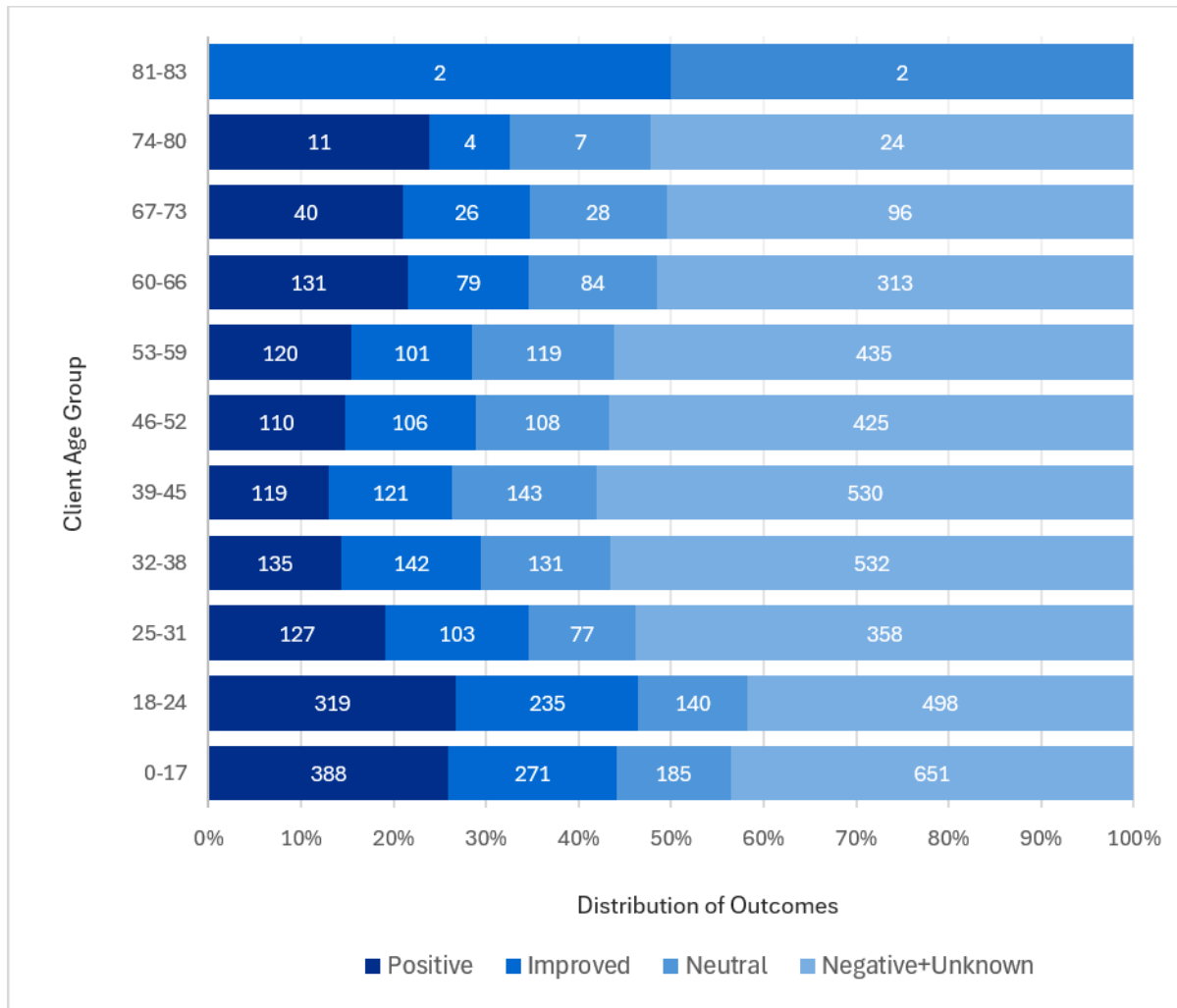


Source: Auditor generated based analysis of HMIS data.

Section 7: Outcome Trends

The distribution of client outcomes also varies across age groups. Younger age groups account for a larger number of clients, while negative and unknown outcomes represent the largest share of outcomes across all but one age groups, specifically ages 81 to 83.

Figure 39. Distribution of Outcomes Across Age Groups



Source: Auditor generated based analysis of HMIS data.

Section 8: Client Services

This section provides information on shelter services, including service volume, average daily service counts, participation rates, case manager ratios, service providers, and the types of services offered.

What types of services are provided to clients?

Shelters provide a variety of services to support their clients. Services that are tracked in HMIS range across approximately 340 unique service types. To account for differences in the number and type of services reported across shelters, we identified the five most common service categories by first selecting the top ten services reported by each shelter and then counting the frequency with which service categories appeared across those lists. When grouped together, the top five service categories recorded in HMIS across all shelters are:

1. Case management;
2. Documentation;
3. Life skills;
4. Shelter nights; and
5. Client support.

Figure 40. Top 5 Services Recorded in HMIS Across All Shelters

	Service Category	Examples
①	Case Management	Check-ins, crisis management, conflict resolution, coordination with other community providers, application assistance, appointment reminders, and more.
②	Documentation	Assistance with obtaining documents like a birth certificate, identification/driver's license, social security card, or other documentation.
③	Life Skills	Basic housekeeping, home maintenance, food storage and preparation, communication skills, financial literacy, exercise and nutrition, medication reminders, and more.
④	Shelter Nights	Bed-nights provided
⑤	Client Support	Emotional support check-in, information support, and coaching.

Source: Auditor generated based on analysis of HMIS data.

Which shelter programs reported the highest volume of services?

Shelter services can be measured in both the total services provided and the average number of services provided per bednight¹⁴. Overall, the number of services recorded in HMIS for exited clients totals almost 2.3 million, but the number of services recorded by each shelter differs substantially. Four of the 13 shelters (X Street, Meadowview, EBH at the Grove, and OEC) accounted for the majority of total services in HMIS during our review period. TLP recorded the lowest total number of services at 16 and the lowest number of services per bednight at 0.01. Conversely, X Street recorded the highest total number of services at just over 1.1 million, averaging 16.97 services per bednight.

Figure 41. Total Bednights, Total Services, and Services Reported Per Day by Shelter

Shelter Program	Bednights	Total Services Reported	Services Reported Per Bednight
Miller Park	23,856	4,459	0.19
OEC	38,473	249,462	6.48
Roseville Road	32,871	7,805	0.24
X Street	65,308	1,108,096	16.97
Meadowview	76,320	628,960	8.24
North 5th	123,589	7,015	0.06
City Motel Program	303,668	11,691	0.04
EBH at the Grove	34,531	264,159	7.65
STEP	6,783	140	0.02
The Village	10,174	1,093	0.11
Common Ground	11,893	349	0.03
Saint John's	14,268	350	0.02
TLP	1,231	16	0.01
Total	742,965	2,283,595	

Source: Auditor generated based on analysis of HMIS data.

Note: This only includes services associated with exited clients.

¹⁴ Total bednights represented the total number of bed-nights for all clients, which accounts for their length of stay, and total services represents the total services provided to all clients in that program.

Do clients with different outcomes receive different levels of services?

Overall, client outcomes across shelters are not consistently associated with a certain number of services per day. For example, if a client exited positively, the number of services they received on average is not consistently higher or lower than a client who exited to a different outcome when compared across shelters.

X Street reported the highest number of services per day across all outcomes, ranging from 16 for improved outcomes to 18.34 for neutral outcomes. OEC is the only shelter that provided the highest number of services per day for its positive outcomes at 7.27 compared to its other outcomes, which range from 5.69 to 6.91 services per day.

Figure 42. Average Services Per Day by Outcome and by Shelter

Shelter Program	Positive	Improved	Neutral	Negative +Unknown
Miller Park	0.20	0.10	0.21	0.19
OEC	7.27	6.65	6.91	5.69
Roseville Road	0.25	0.22	0.26	0.23
X Street	16.91	16.00	18.34	17.20
Meadowview	8.69	9.01	10.27	7.48
North 5th	0.04	0.06	0.06	0.06
City Motel Program	0.04	0.05	0.05	0.04
EBH at the Grove	7.44	8.54	8.06	7.53
STEP	0.02	0.02	0.01	0.03
The Village	0.14	0.09	0.16	0.18
Common Ground	0.03	0.02	0.04	0.03
Saint John's	0.02	0.02	0.03	0.08
TLP	0.01	0.00	0.00	0.03

Source: Auditor generated based on analysis of HMIS data.

Are clients required to participate in services?

Some shelters require clients to participate in services as part of their program, while others do not. Programs that are funded through HHAP may be prohibited from requiring service participation under Housing First requirements. Accordingly, “No” designations for this metric may reflect funding requirements rather than program-level policy choices.

Of the shelters that were active as of June 30, 2025, and continued to be active as of April 30, 2026, service participation is required at two shelters and are not required at eleven.

Figure 43. Shelter Programs by Service Participation

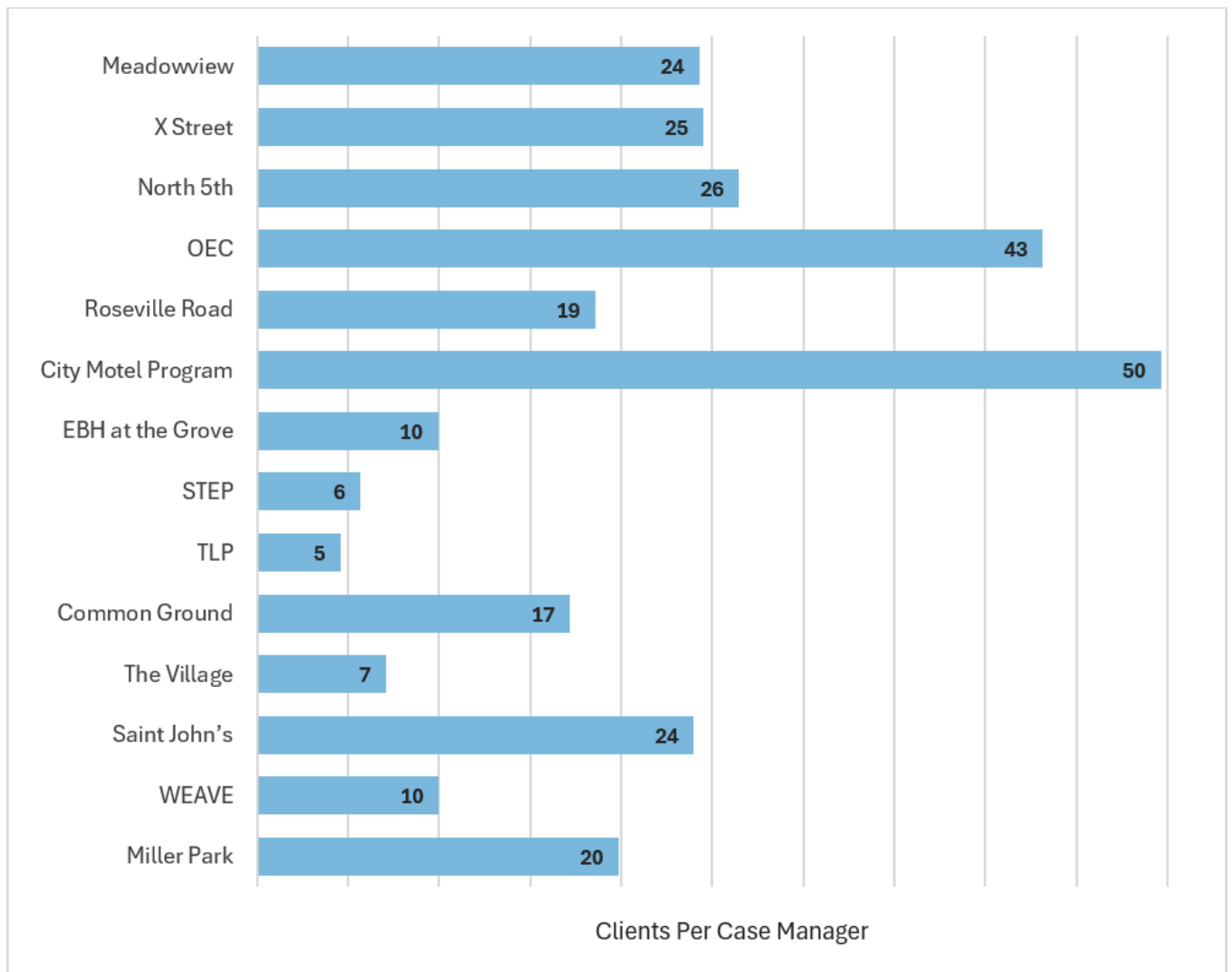
 Service Participation is Required	 Service Participation is <u>Not</u> Required
OEC	Meadowview
Saint John's	X Street
	North 5th
	Roseville Road
	City Motel Program
	EBH at the Grove
	STEP
	TLP
	Common Ground
	The Village
	WEAVE

Source: Auditor generated based on information provided by DCR and by service providers.

How many people are assigned to each case manager?

Case managers support clients in obtaining documents, accessing benefits or other services, and moving into housing. Of the 14 shelters in our review period, six shelters assigned 24 or more clients per case manager, from between 24 at Meadowview and Saint John's to 50 in the City Motel Program. The remaining eight assigned between five and 20 clients per case manager.

Figure 44. Number of Clients Per Case Manager by Shelter



Source: Auditor generated based on information provided by service providers and analysis of HMIS data.

Note: These were determined based on average occupancy and does not adjust for City-funded beds. Some programs support services with positions other than case managers or with non-City resources.

Does the service provider offer services to their clients that are not funded by the City?

Beyond services that are funded through the City’s contract with each service provider, some shelters offer additional resources to their clients, including through partnerships with other agencies, drop-in centers, and more.

Of the shelters that were active as of June 30, 2025, and continued to be active as of April 30, 2026, most shelters were either supported by a drop-in center, which is part of the service provider’s portfolio of programs, or through the County coming onsite to provide behavioral health or other services. Three programs—Meadowview, City Motel Program, and Saint John’s have neither a drop-in center nor does the County come onsite to provide additional services, while one program, Common Ground, had both.

Figure 45. Availability of County-Provided Services and Drop-In Centers by Shelter

	 County-Provided Services	 No County-Provided Services
 Drop-In Center	Common Ground	STEP TLP The Village WEAVE
 No Drop-In Center	X Street North 5th OEC Roseville Road EBH at the Grove	Meadowview City Motel Program Saint John’s

Non-congregate	Congregate	Safe grounds	Women and children	TAY

Source: Auditor generated based on information provided by service providers and DCR, as well as service provider websites.

A dark blue silhouette of the Sacramento skyline, featuring various building shapes and the two towers of the Sacramento-San Joaquin River Delta Bridge on the right side.

Audit of the City's Homeless Response: Evaluation of Costs and Outcomes of Sheltering Programs

Budget and Audit Committee

Audit Objectives

The objective of this audit was to understand which sheltering program types are most cost-effective and successful in helping individuals transition to stable housing, which is critical to improving outcomes and guiding future investments.

- Categorize shelters into types
- Assess costs, including per bed and per client
- Evaluate effectiveness in exiting to permanent housing
- Assess accessibility of services, including for subpopulations
- Identify characteristics or practices associated with higher rates
- Provide recommendations for improving the shelter system
- Review Good Neighbor Policies

Audit Perspective

This audit takes a systems-level perspective focused on how the City's shelters work to address City homeless sheltering objectives, and is not intended to be a deep operational review of any single sheltering program.

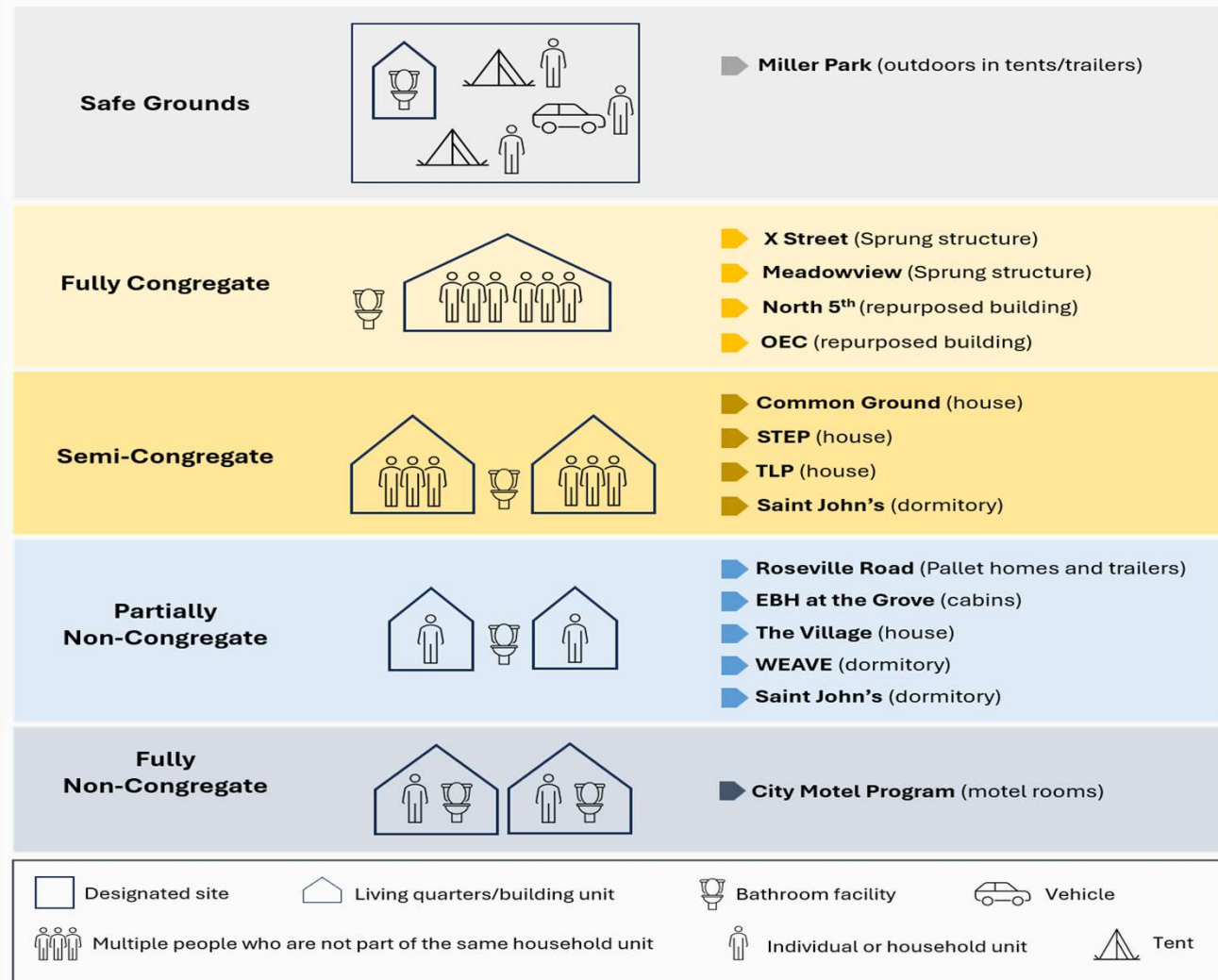
Audit Scope and Methodology

Scope	Methodology
• Focused on homeless sheltering programs operated or funded by the City from July 1, 2022 through June 30, 2025 (FY23-FY25). • Certain analyses focused primarily on FY24 and FY25 based on data availability and the relevance of more current information.	• Interviewed DCR staff and service providers of active programs • Visited all active program sites • Conducted additional research on existing shelter types • Identified shelter characteristics • Reviewed contracts and invoice cover sheets • Analyzed HMIS client and services data • Reviewed Good Neighbor Policies and surveyed neighbors

City Operates Several Types of Shelters

- Each model presents different operational tradeoffs:

- Privacy
- Social interaction
- supervision
- Adaptability to shelter environments.



Shelters Grouped by Operational Priority

 Resolving a Crisis/ Emergency Situation	 Sheltering Unsheltered PEH and Supporting Housing Progress	 Resolving Homelessness and Supporting Long- Term Wellness
Ensure immediate safety of PEH and provide some emergency relief/stabilization and may offer additional support services; PEH enter shelters through placement by DCR's street outreach team.	Reduce unsheltered homelessness and provide some services to assist PEH in making progress towards addressing their homelessness and facilitate positive or improved exits; with 1 exception, PEH enter shelters through CAS.	Provide wraparound care to clients to resolve a client's homelessness and support long-term wellness and personal success; tend to be non-City designed.
 Miller Park SafeGround	 Roseville Road Campus*	 EBH at the Grove
 Outreach and Engagement Center	 X Street Navigation Center	 CoR Women and Family Shelter
 Roseville Road Campus*	 Meadowview Navigation Center	 Sacramento LGBT STEP
	 North 5th Navigation Center	 The Village Shelter
	 City Motel Program	 Common Ground Shelter
		 WEAVE
		 St. John's Program for Real Change
		 Next Step TLC
		 Sacramento LGBT TLP
		 Sacramento LGBT Host Homes

 **Active** shelter as of June 30, 2025

 **Active** shelter as of June 30, 2025, but no invoices

 **Inactive** shelter as of June 30, 2025

* Roseville Road Campus exhibits similarities to both groups that it included under and may be compared to both groups during our analysis.

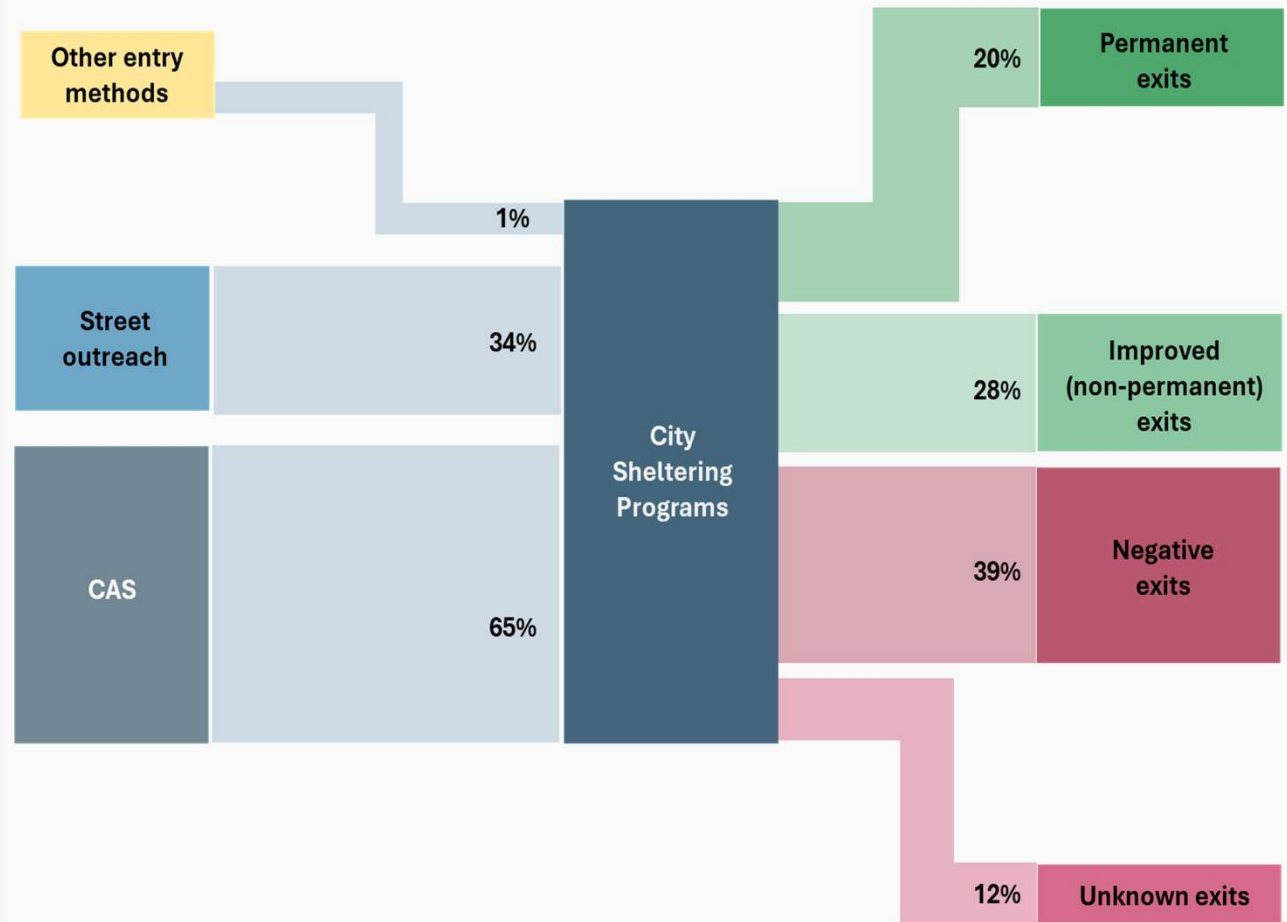
Client flow through the shelter system

- Entry into City Programs

- 65% entering the City's programs through CAS
- 34% entering directly from street outreach

- Exits from City Programs

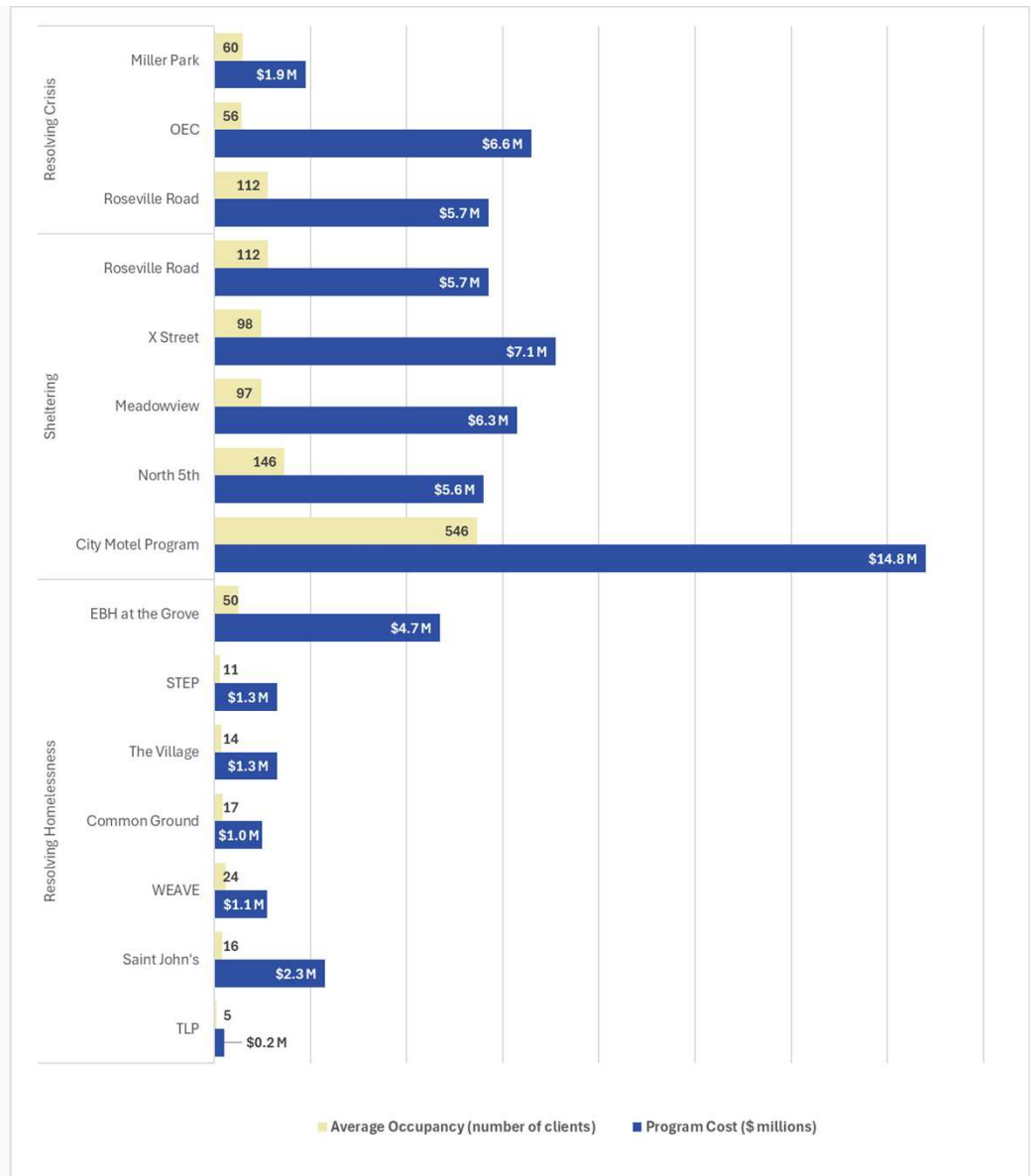
- 20% to permanent destinations
- 28% to improved but not permanent destinations
- 39% to negative exits
- 12% to unknown destinations



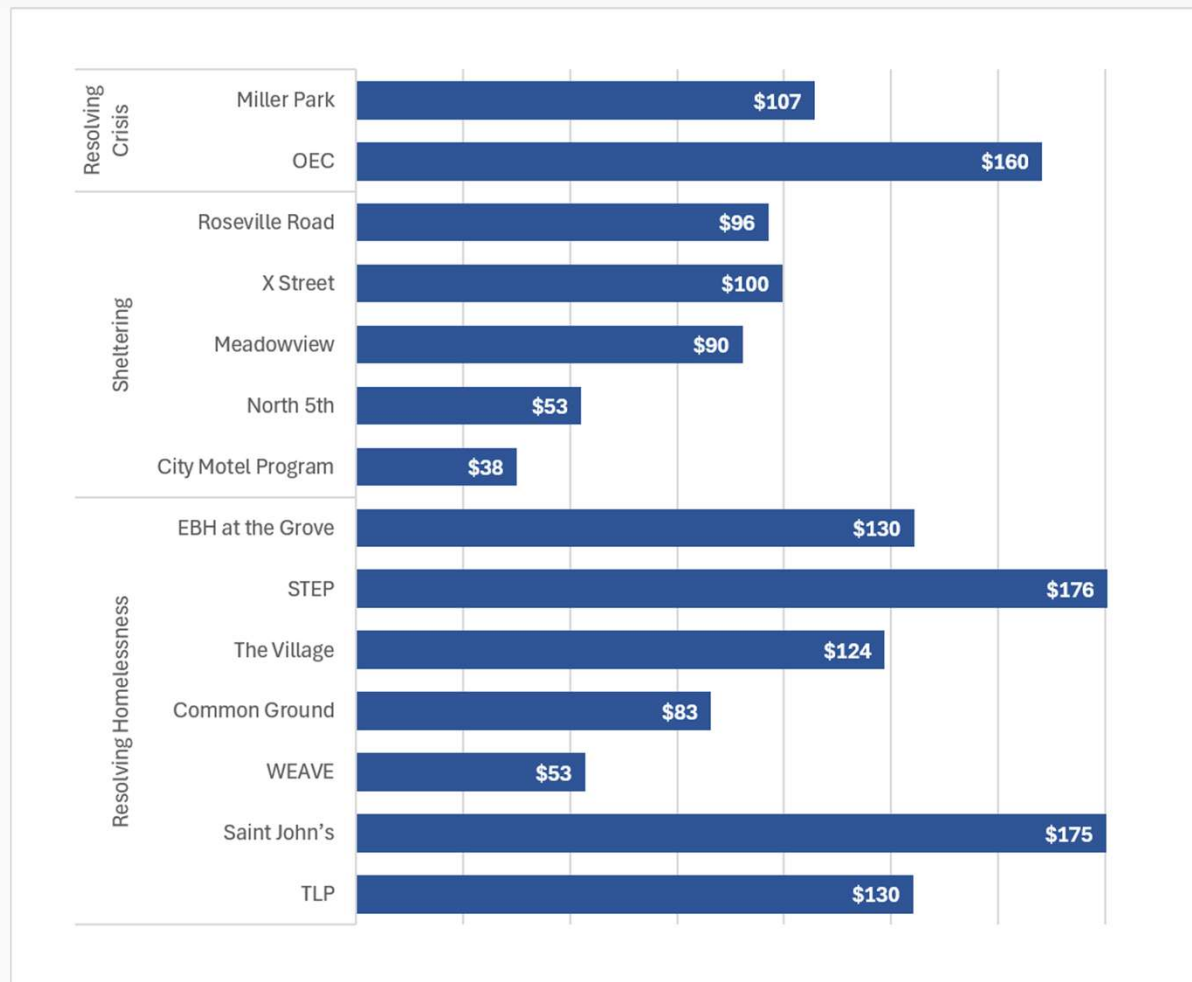
Finding 1: Differences in Shelter Costs May Reflect Program Design but the City Has Not Defined When Higher Costs Are Justified

<i>Subfindings</i>	<i>Recommendations</i>
1.1 - Total shelter costs and cost structures vary across program types, reflecting differences in program design and facility type	Develop a methodology to evaluate costs and assess shelters to identify opportunities to reduce costs while maintaining intended service levels and outcomes.
1.2 - Cost structures primarily support sheltering and stabilization functions rather than longer term outcomes	
1.3 - Cost per bed and per exit vary across programs without clear alignment to operational priority	
1.4 – Similar outcomes may be achieved at different cost levels	

Total Program Expenditures and Average Occupancy by Shelter Program and Shelter Group for FY24-FY25

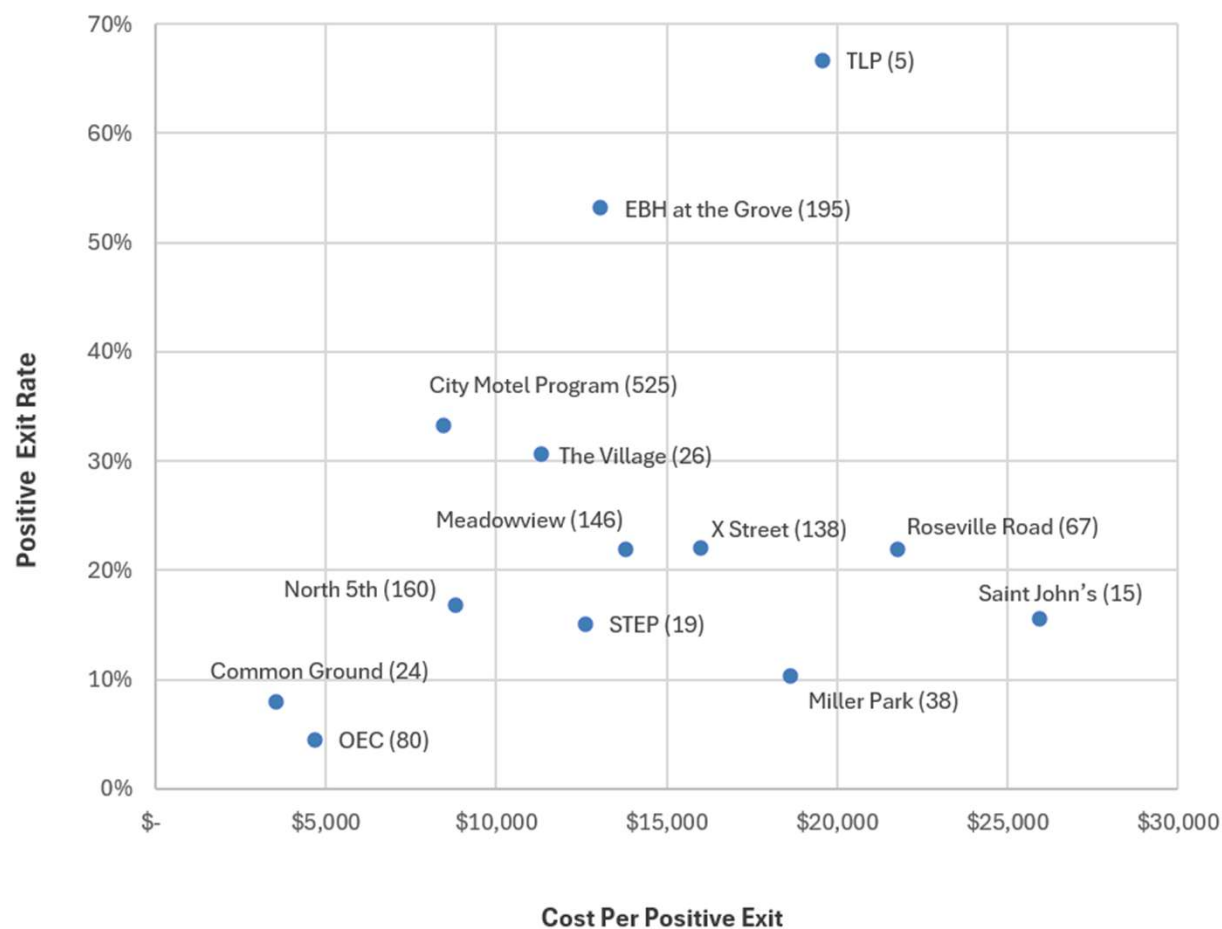


Estimated Cost Per Occupied Bed Per Night by Sheltering Program (FY24-FY25)



Cost Per Positive Exit Compared to Positive Exit Rate by Shelter

- The relationship between cost per positive exit and positive exit rates appears weak and inconsistent.
- Higher costs do not consistently correspond with higher positive exit rates.
- This suggests that factors beyond spending levels influence outcomes.



Finding 2: The City Can Shelter More Individuals at Minimal Additional Cost by Increasing Utilization of Existing Congregate Sheltering Programs

<i>Subfinding</i>	<i>Recommendation</i>
2.1 - Current contracted capacities are below regulatory occupancy limits, suggesting available sheltering space	Evaluate shelter capacity at existing City shelters, including conducting site-specific assessments of physical space, staffing models, and service requirements, to determine whether capacity at larger congregate shelters can be safely and effectively increased within existing resources.
2.2 - Economies of scale for larger sheltering programs indicate that additional residents can be served at minimal marginal cost	

Comparison of Sheltering Programs' Contracted Capacity and Maximum Occupancy

- Occupancy limits reflect operational and regulatory decisions rather than the full sleeping capacity of facilities.
- Some shelters may have additional capacity beyond currently approved occupancy levels.

Shelter	Contracted Capacity	Maximum Occupancy	Difference
 OEC	75	199	124
 X Street	100	126	26
 Meadowview	100	126	26
 North 5 th	163	175	12

Comparison of Sheltering Programs' Contracted Capacity and Maximum Occupancy

	OEC	X Street	Meadowview	North 5th
Total Costs (FY24 - FY25)	\$6,569,327	\$7,135,464	\$6,406,827	\$5,586,421
Percentage of Fixed and Step-Fixed Costs	95.3%	76.5%	75.4%	75.3%
Percentage of Variable Costs	4.7%	23.5%	24.6%	24.7%
Contracted Capacity	75	100	100	163
Variable Cost Per Bed Per Night	\$5.69	\$22.99	\$21.59	\$11.62

- Most of the costs in many of the shelters are fixed costs.
- Adding additional beds in each of the shelters could be done at a marginal cost.

Finding 3: Differences in Outcomes Appear to Reflect Program Design and Target Populations More Than Immediate Indicators of Program Effectiveness

Subfinding

3.1 - The City's shelter programs achieved permanent housing exit rates that exceeded the State of California's reported average

3.2 - Shelter performance appears to align with program design

3.3 - Larger programs account for a disproportionate share of permanent exits due to program size and number of program stays

3.4 - Permanent exit outcomes are partially influenced by client age and household composition

Shelter Exit Destinations by Operational Priority Group

OPERATIONAL PRIORITY	SHELTER	POSITIVE (PERMANENT)	IMPROVED (NON-PERMANENT)	NEGATIVE	UNKNOWN
Resolving a Crisis/ Emergency Situation	Average	12%	31%	54%	2%
	Miller Park	10%	37%	52%	1%
	OEC	4%	44%	44%	6%
	Roseville Road	22%	13%	65%	0%
Sheltering Unsheltered PEH and Supporting Housing Progress	Average	23%	18%	49%	9%
	Roseville Road	22%	13%	65%	0%
	X Street	22%	17%	61%	0%
	Meadowview	22%	17%	61%	0%
	North 5th	17%	30%	48%	5%
	City Motel Program	33%	14%	10%	41%
Resolving Homelessness and Supporting Long- Term Wellness	Average	31%	38%	18%	13%
	EBH at the Grove	53%	19%	28%	0%
	STEP	15%	48%	19%	18%
	The Village	31%	62%	5%	2%
	Common Ground	8%	28%	49%	15%
	Saint John's	16%	57%	1%	26%
	TLP	67%	11%	6%	17%

Broader Comparison of Shelter Exit Destinations by Operational Priority Group

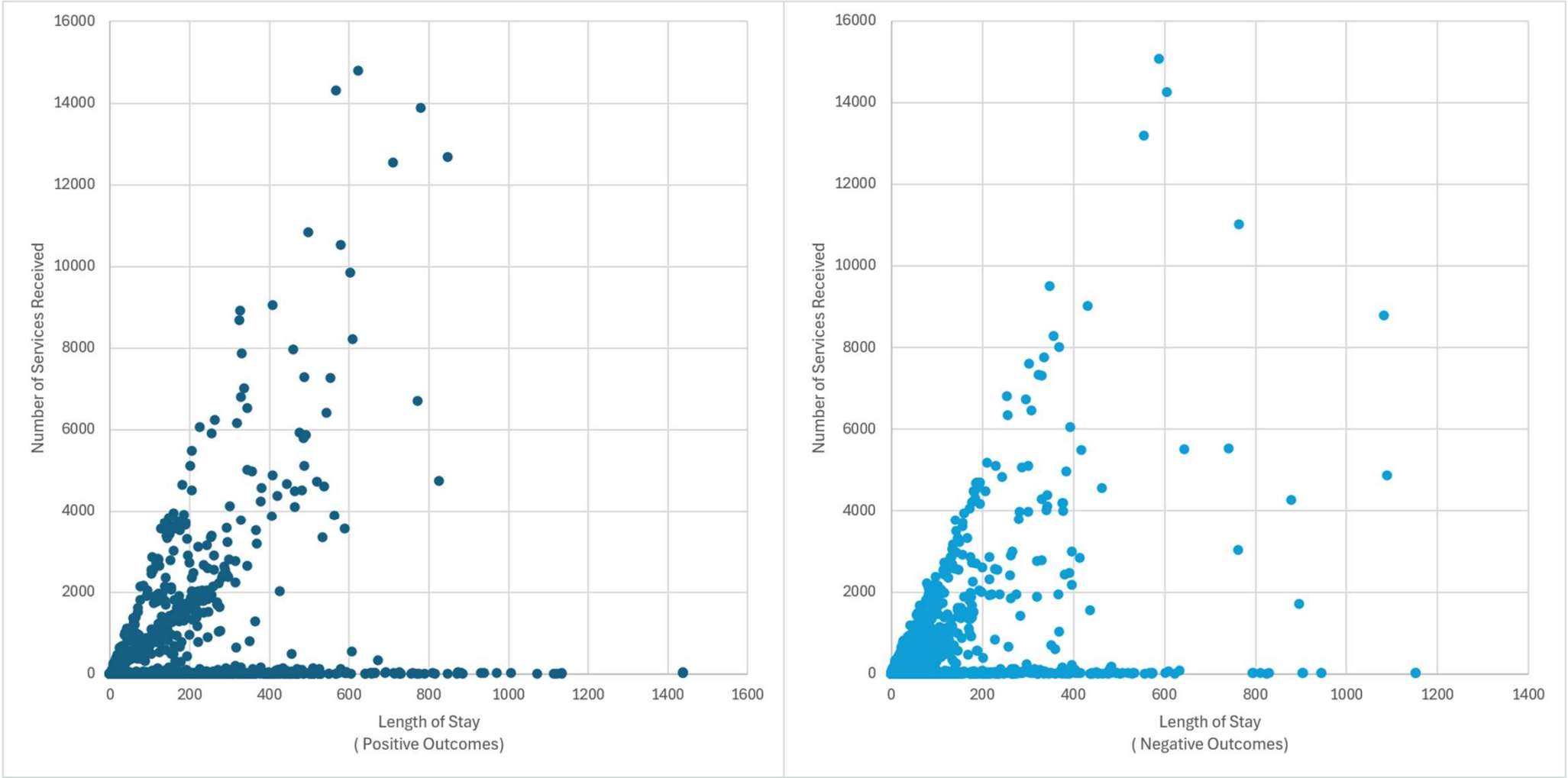
- Shelters focused on long-term wellness achieved substantially higher rates of positive or improved outcomes.
- However, meaningful variation within each group suggests that factors beyond operational priority also influence results.

OPERATIONAL PRIORITY	SHELTER	POSITIVE + IMPROVED	NEGATIVE + UNKNOWN
Resolving a Crisis/ Emergency Situation	Average	44%	56%
	Miller Park	48%	52%
	OEC	48%	50%
	Roseville Road	35%	65%
Sheltering Unsheltered PEH and Supporting Housing Progress	Average	41%	58%
	Roseville Road	35%	65%
	X Street	39%	61%
	Meadowview	39%	61%
	North 5th	47%	53%
	City Motel Program	47%	52%
Resolving Homelessness and Supporting Long-Term Wellness	Average	69%	31%
	EBH at the Grove	72%	28%
	STEP	63%	37%
	The Village	93%	7%
	Common Ground	36%	64%
	Saint John's	73%	27%
	TLP	78%	22%

Finding 4: Limited Review of Shelter Services Show No Strong Link to Positive Outcomes

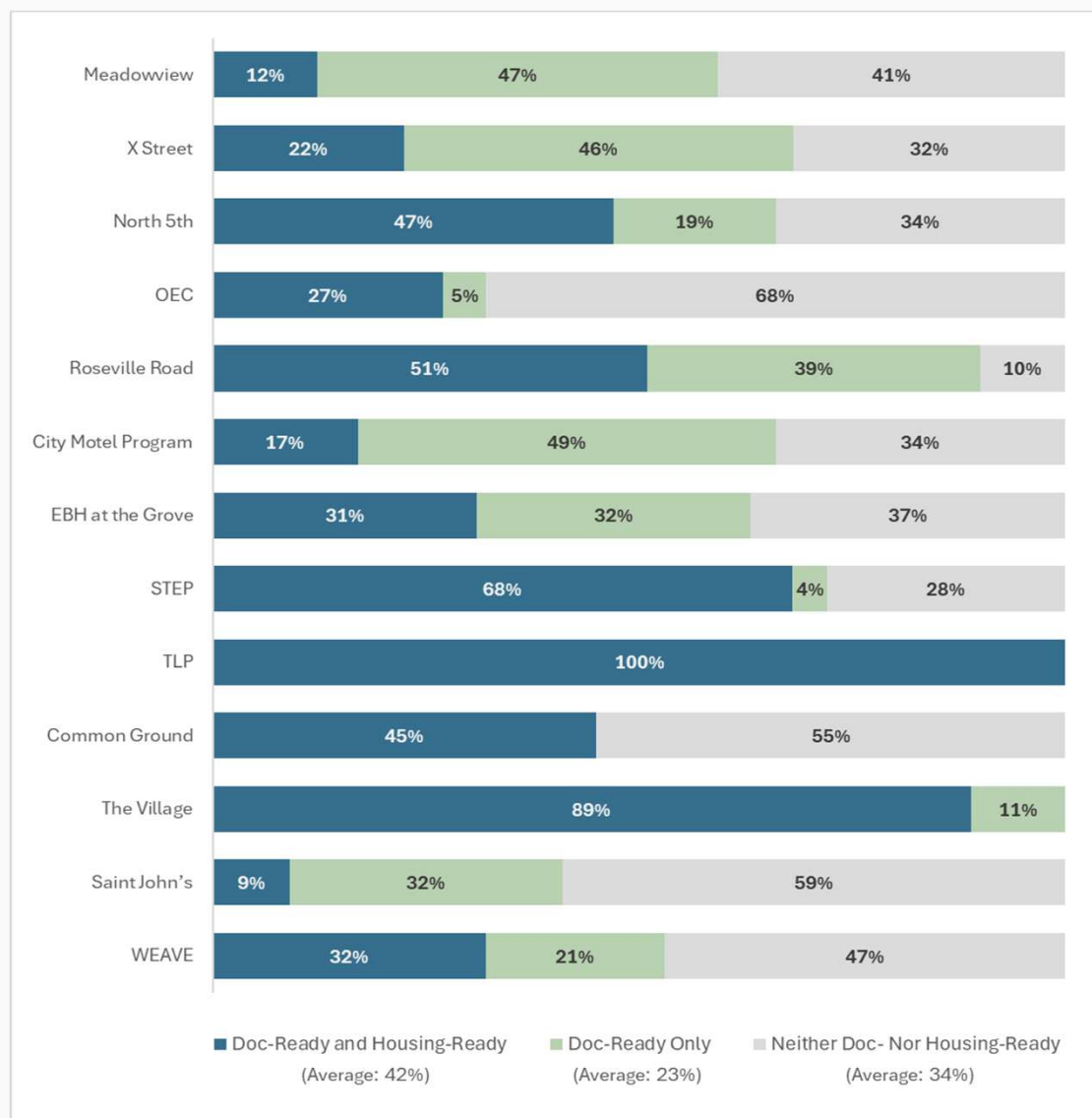
<i>Subfinding</i>	<i>Recommendation</i>
4.1 - HMIS data design and input constrain our ability to conduct a thorough analysis of service impacts	Work with SSF to identify new HMIS data fields to better capture the relationship between services received and participant outcomes to identify which, if any, services influence outcomes the most.
4.2 - Limited analysis of available services data found no clear correlation between services received and client outcomes	Require service providers to consistently input data fields into HMIS in a standardized manner for analysis once data fields are identified and available to input in HMIS.
4.3 - Structural or systemic barriers outside of the City's control might explain the lack of correlation between services and outcomes.	Systematically track and report on structural barriers such as housing-ready statuses and average wait times for housing placements or treatment referrals to better identify and quantify the barriers to moving individuals along the continuum after stabilization.

Service Utilization Appears More Closely Related to Length of Stay Than Exit Outcomes



Participant Readiness Does Not Always Translate into Housing Exits

- 42% of participants were assessed as both document-ready and housing-ready.
- Despite these readiness levels, permanent housing exits varied across shelters, indicating additional factors may influence housing placement.



Finding 5: The City Has Not Consistently Defined How Program Success Should be Determined, Making It Difficult to Measure Overall Performance and Progress Toward Shelter Goals

<i>Subfinding</i>	<i>Recommendation</i>
5.1 - Shelter performance metrics are not directly indicative of progress toward broader shelter system objectives	Develop a performance framework that aligns key existing performance metrics with broader shelter system objectives to more effectively demonstrate progress across all objectives.
5.2 - The City can strengthen accountability by more fully defining and using performance targets or expected ranges	Establish performance targets or ranges for key performance metrics, tailored to shelter function, and use these expectations to evaluate performance.
5.3 - Existing metrics can be improved to measure the extent of client progress toward stabilization and wellness	Consider developing a standardized approach to assess changes in client condition over time, such as a simple rating scale that can be incorporated into existing case management workflows.

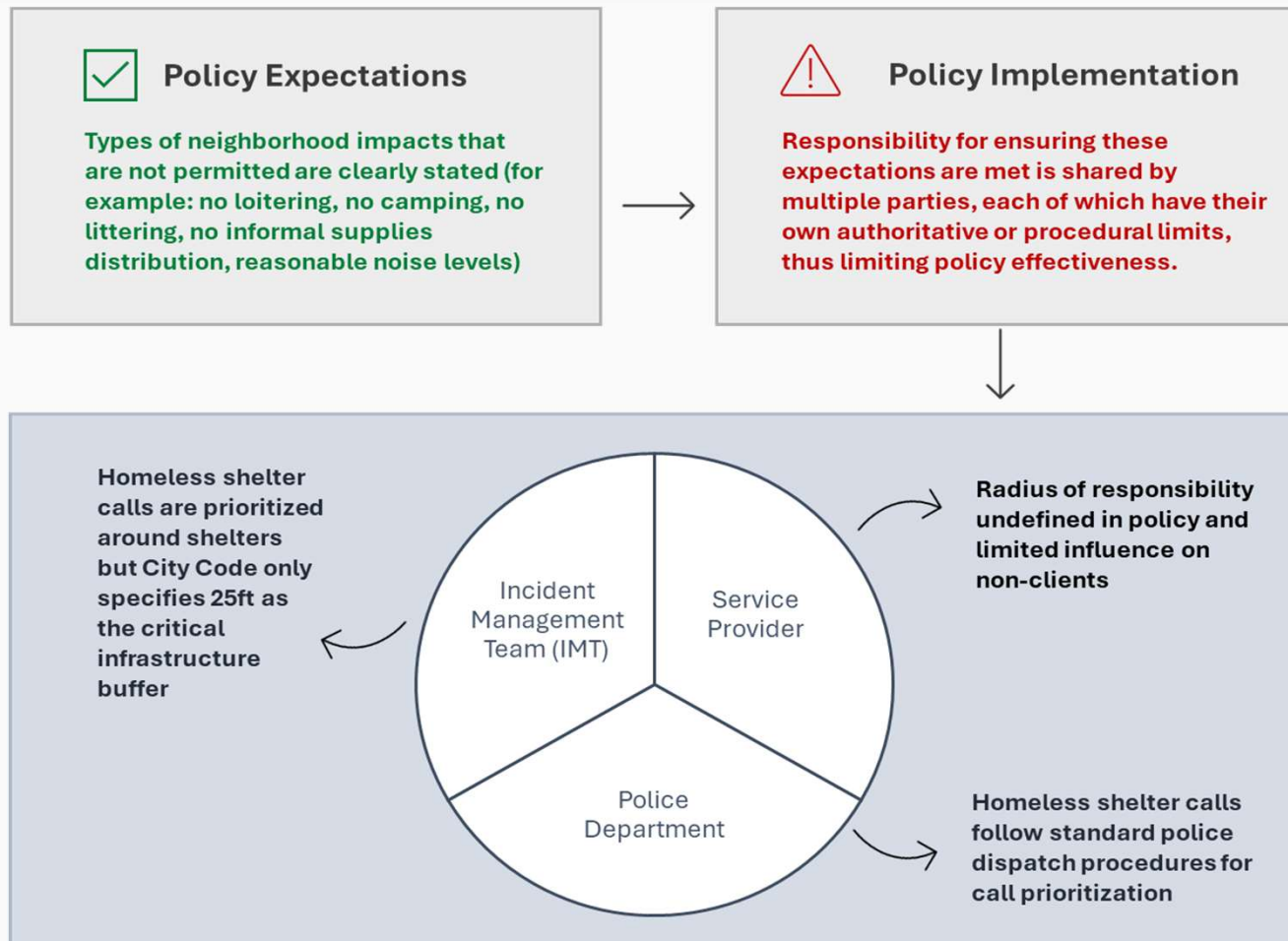
Comparison of Goal Attainment Scaling and Clinical Global Impressions

Method	Goal Attainment Scaling (GAS)	Clinical Global Impressions (CGI)
Comparison Point	Status relative to expected outcome	Change-based (improvement or decline from baseline)
Scale Structure	Typically –2 to +2 scale: –2 = much less than expected –1 = less than expected 0 = expected outcome +1 = more than expected +2 = much more than expected	Typically 7-point scale: 1: Very much improved 2: Much improved 3: Minimally 4: No change 5: Minimally worse 6: Much worse 7: Very much worse
Best Use	Tracking progress toward specific, individualized outcomes over time	Monitoring overall improvement, stability, or decline over time

Finding 6: Gaps Between Policy Intent and Practical Implementation Limit the Effectiveness of Good Neighbor Policies

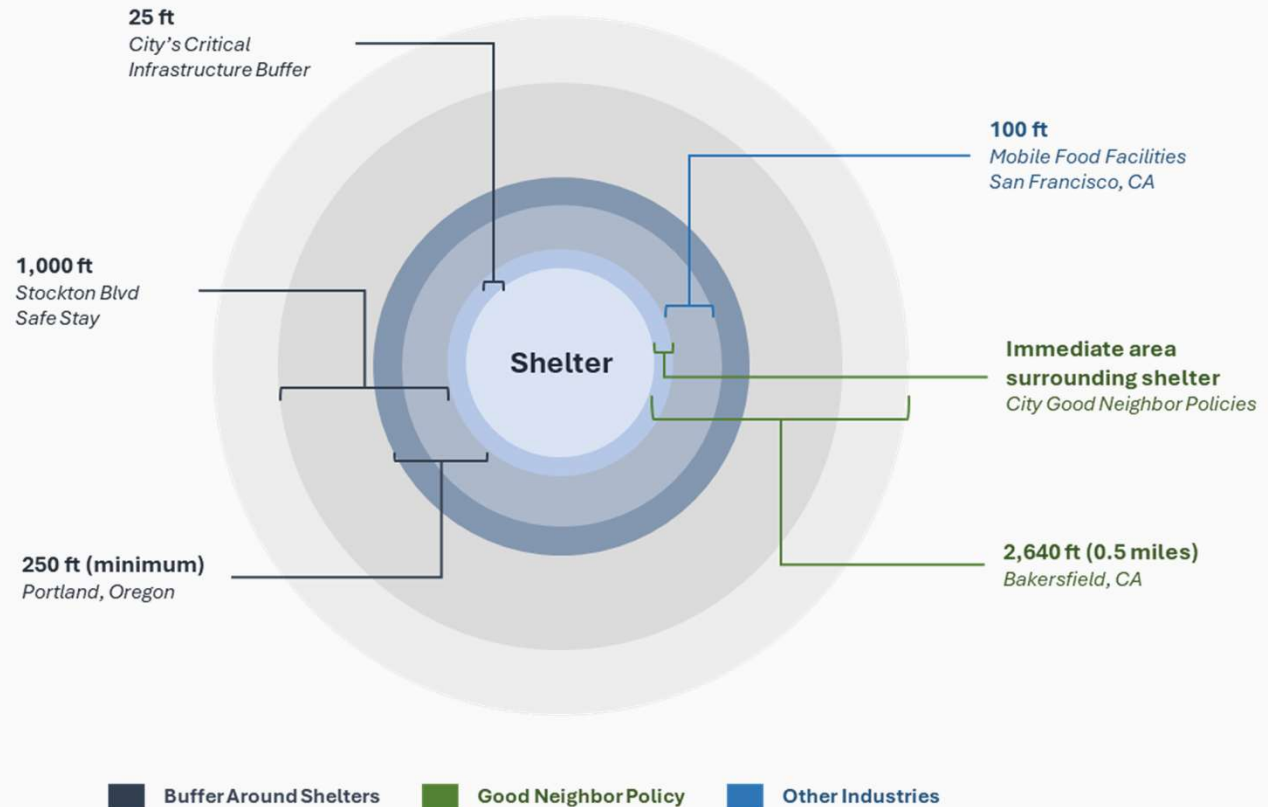
<i>Subfinding</i>	<i>Recommendation</i>
6.1 - Preexisting neighborhood conditions influence observed activity around shelter sites	Work with service providers to revise policy language to reflect neighborhood-specific conditions and specify dedicated response steps.
6.2 - Policies clearly establish expected standards, but responsibility for addressing neighborhood impacts is shared and authority is limited across entities	Work with service providers to revise Good Neighbor Policy language to establish a defined radius of responsibility and specify response steps within that radius.
6.3 - Communication is a key mechanism for managing expectations and perceived responsiveness	Review existing approaches for facilitating communication with neighbors and determine whether any should be implemented consistently across shelters.

Good Neighbor Policy Expectations and Policy Implementation Gap



Benefits of a Defined Responsibility Radius

- Clarifies provider responsibilities
- Supports timely response to concerns
- Focuses accountability on nearby impacts
- Establishes practical limits on responsibility
- Creates consistent community expectations



Accompanying Fact Book

- Supplements the audit report by providing an informative, educational overview of the City's homeless sheltering programs.
- Together, the two reports provide a more comprehensive understanding of the City's homeless shelters from both a factual and operational perspective.

City's Homeless Sheltering Programs - Fact Book

Report# 2025/26-17 | June 2026

Section 1. Shelter Profiles
Section 2. City Shelters Within the Sacramento Continuum of Care
Section 3. Overview of the City's Shelters
Section 4. Shelter Characteristics
Section 5. Shelter Costs
Section 6. Client Outcomes
Section 7. Outcome Trends
Section 8. Client Services

Questions & Comments