

## **Sacramento's Budget for Battling Homelessness: Large Increases, but Still not Enough**

- Sacramento in 2018 devoted a total of more than \$130 million to combat homelessness.
- New funds in 2018 totaled \$42 million, representing almost a 50% increase in spending.
- A gaps analysis circulated by Sacramento Steps Forward, however, estimated that the system capacity would have to increase by over 130% for the community to be on a trajectory to eliminate homelessness in 5 years.

The homelessness crisis continues to embroil California. The number of people experiencing homelessness has increased by more than 16% in the last year, and it is increasingly troubling the populace. A recent USC poll found that Californians rank homelessness as the most significant problem facing the State, and more than a third of respondents fear that they or a family member could become homeless.

State and local policy makers have been directing massive new resources to address the problem. These include the State's \$500 million Homeless Emergency Aid program in 2018, followed by \$650 million in the 2019 Homeless Housing, Assistance and Prevention program, and over \$500 million in No Place Like Home funds for permanent supportive housing. These major commitments raise two critical questions: 1) Are these increases sufficient to address the problem, and 2) what impact can be expected from these new programs?

To provide some perspective on these questions, the Center for Homeless Inquiries examined expenditures in the Sacramento Continuum of Care. This report seeks to answer 3 questions:

1. How much is Sacramento spending in total to combat homelessness?
2. How much have new programs increased total expenditures?
3. What magnitude of increase is most likely required to end homelessness in Sacramento?

### **How much is Sacramento Spending to Combat Homelessness?**

Sacramento manages a dizzying array of homeless programs from emergency shelters to permanent supportive housing. While some are open to the general population others target subpopulations like veterans, youth, families, or individuals suffering from mental illnesses.

These programs are funded by diverse sources including the federal government, the State of California, the general funds of the County and Cities as well as private dollars, and they are managed by a loosely connected network of public agencies and non-profits. As a consequence, data on homelessness expenditures are scattered.

This report seeks to organize this information for the County of Sacramento. The Center for Homeless Inquiries strove to include as many sources as possible, though some program expenditures could not be identified. For example, HUD encourages public housing authorities to implement Moving On programs that help families that occupy permanent supportive housing units but who no longer require specialized supportive services to find new subsidized housing, thereby freeing up the unit of housing for someone new. The Center, however, could not identify specific expenditures for this program. Similarly, many non-profits receive public funding but are also supported with private dollars, which are harder to track.

The list of 2018 expenditures detailed in Appendix A represents as complete a count as possible at this juncture. The Center identified \$130.6 million in expenditures. While these expenditures do not all come from local government budgets, it is instructive to compare them to public spending. This \$130.6 million would be 2.5% of the combined budgets for the City and County of Sacramento.

Importantly, these expenditures only include direct expenditures on homelessness programs. People experiencing homelessness also engage in a large amount of expensive public services including emergency room visits, public safety calls, and mental health services. The National Alliance to End Homelessness estimates that each chronically homeless individual costs the public \$35,578 each year.<sup>1</sup> Based on the number of individuals identified in the 2019 PIT count to be unsheltered and chronically homeless (e.g. 1,170), a conservative estimate of these additional annual costs would be greater than \$41 million.

### **How much have new programs increased total expenditures?**

Expenditures increased by almost 50% in 2018. The State's Homeless Emergency Assistance and No Place Like Home Programs injected over \$28 million in new funding, and the City and County of Sacramento dedicated almost \$14 million to combat homelessness.

### **What magnitude of increase is most likely required to end homelessness in Sacramento?**

Even these significant increases in spending on homeless programs are unlikely to fully address the problem. Sacramento Steps Forward circulated a gaps analysis in which it estimated that system capacity would have to increase by more than 130% to be on a path to eliminate homelessness over 5 years.<sup>2</sup> Even these large increases represent less than 40% of the total resources that would be required to be on a trajectory to eliminate homelessness.

**Appendix A**  
**2018 Homeless Expenditures, Sacramento Continuum of Care**

**System Component**

<b>Existing Programs</b>	<b>Outreach/ Case Management</b>	<b>Shelter</b>	<b>Housing</b>	<b>Supportive Services</b>
<b>Sacramento Continuum of Care (CoC) HUD Grant<sup>3</sup></b>				
			20,327,219	587,971
<b>Sacramento Housing and Redevelopment Agency (SHRA)</b>				
Housing Choice Vouchers <sup>4</sup>			2,256,000	
Move On			N/A	
Shelter Plus Care <sup>5</sup>			4,580,000	
SHRA VASH Vouchers <sup>6</sup>			2,594,775	
Performance Partnership Pilot for Disconnect Youth <sup>7</sup>			82,933	
ESG <sup>8</sup>		379,948	705,618	
Bringing Families Home <sup>9</sup>			860,100	
Housing Opportunities for People with HIV/AIDS (HOPWA)			1,177,649	
<b>County General Fund</b>				
Emergency Family Shelter System <sup>10</sup>		1,352,993		
Flexible Supportive Re-housing Program <sup>11</sup>			3,395,000	
Full Service Rehousing Shelter <sup>12</sup>		2,650,000		
Homeless Navigation <sup>13</sup>	216,000			
Mather Community Campus <sup>14</sup>		4,700,320		
Prevention, Intervention and Diversion Services to Youth <sup>15</sup>	504,000			

Winter Sanctuary <sup>16</sup>		150,000		
Wind Youth Shelter		N/A		
Other Shelter Funding		N/A		
New PSH at Courtyard Inn <sup>17</sup>			1,500,000	
<b>Mental Health Services Act (MHSA)<sup>18</sup></b>				
Approved Innovation Program <sup>19</sup>				portion of 2.5 million
El Hogar Outpatient Mental Health <sup>20</sup>	3,639,227			
Outpatient Service Continuum <sup>21</sup>				portion of 321 million
Permanent Supportive Housing Full Service Partnership (FSP) <sup>22</sup>				portion of 3.5 million
Prevention and Intervention Program				portion of 5 million
<b>City General Fund</b>				
Whole Person Care <sup>23</sup>	8,000,000			
Alcohol and Drug Treatment Services Treatment System				N/A
<b>Other</b>				
SSF Navigation Contracts <sup>24</sup>	440,000			
CalWorks Family Stabilization Program <sup>25</sup>			1,630,555	
CalWorks Housing Support Program (HSP) <sup>26</sup>			2,843,416	
CalWorks Temporary Homeless Assistance/Permanent Homeless Assistance				N/A
Alcohol and Drug Treatment Services Treatment System <sup>27</sup>				9,193,878
Veterans Affairs Supportive Housing (VASH) <sup>28</sup>			4,028,009	
Sacramento Sheriff HOT Team	N/A			
Sacramento Sheriff SPI	N/A			
Sacramento City Impact Teams			990,000	

<b>New Programs in 2018</b>				
California Homelessness Emergency Aid Program <sup>29</sup> (HEAP)		5,645,000	12,729,000	
No Place Like Home (NPLH) <sup>30</sup>			9,909,000	
Health Homes Program			N/A	
CalWorks Housing Support Program (HSP) augmentation <sup>31</sup>			1,040,362	
New Sacramento City Private Funds <sup>32</sup>		4,000,000		
New Sacramento City Funds <sup>29</sup>		7,800,000		
New County TH at Veteran's Village <sup>27</sup>			1,000,000	

<b>Total Expenditures, 2018</b>	\$130,620,271
<b>New Expenditures in 2018</b>	\$42,123,362
<b>% Increase in Expenditures</b>	48%

## NOTES

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- <sup>1</sup> [endhomelessness.org/wp-content/uploads/2017/06/Cost-Savings-from-PSH.pdf](http://endhomelessness.org/wp-content/uploads/2017/06/Cost-Savings-from-PSH.pdf)
- <sup>2</sup> Sacramento Steps Forward handout, March 2019
- <sup>3</sup> 2018 Award. Amount for supportive services is for planning.  
[files.hudexchange.info/reports/published/CoC\\_AwardComp\\_CoC\\_CA-503-2018\\_CA\\_2018.pdf](http://files.hudexchange.info/reports/published/CoC_AwardComp_CoC_CA-503-2018_CA_2018.pdf)
- <sup>4</sup> SHRA 2018 Budget p. d-21 ([www.shra.org/wp-content/uploads/2018/03/2018-Approved-Budget.pdf](http://www.shra.org/wp-content/uploads/2018/03/2018-Approved-Budget.pdf)) indicates \$114.5 million appropriated for 12,177 HCVs, or ~9400/voucher. 3/21/17 SHRA report to HACS that 450 total vouchers will be allocated to homeless families p. 10.
- <sup>5</sup> SHRA 2018 Budget, p. d-21
- <sup>6</sup> National Homeless Information Project 2016, figures inflated by 3% per year
- <sup>7</sup> SHRA 2018 Budget, p. G-8
- <sup>8</sup> ESG funds are received directly from the federal government by the County and City of Sacramento and the County also receives additional funds passed through the state. Amounts are taken from [www.hudexchange.info/grantees/sacramento-county-ca/](http://www.hudexchange.info/grantees/sacramento-county-ca/), [www.hudexchange.info/grantees/sacramento-ca/](http://www.hudexchange.info/grantees/sacramento-ca/), and [www.hcd.ca.gov/grants-funding/active-funding/esg/docs/2018-ESG-Continuum-of-Care-Administrative-Entity-Allocation-Funding-List.pdf](http://www.hcd.ca.gov/grants-funding/active-funding/esg/docs/2018-ESG-Continuum-of-Care-Administrative-Entity-Allocation-Funding-List.pdf)
- <sup>9</sup> County of Sacramento Homeless Plan December 12, 2018 p. G-19. Plan reports 2-year budget so amount is divided in half.
- <sup>10</sup> County of Sacramento Homeless Plan December 12, 2018 p. G-23
- <sup>11</sup> County of Sacramento Homeless Plan December 12, 2018 p. G-24
- <sup>12</sup> County of Sacramento Homeless Plan December 12, 2018 p. G-25
- <sup>13</sup> County of Sacramento Homeless Plan December 12, 2018 p. G-26
- <sup>14</sup> County of Sacramento Homeless Plan December 12, 2018 p. G-27
- <sup>15</sup> County of Sacramento Homeless Plan December 12, 2018 p. G-38
- <sup>16</sup> County of Sacramento handout, Post 2018 Housing Inventory Count Sacramento County Programs, March 2019
- <sup>17</sup> County of Sacramento handout, Post 2018 Housing Inventory Count Sacramento County Programs, March 2019
- <sup>18</sup> The County has allocated \$44 million of MHSA funds over 3 years. County of Sacramento Homeless Plan December 12, 2018 G-1
- <sup>19</sup> County of Sacramento Homeless Plan December 12, 2018 p. G-28. Program serves both homeless and housed clients. No information on proportion of clients who are literally homeless.
- <sup>20</sup> County of Sacramento Homeless Plan December 12, 2018 p. G-29
- <sup>21</sup> County of Sacramento Homeless Plan December 12, 2018 p. G-30. Program serves both homeless and housed clients. No information on proportion of clients who are literally homeless.
- <sup>22</sup> County of Sacramento Homeless Plan December 12, 2018 p. G-31. Program serves both homeless and housed clients. No information on proportion of clients who are literally homeless.
- <sup>23</sup> [stateofreform.com/featured/2017/11/sacramento-mayor-asks-county-53-million-whole-person-care-pilot-project-focused-homelessness/](http://stateofreform.com/featured/2017/11/sacramento-mayor-asks-county-53-million-whole-person-care-pilot-project-focused-homelessness/) WPC grant is \$64 million over 3 years but only part is allocated toward street outreach
- <sup>24</sup> Personal Communication with Nick Lee, Business Manager of Sacramento Steps Forward
- <sup>25</sup> County of Sacramento Homeless Plan December 12, 2018 p. G-20
- <sup>26</sup> County of Sacramento Homeless Plan December 12, 2018 p. G-21
- <sup>27</sup> County of Sacramento Homeless Plan December 12, 2018 p. G-17, 27% of budget based on fact that 27% of admission are literally homeless
- <sup>28</sup> The 2018 Sacramento Housing Inventory count has 548 VASH beds. The National Homeless Information Project 2016 lists Sacramento VASH vouchers costing \$577.39/month. This figure is inflated by 3% per year. See [www.nhipdata.org/local/upload/file/VASH%20COST%20by%20PHA%20DEC%202016.pdf](http://www.nhipdata.org/local/upload/file/VASH%20COST%20by%20PHA%20DEC%202016.pdf).
- <sup>29</sup> [www.bchsh.ca.gov/hcfc/documents/heap\\_overview.pdf](http://www.bchsh.ca.gov/hcfc/documents/heap_overview.pdf)
- <sup>30</sup> County of Sacramento handout, Post 2018 Housing Inventory Count Sacramento County Programs, March 2019
- <sup>31</sup> County of Sacramento Homeless Plan December 12, 2018 p. G-21
- <sup>32</sup> [engagesac.org/blog-civic-engagement/2019/2/5/sacramento-city-council-approves-budget-spending-15-million-to-open-new-homeless-shelters](http://engagesac.org/blog-civic-engagement/2019/2/5/sacramento-city-council-approves-budget-spending-15-million-to-open-new-homeless-shelters)