



HOMELESS SHOULD NOT MEAN HOPELESS:
HOMELESS SOLUTIONS ELUDE LOCAL LEADERS
INVESTIGATIVE REPORT - 2022-2023 SACRAMENTO COUNTY GRAND JURY

SUMMARY

Nearly 10,000 unhoused men, women, and children sleep on Sacramento County streets every night. Families crammed into thread-bare tents, doubled up in the broken backseats of aging cars, huddled on sidewalks in front of local stores, state office buildings, and neighborhood churches.

The numbers skyrocket year after year and local government has failed to respond effectively. This occurs despite spending more than \$300 million on homeless services over that period. That price tag does not include the enormous cost of law enforcement, public health, sanitation, lost commerce, or the impact on the quality of life of in Sacramento County and its seven incorporated communities.

This is an endless loop of failure. Leaders in Sacramento County must prioritize a more effective regional approach to solve the burgeoning homelessness problem.

County and city leaders must band together to form a comprehensive homelessness strategy. Too often, jurisdictions work independently or informally together, spend hundreds of millions of dollars, and they fail. The current Grand Jury saw a need to revisit this idea and investigate the feasibility and effectiveness of a comprehensive organizational model.

BACKGROUND

The 2022-2023 Sacramento County Grand Jury (SCGJ) initiated an investigation into the strategies, programs, and working relationships between the County and the seven incorporated cities (Sacramento, Rancho Cordova, Elk Grove, Citrus Heights, Galt, Isleton, and Folsom) as they sought solutions to the homelessness problem. In 2017, the homeless population Point in Time Count (PIT) was 3,665 persons. In 2019, it was 5,570; in 2022, it rose to 9,278, a 253% increase in five years.

Local leaders interviewed by the Grand Jury agreed these counts are understated. In addition, deaths among the homeless population have also risen to record levels.

Most funding for homeless programs resides with the County, but the cities experience most of the impact.

In December 2010, the County Board of Supervisors (BOS) and the Sacramento City Council each passed a resolution to form a Joint Powers Authority (JPA) intended to resolve homelessness. A JPA is an organizational model to coordinate homelessness efforts among governments. No JPA was established.

In March 2011, the BOS and the Sacramento City Council passed a resolution to endorse Sacramento Steps Forward (SSF) as a new agency to monitor and coordinate homeless programs throughout Sacramento County. This decision outsourced the management of the homeless problem and abandoned the JPA idea. The SSF Board does not have any elected officials from either the BOS or the City Councils of any of the seven cities. The governance of SSF and the plans it develops lack accountability and effectiveness to respond to community needs.

Twelve years later, the problem has worsened drastically. Despite repeated efforts among elected officials and staff throughout the region to meet and discuss the issue, there is no effective regional authority to implement decisions. Media reports in 2022 continuously pointed this out. Jurisdictions work in silos to seek solutions within their borders with no real plan for this shared problem.

In November 2022, Sacramento City voters passed Measure O which requires "the City and County of Sacramento to approve a legally-binding partnership agreement" that "would improve the homelessness crisis." The City and County adopted the agreement in December 2022. The agreement represents small steps to address the issue of the homeless on City sidewalks and impact the surrounding community. The agreement does not provide a comprehensive strategy. It fails to include the other six cities or entities such as schools, public transportation, and services agencies impacted by homelessness.



Homelessness is a regional problem that requires a regional solution. A new plan must include all seven cities and the County. The 2018-2019 SCGJ recommended a new or restructured governing authority led by elected officials directly accountable to all citizens of the County. This approach has been successful in other regions of California as will be shown below.

METHODOLOGY

In its investigation, the 2022-2023 SCGJ reviewed numerous documents and conducted interviews:

Documents:

1. Previous Grand Jury reports provided information on narrowly focused efforts addressing narrow aspects while assessing the effectiveness of specific strategies.
2. Media reports on ballot measures and the status of inter-agency cooperation.
3. Correspondence and documentation received from city, county, and agency leadership.
4. Website policy review and assessment for the County and the cities of Sacramento, Rancho Cordova, and Elk Grove.
5. BOS and various City Council meeting agendas, board meeting agenda packets, and board meeting minutes and recordings.
6. Annual reports and PIT counts from relevant agencies in California.
7. Existing ordinances and agreements among governing jurisdictions in the County regarding homelessness.
8. State Assembly bills and State Senate bills.
9. The investigation focused on three cities (Sacramento, Elk Grove, and Rancho Cordova) and Sacramento County.

Interviews:

1. Thirteen individuals in leadership and policy positions in conjunction with a review of materials they provided.

Observation:

1. Members of the Grand Jury, like other citizens of the County, witnessed the ever-increasing population of homeless living on our streets, in parks, on sidewalks, and in other open areas.

DISCUSSION

A Common Refrain

A common theme emerged from the SCGJ interviews with county, city, and non-profit leaders regarding the explosion in the number of homeless in Sacramento County. All believed their organization's efforts were successful, but expressed frustration with the lack of coordination with other jurisdictions. The SCGJ fails to understand why these leaders believe their organizations are successful while the homeless population has tripled in the last five years.

Previous SCGJ reports on homelessness have addressed the lack of coordination and the need for a comprehensive strategy. This will be the fourth SCGJ in the past seven years to recommend the County and cities develop a county-wide approach to homelessness. Findings were made, and recommendations were provided:

- The 2015-2016 SCGJ focused on a comprehensive plan not limited to Housing First (HF).
- The 2016-2017 SCGJ affirmed the issue of insufficient affordable housing in the County and recommended additional coordination to address the issue.
- The 2018-2019 SCGJ elaborated further on the extent of the challenge, the increase in the number of homeless, and some of the underlying causes. The Grand Jury identified the entities within the County involved in efforts to reduce homelessness. It was again emphasized there was a lack of an organizational model to coordinate efforts. The sole recommendation from this SCGJ was for the County to identify and implement a different model. A Joint Power Authority was suggested as a feasible approach.

Different Cities Face Vastly Different Challenges

Rancho Cordova has a unique challenge with its proximity to the American River Parkway. The Parkway is managed and policed by Sacramento County; any homeless enforcement or policy change impacts Rancho Cordova. In one example, the County removed a homeless camp only to have it reappear in other parts of Rancho Cordova. There is no governance structure to ensure a cooperative approach.

Elk Grove City leaders describe ongoing efforts to incentivize affordable housing and push developers to expand affordable housing as a part of an overall City plan. Such plan was rejected by the City which recently led the State Attorney General to warn Elk Grove of the need to follow through and expand the plan. Elk Grove is fortunate enough to have sufficient funds and staffing to understand and manage its homeless population, a fact for which city leaders are rightfully proud. Most of the other cities in the County do not have this enviable level of resources.

Sacramento Steps Forward (SSF) and Sacramento Housing and Redevelopment Agency (SHRA).

In 2010-2011, Sacramento County faced extreme economic fallout following the 2008 financial crisis. Tax resources dwindled, housing prices shrank, and homes were abandoned. This created a financial shortfall for the County. In response, the County outsourced the coordination of homeless services to SSF.

SSF is the designated lead agency for the federally-regulated Continuum of Care (COC). SSF uses real-time data, PIT counts, and analytics to develop best practices and recommendations to help enhance programs and services to address homelessness. SSF has the data but no authority to direct or implement solutions. There are no elected officials on the SSF board, so there is no accountability among governmental jurisdictions to propose or implement solutions.

SHRA is a Joint Powers Agency whose members include the City of Sacramento, the City Housing Authority, the County of Sacramento, and the County Housing Authority. None of the other cities are represented on the board. Representatives of each of these agencies sit on the SHRA Board. SHRA has an inventory of thousands of residential units throughout the County. Local leaders and key staff members from the cities of Sacramento, Rancho Cordova and Elk Grove expressed frustration with SHRA's extensive requirements to fund new projects that limit local leadership's access to SHRA's housing inventory. Some interviewees stated SHRA's requirements hindered new housing development and did not support a comprehensive response to homelessness. SHRA's mission is to deliver fully operational projects with complete "wrap-around services" to meet the needs of the potential occupants. These requirements are seen as too restrictive by the civic leaders because it often takes years of planning to develop this level of service.

Measure O

Measure O provides conditional enforcement against camping in city limits, allows citizens to bring an action for damages against the City, and limits the City's annual financial support for that measure to \$5 million.



Measure O only supports the City of Sacramento. Other cities within Sacramento County have concerns and fear the problem may be pushed to less affluent and more diverse neighborhoods due to the enforcement of the new encampment regulations.

None of the requirements in Measure O were to take effect until the City of Sacramento and the County completed and adopted a legally-binding Partnership Agreement on the roles and responsibilities of each.

City and County Partnership Agreement

On December 6, 2022, the County and the City of Sacramento approved the Homeless Services Partnership Agreement. It emphasized jurisdictions would work together to decrease the homeless population. This Partnership Agreement is designed to improve coordination and increase services and programs to meet the unhoused needs and move individuals out of homelessness in the City and the unincorporated of the County.

- The County will place all shelter beds into the upcoming Coordinated Access System; some beds may be prioritized based on population served or geography.
- The County is opening 200 new shelter beds within 12 months and an additional 200 beds within 36 months in the unincorporated County (County Funded).
- The County will operate 200 additional shelter beds in the City jurisdiction, provided the City provides a shovel-ready site (County/City funded).

A Case of Supply and Demand

Real estate prices in Sacramento County, as well as homelessness data provided by SSF, show a severe lack of affordable housing in the County. Many of those interviewed acknowledged this

as a primary driver of initial homelessness. Housing costs in Sacramento County nearly doubled over the past decade. Homelessness has inevitably followed.

Sacramento has more unsheltered people than the entire state of New York. The majority of homeless in New York state live in transitional housing or emergency shelters. In Sacramento, the opposite is true—the majority sleep in tents, cars, and doorways.



A lack of housing can be fatal. Homeless deaths from hypothermia are rising. Eight homeless people died in Sacramento County in the unsheltered community due to hypothermia in 2021.

More

recently, two individuals have died from hypothermia, a 74-year-old man and a 66-year-old woman. Analysis of deaths within the homeless community indicates underlying medical conditions can shorten the life of a homeless individual by up to a one-third when compared to the general population.



Best Practices and Successful Models for Homelessness

The SCGJ studied other California counties that successfully coordinated efforts to address the homeless issue. They have formed JPAs through legislation to develop housing trusts. All of these JPAs use a governing board comprised of elected officials from each jurisdiction. This is a critical model of successful JPAs. These efforts reflect the best practices and solutions to homelessness as demonstrated by reductions in the PIT counts.

Solano County

In July 1999, the Solano County Board of Supervisors established a JPA: the Community Action Partnership of Solano County (CAP Solano). This JPA commissioned the development of a five year regional plan that includes all jurisdictions of Solano County. The plan included a strategic process which defines measurable outcomes as a key element. The plan discusses strengths, weaknesses, funding, impacts, and opportunities for better homeless outcomes.

CAP Solano is a governmental agency coordinating efforts across Solano County to reduce homelessness. The decision to develop a regional strategic plan was made by the jurisdictions that realized a regional approach was necessary in order to respond effectively to homelessness.

Solano County is much like Sacramento County in several respects. It consists of seven incorporated cities within the County. The square miles, geography, and climate are similar. The total population of Solano County is about one-third of that of Sacramento County, but the percentage of homeless per capita is about one-half of that of Sacramento's. CAP Solano has

been updated to ensure each of the seats on the Board will be an elected official from each jurisdiction. This change created a high level of accountability among leaders.

Solano County 2022 PIT count showed 1.3% reduction in unhoused citizens. During this same period the Sacramento County PIT count showed a 66% increase in unhoused citizens.

Riverside County

Riverside County is significantly larger yet similar to Sacramento County. Its larger population and incorporated cities resulted in a 35% increase in homeless in the last four years since 2018. Riverside County presented and authored AB 687 in July 2021.

AB 687 was introduced to develop a JPA, the Riverside County Housing Finance Trust. The Bill authorizes the creation of the Western Riverside County Regional Housing Trust (Trust), a JPA, to fund housing specifically to assist the homeless population and persons and families of extremely low, very low, and low income within the County of Riverside. The Trust helps to create housing opportunities as defined in the Health and Safety Code. The Trust may receive funding from public and private sources and has the ability to authorize and issue bonds. A separate Board of Directors governs the Trust, comprised of elected officials representing the County of Riverside and cities within the County, The Bill passed both the Assembly and Senate Floors in July 2021. The Governor signed it into law in July 2021.

Riverside County 2022 PIT count showed an 8% reduction in unhoused citizens. During this same period, the Sacramento County PIT count showed a 66% increase in unhoused citizens.

San Gabriel Valley Regional Housing Trust

SB 751 authorized the creation of the San Gabriel Valley Regional Housing Trust (SGVRHT) as a JPA among several cities throughout the San Gabriel Valley. According to the SGVRHT, the Trust received \$1 million in matching grant funds from the Local Housing Trust Fund program for construction of 71 affordable housing units in the cities of Claremont and Pomona scheduled for completion in 2022. This Trust is in the very early stages of implementation and it is reasonable to expect it will see improvements in outcomes as the organization matures, similar to the experience of Solano County and Riverside County.

San Gabriel Valley 2022 PIT count showed a 2% increase in unhoused citizens. During this same period the Sacramento County PIT count showed a 66% increase in unhoused citizens.

Orange County

AB 448 authorized the creation of Orange County Housing Finance Trust (OCHFT), which is a JPA among the County of Orange and cities in the County. To date, 23 of the 34 cities in the County are members of the JPA. The JPA duplicated much of the affordable housing goals and language found in the other Southern California JPAs, but without direct tax funding mechanisms. The OCHFT and its members plan to create 2,700 permanent supportive housing and affordable housing units by June 30, 2025. As of January 2022, OCHFT began construction of 1,676 units, with another 961 awaiting sufficient funding. OCHFT funded these units by

leveraging matching grant funds from the state's Local Housing Trust Fund (LHTF) program to issue deferred payment loans to developers.

Orange County 2022 PIT count showed a 28% decrease in unhoused citizens. During this same period the Sacramento County PIT count showed a 66% increase in unhoused citizens.

Burbank, Glendale, and Pasadena

SB 1177 created the Burbank, Glendale, and Pasadena Regional Housing Trust (RHT) to fund the planning and construction of housing for the region's homeless and low-income people and families. The bill establishes a board of directors and governing structure for the RHT. Its governing agreement requires maximum transparency concerning public funds administered by the RHT.

The combined 2022 PIT count for Burbank, Glendale, and Pasadena showed a 10% increase in unhoused citizens. During this same period the Sacramento County PIT count showed a 66% increase in unhoused citizens.

Housing Trusts

The Legislature supported the counties and created the Trusts to fund housing development for homeless and low-income individuals and families. Local governments can follow these best practices by creating JPAs for a housing trust without state approval. Several bills over the last few years have provided examples for these JPAs governed by elected officials. Although these housing trusts are focused on housing, they represent a first step in the process to develop and implement county-wide coordinated homeless services.

FINDINGS

- F1 There is no cooperative, collaborative, and coordinated effort among all eight governments in the County to create comprehensive solutions to this shared problem.
- F2 The problem of homelessness in Sacramento County has drastically worsened over the past five years, as demonstrated by the dramatic increases in Point in Time counts.
- F3 A lack of affordable housing is the primary cause of homelessness and the most difficult one to solve due to the high cost of new development.
- F4 Sacramento Steps Forward does not have any elected leaders on its Board and lacks decision-making authority over the eight governmental jurisdictions in the County, making it powerless to implement needed changes.
- F5 The legally binding agreement mandated by Measure O and the Partnership Agreement is a step in the right direction, but it applies only to the City and County of Sacramento.

RECOMMENDATIONS

- R1 The 2022-2023 Sacramento County Grand Jury recommends that the County and the seven incorporated cities implement a Joint Powers Authority (JPA) to address homelessness by December 1, 2023.
- R2 The newly formed JPA should be governed by elected officials who are directly accountable to citizens of the County.
- R3 The Joint Powers Authority should develop and manage a comprehensive County-wide strategic plan to address homelessness by July 1, 2024.
- R4 The County/City Partnership Agreement should be used as a model for the other six cities as an interim measure pending the creation of a Joint Powers Authority.

REQUIRED RESPONSES

Pursuant to Penal Code sections 933(c) and 933.05, the grand jury requests responses as follows:

From the following governing bodies of a public agency within 90 days:

Sacramento County Board of Supervisors
700 H Street, Suite 2450
Sacramento, CA 95814

Rancho Cordova City Council
2729 Prospect Park Drive
Rancho Cordova, CA 95670

Sacramento City Council
915 I Street
Sacramento, CA 95814

Elk Grove City Council
8401 Laguna Palms Way
Elk Grove, CA 95758

Mail or deliver a hard copy response to:

The Honorable Michael Bowman
Presiding Judge
Sacramento County Superior Court
720 9th St.
Sacramento, CA 95814

Please email a copy of this response to:

Ms. Erendira Tapia-Bouthillier
Sacramento County Grand Jury Coordinator
Email: TapiaE@saccourt.ca.gov

INVITED RESPONSES

Darrell Steinberg, Mayor
City of Sacramento
915 I St., 5th Floor
Sacramento, CA 95814

Linda Budge, Mayor
City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670

Bobbie Singh-Allen, Mayor
City of Elk Grove
8401 Laguna Palms Way
Elk Grove, CA 95758

Mr. Phil Serna, Supervisor
District 1
Sacramento County Board of Supervisors
700 H Street, Suite 2450
Sacramento, CA 95814

Mr. Patrick Kennedy, Supervisor
District 2
Sacramento County Board of Supervisors
700 H Street, Suite 2450
Sacramento, CA 95814

Mr. Rich Desmond, Supervisor
District 3
Sacramento County Board of Supervisors
700 H Street, Suite 2450
Sacramento, CA 95814

Ms. Sue Frost, Supervisor
District 4
Sacramento County Board of Supervisors
700 H Street, Suite 2450
Sacramento, CA 95814

Mr. Pat Hume, Supervisor
District 5
Sacramento County Board of Supervisors
700 H Street, Suite 2450
Sacramento, CA 95814

Ms. Ann Edwards, County Executive
Sacramento County
700 H Street, Room 7650
Sacramento, CA 95814

Mr. Howard Chan, City Manager
City of Sacramento
915 I Street
Sacramento, CA 95814

Mr. Jason Behrmann, City Manager
City of Elk Grove
8401 Laguna Palms Way
Elk Grove, CA 95758

Ms. Porsche Middleton, Mayor
City of Citrus Heights
6237 Fountain Square Dr.
Citrus Heights, CA 95621

Mr. Christopher W. Boyd, City Manager
City of Citrus Heights
6360 Fountain Square Drive
Citrus Heights, CA 95621

Ms. Rosario Rodriquez, Mayor
City of Folsom
50 Natoma St.
Folsom, CA 95630

Ms. Elaine Andersen, City Manager
City of Folsom
50 Natoma St.
Folsom, CA 95630

Mr. Jay Vandenburg, Mayor
City of Galt
380 Civic Drive
Galt, CA 95632

Mr. Lorenzo Hines Jr., City Manager
City of Galt
380 Civic Drive
Galt, CA 95632

Mr. Micah Runner, City Manager
City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova CA 95670

Ms. Pamela Bulahan, Mayor
City of Isleton
101 Second Street
Isleton, CA 95641

Mr. Charles Bergson, City Manager
City of Isleton
101 Second Street
Isleton, CA 95641