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August 10, 2023

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

RE: City of Elk Grove 2022-2023 Grand Jury Response to "Homeless Should Not Mean Hopeless" Investigative Report

Dear Judge Bowman:

On May 22, 2023, the Sacramento County Grand Jury issued an investigative report titled "Homeless Should Not Mean Hopeless: Homeless Solutions Elude Local Leaders." Pursuant to California Penal Code Sections 933(c) and 933.05, the Grand Jury requires a response from the City Council of the City of Elk Grove to the Grand Jury's findings and recommendations, and the Grand Jury invites a response from the Mayor of the City of Elk Grove. The response set forth herein encompasses the joint response of both the Mayor and the City Council of the City of Elk Grove. The Grand Jury also invited a voluntary response from Jason Behrmann, City Manager of the City of Elk Grove. Because the response below sufficiently sets forth the City's position, the City Manager respectfully declines to provide a further response.

GENERAL STATEMENT

The City of Elk Grove has one of the lowest rates of unsheltered homelessness in Sacramento County (2.5 per 10,000 residents), according to the 2022 Point-in-Time Count. Nevertheless, homelessness remains a topic of great importance to the City Council, City staff, and Elk Grove residents.

The City currently funds or operates a range of options designed to prevent, respond to, and end homelessness, including the outreach and navigation services, motel vouchers, transitional housing, connections to permanent housing, and direct financial assistance, including landlord incentives and move-in costs assistance. In 2022, the City's efforts led to 29 homeless households (a minimum of 46 people) moving to permanent housing. To date in 2023, more than 20 homeless households have moved into long-term affordable housing. For FY 2023-24, the City dedicated more than \$2 million of Measure E (local sales tax) funding to addressing homelessness. Planned projects include a winter shelter, expansion of outreach and service connection efforts, mental health access improvements, utility assistance, and case management and life skills training to help formerly homeless households successfully maintain their housing. The City also plans to allocate \$1 million in American Rescue Plan Act funding to homeless prevention efforts in FY 2023-24.

On the housing front, 107 affordable housing units have opened in Elk Grove in 2023 to date. There will be 770 additional affordable housing units under construction by year's end, eight of which will

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be permanent supportive housing for people exiting homelessness. The City has \$11,436,000 in existing loan commitments to two affordable housing projects, one of which contains nine permanent supportive housing units. The City also plans to devote around \$9 million in land and loan funding to develop two City-owned sites that will likely add at least 220 units to the City's affordable housing stock. Several other affordable housing projects are in pre-development phases in Elk Grove.

FINDINGS AND CITY RESPONSES

Finding F1: There is no cooperative, collaborative, and coordinated effort among all eight governments in the County to create comprehensive solutions to this shared problem.

Response: The City partially agrees with this finding.

While it is true that there is no single entity making all decisions related to homeless policy and/or funding for Sacramento County, many of the jurisdictions within Sacramento County are actively collaborating on comprehensive solutions. The City of Elk Grove, along with the Cities of Citrus Heights, Rancho Cordova, Sacramento, and the County of Sacramento are all represented on the Sacramento Continuum of Care Board, which is facilitated by Sacramento Steps Forward. Sacramento Steps Forward also holds a regular Funders Collaborative meeting, which gathers staff from the County and several cities to share new policy and programs, as well as challenges.

Elk Grove has collaborated with both Sacramento County and Sacramento Steps Forward on general policy and strategy, as well as locating and funding of projects and programs. The City welcomes opportunities for continued and increased collaboration and coordination among governmental entities, Sacramento Steps Forward, and the many other nonprofit organizations working to end homelessness.

Finding 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.

Response: The City agrees with this finding.

The Point-in-Time Count has documented consistent increases in the number of people experiencing homelessness in Sacramento County as a whole. However, the biannual Point-in-Time Counts have documented that the rate of unsheltered homelessness in Elk Grove remains low, growing from seven persons in 2019 to 45 persons in 2022. Less than one percent of people experiencing unsheltered homelessness in Sacramento County are located in Elk Grove.

Finding 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.

Response: The City partially agrees with this finding.

While the City is unsure if it is the primary cause of homelessness, there is no doubt that lack of affordable housing is a major barrier to addressing homelessness. The majority of jurisdictions in

California are not constructing enough affordable housing to meet the needs of their lower-income residents. The lack of affordable housing construction is impacted by land prices, high labor and materials costs, and most especially by limited financial resources. The average cost to build new affordable housing in Elk Grove is more than \$530,000 per unit, exceeding the purchase price of some new single-family homes in Elk Grove. Despite the high costs and other challenges, Elk Grove currently has nearly 675 affordable housing units under construction, with another 95 units expected to pull building permits in October 2023.

However, affordable housing is not the only challenge in addressing homelessness. Even when housing availability was greater, such as during the 2010s recession, housing remained out of reach for many people with extremely low or no income, with recent criminal history, with prior evictions, and with serious behavioral health challenges. A comprehensive solution to homelessness accounts for the outsized role that housing availability plays, while also addressing factors such as adequate access to behavioral health and substance abuse treatment resources and the means to compel or incentivize treatment.

Finding 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.

Response: The City partially agrees with this finding.

Sacramento Steps Forward does not have elected leaders on its Board or decision-making authority over the eight governmental jurisdictions in Sacramento County, but to call it powerless to implement changes is inaccurate. Sacramento Steps Forward has received more than \$33 million in state funding in the last five years and annually oversees more than \$30 million in federal funding; as the Continuum of Care administrative entity, it retains authority and oversight over implementation of these funds. The Continuum of Care Board, which votes on usage and provides oversight of these funds, is made up by many community stakeholders, including staff from local governments (as noted above) and many nonprofit organizations, as well as persons with lived expertise in the area of homelessness.

Sacramento Steps Forward has made efforts to increase coordination and collaboration among jurisdictions and direct service providers. Aside from the Continuum of Care Board, which brings together many people working full-time to end homelessness, Sacramento Steps Forward also facilitates the Sacramento Homeless Policy Council, which includes elected officials from Sacramento County and the Cities of Citrus Heights, Elk Grove, Folsom, Rancho Cordova, and Sacramento. Sacramento Steps Forward has also led the effort to improve coordinated access to shelter, services, and housing.

Finding 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.

Response: The City agrees with this finding.

RECOMMENDATIONS AND CITY RESPONSES

Recommendation 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.

Response: The recommendation requires further analysis.

Since it was formed in 2011, Sacramento Steps Forward has served as a regional lead entity on homelessness. Their mission “to end homelessness through leadership, convening partners, data-driven best practices, and improving system performance” broadly encompasses the work done by JPAs in other regions. Sacramento Steps Forward serves as the Continuum of Care facilitator and collaborative applicant for US Department of Housing and Urban Development funding, as the lead agency for the Homeless Management and Information System, the lead strategic planning entity, the lead for efforts to improve coordinated access to shelter and housing, and as a facilitator of partnerships between the many people at all levels working to end homelessness in Sacramento County. As a 501(c)(3) nonprofit organization, Sacramento Steps Forward is eligible to receive funding not typically available to governmental entities (e.g., Bezos Day 1 Family Fund) and remains nimble in implementing programs. Any attempt to shift to a new structural system would need to include a thorough analysis of the impacts on Sacramento Steps Forward and an evaluation of the potential for such shift to slow or otherwise negatively impact ongoing system improvement efforts. As a jurisdiction with one of the lowest per capita homeless rates in the region, the City respectfully believes that major structural changes to the homelessness response system would be best considered by those jurisdictions with a greater number of their residents facing unsheltered homelessness.

Recommendation R2: The newly formed JPA should be governed by elected officials who are directly accountable to citizens of the County.

Response: The recommendation requires further analysis.

See response to Recommendation R1.

Recommendation R3: The Joint Powers Authority should develop and manage a comprehensive County-wide strategic plan to address homelessness by July 1, 2024.

Response: The recommendation requires further analysis.

Sacramento Steps Forward developed the Sacramento Local Homelessness Action Plan (LHAP) in 2022. The LHAP covers the period from July 1, 2022 to June 30, 2025, and was developed in coordination with the City of Sacramento, Sacramento County, the Sacramento Continuum of Care, and the Sacramento Housing and Redevelopment Agency. While the LHAP is understandably focused on the challenges of those jurisdictions with the greatest numbers of people experiencing homelessness, considerable resources went into the development of the LHAP and the City believes that future comprehensive strategic planning efforts should build off the LHAP. The City intends to work with Sacramento Steps Forward staff in 2023 to determine how to incorporate Elk Grove’s goals, funded

programs, and outcomes into the LHAP to allow for a more complete picture of what is happening regionally.

Recommendation 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.

Response: The recommendation will not be implemented as proposed because it is not warranted.

The City has collaborated effectively with Sacramento County on the topic of homelessness. The City appreciates the County's efforts to distribute access to services more equitably, including by opening a CORE Wellness Center in central Elk Grove to offer intensive behavioral health services and supports along with a day center for people experiencing homelessness. With less than one percent of the region's unsheltered homeless population and substantial local financial resources, at this time the City does not see the need for the County to devote substantial staff resources to negotiating a formalized Partnership Agreement.

CONCLUSION

Pursuant to the authority provided by resolution of the Elk Grove City Council adopted on August 9, 2023, the undersigned submits this response on behalf of the Mayor and the City Council of the City of Elk Grove. Thank you for your consideration of this matter.

Sincerely,
CITY OF ELK GROVE



Bobbie Singh-Allen, Mayor

cc: City Council
City Manager
City Attorney
City Clerk
Erendira Tapia-Bouthillier, Sacramento County Grand Jury Coordinator (via email)

