

# TO CAPITOL

SACRAMENTO, CA TO WASHINGTON D.C.

## COMMUNITY RESOURCES TEAM EXECUTIVE SUMMARY

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### A CASE FOR DEVELOPMENT

There is a critical shortage of access to housing stock for the people from the lowest socioeconomic strata. Without housing, these persons are high utilizers of the highest cost services in most social service sectors, and are least able to gain a foothold in the workforce. Moreover, construction projects considered to be higher risk are undergirded by financial mechanisms predicting long-term sustainability, such as vouchers to assure revenue and tax incentives to reinforce investment, and encourage the developer community and related industrial complex.

**Requested Action:** Expand the Housing and Urban Development (HUD) Voucher program and Treasury Department tax incentive programs to support and incentivize development of new housing stock for all socio-economic groups.

### **Summary of Background:**

- Project-based HUD vouchers are insufficient to support the expansion of new housing stock (i.e. predictable revenue contributing to project sustainability and financing).
- A lack of housing stock drives up utilization of services in highest cost sectors.
- Homelessness undermines vocational engagement.
- Tax incentives are insufficient to engage developers (project have too much financial risk and insufficient financial protections).
- The continuing increase in homelessness has and will continue to burden business districts and local governments should the lack of housing persist.

Strategic augmentation of HUD voucher system and Treasury Department tax incentive program will mitigate risk for developer community and reduce undue cost burden associated with poor access to housing.

- Expand project-based vouchers for new developer-driven projects.
  - Expand tax incentives for new developer-driven projects.
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## **A CASE FOR SPECIAL POPULATION TRANSITIONAL HOUSING**

As part of the strategy to end homelessness, communities need to be able to provide effective housing and service options for the segment of the population experiencing homelessness that have diverse challenges or multiple barriers including substance use disorders.

**Requested Action:** Increase funding support for transitional housing for specific priority populations, such as families with children or persons with a history of chronic homelessness that are experiencing substance abuse disorders.

**Summary of Background:** In January of 2016 HUD published a document entitled "Recovery Housing Policy Brief." The document encouraged the local Continuum of Care (CoC)'s to review the following when considering their priority of services:

- Current inventory of housing opportunities;
- Needs within its jurisdiction (geographic area);
- Expressed preferences of people being served;
- Performance of all programs to determine the appropriate mix of housing options and to ensure the effective use of resources;
- How to provide meaningful choices to people experiencing homelessness with substance use disorders (in all stages of recovery).

The policy brief went on to discuss what outcomes should be expected for a program between the time of entry and the time of exit. The examples that were listed are as follows:

- Housing stability-exits to stable permanent housing (primary focus);
- Increased Income-Obtaining and maintaining employment and/or increasing income as a positive outcome;
- Sobriety-An increase in number of days sober in comparable periods before and after treatment is considered a positive outcome.

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## **AFFORDABLE HOUSING AND RURAL HOUSING FUNDING PRIORITIES**

**Requested Action:** Retain the federal housing programs funded through HUD, Treasury, and Department of Agriculture (USDA) Rural Development (RD) that California's Capital Region relies on to provide opportunities for homeownership and supports the construction of affordable housing units.

**Summary of Background:** California home values have increased significantly in the past decade bringing the affordability index for a median income family down to below 50% for the first time in nearly a decade. The median price home is now at pre-financial crisis levels. Therefore, it is essential that the federal government continue to support such programs (HOME; CDBG; HUD Counseling; NMFC; LIHTC and USDA RD).

## **2017 UPDATE ON SACRAMENTO'S STATE OF HOMELESSNESS**

**Requested Action:** As Sacramento learns more about the needs of all people experiencing homelessness in our community, the need for targeted prevention and diversion services has become clear. System change modeling using local data indicates that a portion of our homeless population could be quickly rehoused if a diversion program targeting this group were available. Given the results of this kind of modeling, which communities throughout the nation are conducting, HUD may want to consider amending the CoC Program requirement for "High Performing Community" status for reallocation of funds to prevention and diversion activities.

**Summary of Background:** Based on Sacramento County's 2015 Point-In-Time (PIT) Count, approximately 2,650 individuals experience homelessness on any given night, including 1,711 in emergency shelters and transitional housing and 948 unsheltered/living on the street. The number of individuals that will experience homelessness over the course of a year can be estimated from the PIT based on a formula developed by the Corporation for Supportive Housing (CSH); the annualized count is 5,218 persons. While housing those that are experiencing homelessness is paramount, it is imperative that homeless Continuums of Care look at implementing prevention and diversion programs reducing the annual inflow to homelessness.