



**County of Santa Cruz Board of Supervisors
Agenda Item Submittal**

From: Human Services Department: Housing for Health Division

Subject: Housing for Health Six-Month Update

Meeting Date: February 28, 2023

Recommended Action(s):

- 1) Conduct study session to review updates related to addressing homelessness in the County of Santa Cruz and approve recommended priority goals for the next six-month Housing for a Healthy Santa Cruz implementation cycle (Attachment A);
- 2) Accept and file progress reports on policy goals and program updates related to Housing for a Healthy Santa Cruz Framework Performance Measures (Attachment B), Homelessness Prevention (Attachment C), Temporary Housing Capacity and Funding (Attachment D), Rehousing Wave Update (Attachment E), Project Homekey Update (Attachment F), and Federal and State Funding Update (Attachment G);
- 3) Defer ratification of Project Homekey Project Agreement between the County of Santa Cruz and 2838 Park Ave LP and affiliates to on or before March 28, 2023;
- 4) Approve appointment of Justin Cummings, Santa Cruz County District 3 Supervisor, to serve the remainder of former Supervisor Ryan Coonerty's term on the Santa Cruz County Housing for Health Partnership Policy Board (HUD Continuum of Care Board) through December 31, 2023;
- 5) Authorize the Housing for Health Division to submit federal and state funding applications for grants related to addressing homelessness without prior board approval, and require the Housing for Health Division to report on all grant applications submitted and awarded at least every six months during regular updates to the Board; and
- 6) Direct the Human Services Department to return on or before August 22, 2023 with the next Housing for a Healthy Santa Cruz six-month framework implementation cycle and related program updates.

Executive Summary

The Board of Supervisors (Board) and the Human Services Department (HSD) Housing for Health (H4H) Division established a schedule for Board study sessions on the implementation of the Housing for a Healthy Santa Cruz Framework for addressing homelessness at six-month intervals. As part of these regular updates, the Board and H4H agreed to consolidate separately requested updates on this topic into a single study session.

Background

On March 9, 2021, the Board approved the Housing for a Healthy Santa Cruz strategic framework for addressing homelessness within the County. Prior to the formal adoption of this framework, the Board requested updates on specific programs related to homelessness on separate board dates. This study session is the fourth six-month study session related to the implementation of the framework. The list of attachments in Table 1 identifies core topics covered in the study session materials.

Attachment A	Six-Month Plan Status Update and Proposed January - June 2023 Plan Overview and update on goals established for the July 1, 2022 - December 31, 2022, period as well as proposed goals for the current six-month period of January 1, 2023 - June 30, 2023.
Attachment B	Housing for a Healthy Santa Cruz Framework Performance Measures Information on community performance relative to system performance goals established in the Housing for a Healthy Santa Cruz Framework.
Attachment C	Homelessness Prevention Update Status update on one-time homelessness prevention resources and programs.
Attachment D	Temporary Housing Capacity and Funding Information on the status of shelter and transitional housing capacity and funding in the County.
Attachment E	Rehousing Wave Update An update on rehousing programs created with one-time pandemic related resources, outcomes achieved to date, and the future of the programs.
Attachment F	Project Homekey Update Status update on submitted Project Homekey applications from Santa Cruz County and plans for the next round of Homekey funding.
Attachment G	Federal and State Funding Update An overview of anticipated trends with federal and state funding related to preventing and ending homelessness and the potential local impacts of these trends.

In addition to framework updates, Housing for Health Division staff members are requesting the Board defer ratification of a California Project Homekey Round 2 project agreement between the County and 2838 Park Ave LP and affiliates until on or before March 8, 2023. On January 31, 2023, the Board ratified the executed California Housing and Community Development (CA HCD) Project Homekey Standard Agreement for this project and deferred ratification of the Project Agreement with the County. The Park Haven Plaza project (formerly known as Park Avenue Apartments) involves the modular construction of 35 permanent supportive housing units and one manager's unit, in a

compact, three-story building with tuck-under parking, near Highway 1 and Cabrillo College. When completed, the project will serve youth, families, and veterans with histories of homelessness.

H4H staff are recommending the formal appointment of newly elected Supervisor Justin Cummings, 3rd District, to participate in the Housing for Health Partnership Policy Board (Continuum of Care Board). Supervisor Cummings would take former Supervisor Ryan Coonerty's seat on the Board through the end of the appointment term on December 31, 2023. The Continuum of Care (CoCs) is a Housing and Urban Development (HUD) defined collaborative entity charged with bringing key stakeholders together to address homelessness at the local level. CoC boards have responsibility for making policy, programmatic, and funding recommendations related to addressing homelessness.

Current County guidelines require that departments seek Board approval prior to submitting funding grant proposals. H4H staff recommend that the Board authorize H4H to apply for federal and state funding related to addressing homelessness without prior Board approval given the frequency and unpredictable pace and nature of funding opportunities. H4H staff would be required to report on all grant applications submitted and awarded at least every six months during regular updates to the Board.

Analysis

The Housing for a Healthy Santa Cruz Strategic Framework outlines a range of strategies to reduce point-in-time count unsheltered homelessness by 50% and overall homelessness by 25% over the period between January 2019 and January 2024. To reach the above population-level outcomes, the Framework identifies two core goals:

- Core Goal #1: Improve the effectiveness of all programs in helping people secure housing.
- Core Goal #2: Expand capacity within the homelessness response system.

Each of the goals above have specific targets outlined in the Framework for countywide capacity and performance in the areas of shelter and transitional housing, rapid re-housing, and permanent supportive housing. The Framework calls for jurisdictions within the County to meet or exceed very low-income affordable housing development goals in their Regional Housing Needs Allocations (RHNA). The following four strategic work areas are identified for work plan development every six months: 1) Build a Coalition; 2) Prevent Homelessness; 3) Increase Connections, and 4) Expand Permanent Housing.

Six-Month Plan Update (Attachment A Summary)

Over the past six months, the H4H team made substantive progress on 26 of 40 six-month plan goals and some progress on the remaining 14 goals as outlined in Attachment A. Highlights from the July 1, 2022, to December 31, 2022, period include:

- Working with the Housing Authority of the County of Santa Cruz and community providers to fully utilize our local allocation of Emergency Housing Vouchers (EHVs), helping 295 formerly homeless households secure permanent homes through a rehousing wave collaborative.

- Collaboratively working with the Central California Alliance for Health on their submission of their California Advancing and Innovating Medi-Cal (CalAIM) Housing and Homelessness Incentive Program (HHIP) application.
- Securing funding (\$19,325,000) for three out of four Project Homekey permanent supportive housing project applications with 62 planned new units.
- Securing a mix of one-time state and federal grants to address homelessness including ESG, ESG-CV, HHAP-3 and HHAP-4, PLHA, and HHIP.
- Releasing data from the 2022 Point in Time Count of persons experiencing homelessness.
- Developing plans to launch a new coordinated entry approach, replacing the Smart Path to Housing and Health prior system.

In addition to working on these goals, H4H staff continued work in other Board priority areas. Two Homekey projects awarded funding are in unincorporated areas of the County demonstrating the County's policy commitment to create more housing units for people experiencing homelessness in these geographic areas. The County is also exploring a Homekey Round 3 project application in unincorporated Watsonville and a Behavioral Health Bridge Housing Program in an unincorporated area of the County.

The 2022 PIT Count data showed significant reductions in family and youth homelessness compared to 2019. The PIT estimated only five unsheltered families with children on the night of the count, demonstrating movement toward the established County policy goal of no unsheltered families.

As six-month plan activities continue, H4H staff and partners monitor the impact of this work on the Point-in-Time (PIT) count of persons experiencing homelessness and Framework Performance measures over time.

2022 Point in Time (PIT) Count of Persons Experiencing Homelessness Data and Framework Performance Measures (Attachment B Summary)

Measurement of progress on the Framework overall outcome goals requires the regular implementation of point-in-time counts of households experiencing homelessness. H4H staff in partnership with contractor Applied Survey Research (ASR) and community volunteers completed a point-in-time count of households experiencing homelessness on February 28, 2022. The final full 2022 report has been released and posted on the Housing for Health Partnership website: [Data and Reports \(housingforhealthpartnership.org\)](https://www.housingforhealthpartnership.org/LearningCenter/DataandReports.aspx).
<<https://www.housingforhealthpartnership.org/LearningCenter/DataandReports.aspx>>.
The 2023 PIT count is planned for February 23, 2023.

The 2022 PIT data shows an overall increase in homelessness of 6% between 2019 and 2022 (from 2,167 people in 2019 to 2,229 people in 2022). The unsheltered population increased by 4% (from 1,700 in 2019 to 1,774 in 2022). This trendline is the opposite of the Framework's overall goals. However, when broken out by subpopulation there is evidence of positive trends.

There was a 59% overall decrease in homelessness among families with children under 18 and a 94% decrease in unsheltered homelessness among families. The count

estimated only five families were unsheltered on the night of the count. No unsheltered children under age 18 were identified in the count which is a 51 person decrease from 2019. Homelessness among youth aged 18 to 24 years old declined by 61% overall and among the unsheltered. Framework goals were exceeded for these subpopulations.

These trends were counterbalanced by significant increases in homelessness among seniors, veterans, and people with disabilities that have had multiple or long episodes of homelessness - “chronically homeless.” The 2022 PIT count data, indicates the number of “chronically homeless” people increased by 129% from 403 in 2019 to 921 in 2022. The 2022 data shows significant increases in the number of people with self-reported behavioral health and health problems experiencing homelessness. An increasing percentage of individuals also reported a history of justice system involvement. The percentage of African Americans and Hispanics/Latinos experiencing homelessness also increased between 2019 and 2022. The population specific increases outlined above in Santa Cruz County mirror several statewide trends.

Households with long histories of homelessness and disabilities are most effectively served by integrated, field-based, highly resourced health and human services coupled with permanently affordable housing, that is, supportive housing. Increased resources and coordination will be required to meet the needs of this subpopulation of people experiencing homelessness in the County.

An analysis of HMIS and system capacity data over the last six months shows the following trends:

- Capacity targets for permanent supportive housing subsidies have been met but limited services resources slow full utilization of available subsidies.
- Temporary housing and rapid rehousing capacity both increased over the past six months but remain below targeted capacity goals.
- Increased lengths of stay in shelters and rapid rehousing programs with improvements in shelter housing outcomes coupled with declines in transitional housing and rapid rehousing housing outcomes.
- Gaps in rental stock and affordable rental stock are likely a significant contributing factor to increased lengths of stay and limited progress on rehousing rates.

Homelessness Prevention (Attachment C Summary)

Long-term housing subsidies remain the most effective homelessness prevention intervention available for extremely low-income households. Local Santa Cruz County homelessness prevention investments helped households throughout the County access California Housing Is Key (HIK) Emergency Rental Assistance relief funds. Between February 2022 and January 2023, an additional 1,096 households secured HIK funding of over \$13.6M. The average emergency rental assistance received by Santa Cruz County households was \$11,594.

Calls to the United Way/2-1-1 for housing assistance have continued to rise each year over the past three years. Unlawful detainer cases and eviction judgments have also increased slightly during this same period. Local community-based organizations have reached out to nearly 1,400 individuals with unstable living situations this fiscal year with

just over 80% of those contacted able to maintain their housing and 90% able to avoid formal eviction judgments. Overall data trends indicate high levels of housing stress and instability for many households in the County. These trends often correlate with increasing levels of homelessness.

Temporary Housing Capacity and Funding (Attachment D Summary)

Temporary housing capacity within the County increased to 461 beds over the past six months due to one-time investments from the City of Santa Cruz that increased capacity at the National Guard Armory. The County remains short of its stated goal of 600 dedicated, housing-outcome focused, temporary housing beds. Nearly 40% of existing capacity in the County relies on private fundraising or direct state and federal grants to support their operations. As these resources decline, some existing programs are in jeopardy of closing or reducing capacity.

An estimated \$21.9 million per year of resources are needed to support 600 high quality temporary housing beds countywide. In the current fiscal year, over \$6.9 million of local jurisdictional resources are supporting current capacity with \$4.3 million of these dollars coming from one-time state grants. Local jurisdictions currently contribute just over \$1.5 million per year to temporary housing operations through local Continuum of Care (CoC) contributions. Most HUD programs to address homelessness require 25% matching funds to secure federal funding. Funding 25% of the costs of operating 600 high quality temporary housing beds in the County would require just under \$5.5 million per year. This represents a \$4 million per year increased investment from current levels. An increased investment of this scale could help leverage additional funding, expand capacity, stabilize existing programs, prevent closures, and improve housing outcomes.

County staff continue pursuing efforts to expand temporary housing capacity in the County through securing grants and leveraging Medi-Cal health care resources in partnership with the Central California Alliance for Health. Monterey County, with support from Santa Cruz County, the City of Watsonville, and the Pajaro River Flood Management Agency, are applying for California Encampment Resolution Funding to establish a new low-barrier shelter and rehousing program in Watsonville for individuals living in encampments along the Pajaro River. H4H and the Behavioral Health Department are collaborating on an effort to utilize state grants to open a behavioral health bridge housing program for individuals with serious mental health issues experiencing homelessness. The City of Santa Cruz, H4H, and Housing Matters are collaborating on efforts to strategically expand low-barrier shelter capacity on Housing Matters' current Coral St. campus.

Rehousing Wave Update (Attachment E Summary)

Using one-time federal, state, and local funding and a partnership with the Housing Authority of the County of Santa Cruz, the H4H division supported the creation of a Rehousing Wave effort to help guests staying in COVID-19 shelters and other households experiencing homelessness to secure permanent homes. Through this collaborative effort over 295 formerly homeless households have moved into permanent housing using Emergency Housing Vouchers (EHVs) from the Housing Authority. This voucher utilization rate is one of the highest in the country in one of the most expensive

rental markets in the nation. The combination of strength-based care management services, housing search assistance, support and incentives for property owners, flexible funding to help with housing search and move-in costs, a strong collaborative infrastructure, and flexible housing voucher rules, collectively have contributed to these results.

Project Homekey Update (Attachment F Summary)

The County with supportive housing development partners secured \$19,325,000 in California Project Homekey Round 2 funding to support the creation of 62 new supportive housing units at three separate projects. Two of the projects receiving funds are in unincorporated areas of the County. All three projects are expected to achieve near full occupancy by early 2024. Housing for Health Division staff propose the release of a local Request for Proposals (RFP) to identify potential development partners for Project Homekey Round 3 funding.

Federal and State Funding Update (Attachment G Summary)

Full implementation of the Housing for Healthy Santa Cruz Framework would require nearly \$78 million per year of funding to reach defined capacity goals. Currently available funding is estimated at \$36.4 million per year with \$11 million of that funding come from one-time grants. The current federal and state funding landscape in California involves multiple government agencies providing funding for different subpopulations, with varying and unpredictable funding levels, different reporting expectations and service descriptions, varying contract periods, and an expectation that local Continuum of Care (CoC) entities and governments sort through the various resource pots and develop sound strategic investments and local plans of action. The funding complexity and inconsistency puts additional administrative burdens on local coordinating bodies and creates organizational instability for entities providing housing and services to target populations.

A recent report from the Corporation for Supportive Housing highlights that a stable, streamlined investment of \$8.1 billion per year in statewide funding, 2.7% of the State budget, could help solve homelessness in California. An investment of this size would likely result in an estimated \$64.8 million per year coming to Santa Cruz County to address homelessness. Funding on this scale would help Santa Cruz County reach and potentially exceed its Framework capacity targets.

Other Recommended Actions

Ratification of the Project Homekey Park Haven Plaza project agreement will help ensure completion of critical next steps in the development of the Park Haven Plaza supportive housing project. The Project Agreement is required to disburse awarded state funding to the project development team.

The proposed appointment of Supervisor Justin Cummings to replace former Supervisor Ryan Coonerty on the Housing for Health Partnership Policy (CoC) Board is consistent with prior Board of Supervisor practice related to Board and Commission appointments. The term of this appointment will end on December 31, 2023. Prior to this date, the

Board of Supervisors will have an opportunity to re-evaluate their four current appointments to the CoC. The four current appointments include Supervisor Manu Koenig, 1st District; Supervisor Ryan Coonerty, 3rd District; Heather Rogers, Public Defender; and Tiffany Cantrell-Warren, Behavioral Health Director.

Authorizing H4H staff to apply for federal and state funding opportunities without prior approval will ensure that the County does not miss funding opportunities that may arise between Board sessions. Applications that require formal Board approval prior to submission will continue to be brought to the Board for review. H4H staff will update the Board at least every six months on funding applications submitted and awarded.

Financial Impact

There is no financial impact associated with this study session and associated materials. Additional progress on Housing for a Healthy Santa Cruz overall goals will require additional resource and financial investments from multiple sources.

Strategic Plan Element(s)

2.D (Attainable Housing: Homelessness)

Submitted by:

Randy Morris, Human Services Director

Recommended by:

Carlos J. Palacios, County Administrative Officer

Attachments:

- a Attachment A - Six Month Plan Status Update and Proposed January - June 2023 Plan -Feb 28 2023 Board Meeting
- b Attachment B - Housing for a Healthy Santa Cruz Framework Performance Measures - February 28 2023 Board Meeting
- c Attachment C - Homelessness Prevention Update
- d Attachment D - Temporary Housing Capacity and Funding - February 28 2023 Board Meeting
- e Attachment E - Rehousing Wave Update - February 28 2023 Board Meeting
- f Attachment F - Project Homekey Update - February 28 2023
- g Attachment G - Federal and State Funding Update Feb 28 2023 Board Meeting

**Attachment A:
Six-Month Plan Status Update and Proposed January – June 2023 Plan**

Between July and December 2022, the Housing for Health (H4H) Division of the Human Services Department (HDS) in partnership with other key stakeholders implemented the fourth six-month plan associated with the Board adopted Housing for a Healthy Santa Cruz Framework (Framework) to address homelessness. Forty goals articulated for this period were accomplished (26) or partially accomplished (14). Multiple goals require continued effort in the next six-month plan period.

Six Month Plan (July – December 2022) Implementation Update

Table 1 – Six-Month Goal Summary provides high-level information on the status of 40 goals across four strategic work areas.

Table 1: Six-Month Goal Summary (January – June 2022)		
Build a Coalition		
Goal	Status	Next Steps
1. Modify an existing contract with Applied Survey Research (ASR) to increase consumer/lived experiencing involvement in improving the Housing for Health Partnership effort.	<ul style="list-style-type: none"> Drafted new scope of work for ASR to conduct regular evaluations of the Housing for Health Partnership coordinated entry system. Developed plans for lived experience working groups including one with a youth focus. 	Finalize ASR scope and contract and begin evaluation process next fiscal year. Start lived experience working groups by next fiscal year.
2. Begin preparation for the 2023 PIT count of persons experiencing homelessness.	<ul style="list-style-type: none"> 2023 PIT count planned for end of January but delayed due to storms until Feb. 23. 	Implement count, submit results to HUD, and publish 2023 PIT count report preliminary results.
3. Partner with United Way of Santa Cruz County/2-1-1 and local organizations to update and improve community information and referral resources related to preventing and ending homelessness.	<ul style="list-style-type: none"> Initiated planning conversations and information sharing with 2-1-1 staff and began developing plans for deeper collaboration. 	Execute partnership contract with United Way to enhance 2-1-1 involvement with coordinated entry and housing/homelessness resource networking.

Goal	Status	Next Steps
4. Support Housing Matters and their CORE contract funded “Community Conversations on Homelessness” program to provide individuals with lived experience of homelessness opportunities to speak and share their stories in public forums and through other means.	<ul style="list-style-type: none"> H4H staff worked with Housing Matters to explore ways to support their efforts and link them with planned lived experience advisory work groups. 	Continue work with Housing Matters including co-sponsoring outreach/education events and linking their efforts with advisory work groups.
5. Gather feedback from city managers on a draft document outlining principles related to city and county roles and responsibilities in addressing homelessness at the local level of government.	<ul style="list-style-type: none"> Shared draft document with key city partners as well as state officials. No local entity expressed interest in formally adopting a framework on roles/responsibilities. 	On hold until renewed interest in finalizing or adopting such a document.
6. Apply for funding related to housing and homelessness over the next six months, including but not limited to, California Emergency Solutions Grant (ESG), California Project Homekey Round 3, HUD unsheltered homelessness grant, and HUD CoC annual funding competition.	<ul style="list-style-type: none"> Secured ESG and additional ESG-CV funding, HHAP-3 and HHAP-4 funding, PLHA funding in partnership with the Community Development and Infrastructure Department (CDI), HHIP funding in partnership with the Central California Alliance for Health, began planning for Homekey Round 3 applications, submitted new project grants as part of HUD CoC annual competition. 	Continue efforts to apply for available funding. Release Homekey Round 3 local RFP to prepare for next round applications. Support execution of contracts for any new HUD funding awards received.

Goal	Status	Next Steps
7. Bring proposed vendor pool policies and procedures and initial pool of vendors to Board of Supervisors for action in fall of 2022.	<ul style="list-style-type: none"> Proposal to be presented to the Board for consideration at the March 28, 2023, meeting. 	Pending Board approval, begin utilization of the vendor pool for over \$500K worth of contracts in FY 22-23.
8. Finalize and publicly share 2022 PIT count report. Develop specific action steps to address trends identified in the data	<ul style="list-style-type: none"> Full PIT report published and available at: Data and Reports (housingforhealthpartnership.org). Specific follow-up on data trends includes – securing more funding for supportive housing for people with serious behavioral health issues, coordinating efforts with veteran service providers, requesting adjustments to policies that preclude people with criminal backgrounds from entering housing. 	Conduct 2023 count in February 2023 and continue using data to inform work of Division and partners.
9. Finalize and begin implementation of new coordinated entry policies and procedures.	<ul style="list-style-type: none"> Housing for Health Partnership Policy Board approved initial coordinated entry redesign plans in December 2022. Final adoption of new policies and procedures is pending. Testing of elements of new approach began in first quarter of 2023. 	Housing for Health Partnership Policy Board to adopt new coordinated entry policies and procedures. Full implementation proposed for April 2023.
10. Develop final DRAFT emergency shelter standards for Housing for Health Partnership Policy Board consideration review and approval.	<ul style="list-style-type: none"> DRAFT standards presented to the Housing for Health Partnership Policy Board and the Board requested some updates and modifications prior to final approval. 	Complete updates and modifications to DRAFT and bring back to the Board for final approval.
11. Support the Central California Alliance for Health in efforts to expand housing-related community support services.	<ul style="list-style-type: none"> Worked with the Alliance on data sharing and their submission of their Housing and Homelessness Incentive Program (HHIP) local homelessness action plan. 	Execute data sharing agreements and HHIP investment plan. Deepen partnership work with Alliance and their housing community support contract entities.

Goal	Status	Next Steps
12. Finalize and obtain CoC approval of new Homeless Management Information System (HMIS) policies and procedures.	<ul style="list-style-type: none"> CoC approved new policies, procedures, and forms. 	Implementation of new policies, procedures, and forms internally and with HMIS partner organizations.
13. Continue data integration and sharing collaborative efforts with the Santa Cruz Health Information Organization (SCHIO), Health Services Agency, other Human Services Department Divisions, Central California Alliance for Health, and community partner agencies. Support Alliance to meet HHIP deliverables for receipt of funding. Plan HHIP funding investments collaboratively with the Alliance.	<ul style="list-style-type: none"> Supported data sharing efforts with key partners. HSD submitted grant proposal to the state for funding to support cross-departmental data sharing infrastructure within the County. Provided data for HHIP proposal to the state. 	Continue efforts to build out collaborative structures, relationships, policies, and procedures consistent with the California Data Sharing Framework for Medi-Cal beneficiaries. HSD to launch data sharing governance workgroup with Health Services Agency.
14. Provide support to the Central California Alliance for Health in implementing their HHIP plan and strategically investing funds received through this program.	<ul style="list-style-type: none"> Completed as noted above. 	Working to execute contract with the Alliance to begin implementation of elements of HHIP plan.
15. Complete hiring and training of nine new H4H staff.	<ul style="list-style-type: none"> Filled some positions but lost a staff member in our Housing for Health navigation team. 	Complete hiring and onboarding process for vacant positions.

Goal	Status	Next Steps
16. Work to support community providers with staff recruitment, hiring, and training.	<ul style="list-style-type: none"> Helped nonprofits with advertising positions, referred potential candidates to openings. 	Workforce recruitment, retention, training, and development work is an ongoing need.
17. Expand training and support related to the implementation of strength-based care management among community providers.	<ul style="list-style-type: none"> Continued coaching, fidelity reviews with current provider cohort and expanded training to other providers. 	Continue training and implementation practice with cohort of providers. Incorporate strength-based meeting structure into Housing for Health provider coordination meetings.
18. Increase the number of members signed up to participate in the Housing for Health Partnership effort.	<ul style="list-style-type: none"> Continued to outreach and encouraged individual membership in the Housing for Health Partnership. Numbers increase each month. 	Focus on developing formal organizational member partnerships during the next six-month period.
19. Work with CDI Department and city partners on exploration of development of an urban county HUD entitlement jurisdiction to increase direct local HUD resource allocations.	<ul style="list-style-type: none"> Initiated conversations with city leaders on this topic. Parties interested in exploring the tradeoffs of pursuing this approach. 	Consider hiring an external consultant to provide expert advice on the tradeoffs of this approach and advise on next steps if stakeholders agree to proceed.

Prevent Homelessness		
Goal	Status	Next Steps
1. Work with eviction and homelessness prevention contracted providers to support households that received one-time financial assistance to retain housing and avoid evictions.	<ul style="list-style-type: none"> Further updates on this in Attachment C. Prevention contracts executed, and households were supported to access state funding. 	Continue efforts through the end of this fiscal year until funding runs out.
2. Complete hiring and contracting necessary to launch an expanded Home Safe program to help APS clients retain or obtain housing.	<ul style="list-style-type: none"> Hiring process for social worker started and near completion. Contract executed with CBO agency. 	Launch new Home Safe program collaboration between HSD adult and long-term care division and H4H.
3. Provide H4H staffing support to CORE funded South County Housing Collaborative. Augment planned efforts if Family Homelessness Challenge Grant funding is received. Improve utilization of HMIS for tracking and reporting on outcomes associated with efforts.	<ul style="list-style-type: none"> County did not receive family homelessness challenge grant award. South County Housing Collaborative CORE contract executed. 	H4H staff to find ways to support efforts of the south county housing collaborative.
4. Develop a fundraising strategy for expanding a centralized, countywide, flexible, short-term housing financial assistance pool to prevent and end homelessness.	<ul style="list-style-type: none"> Centralized funding pool created through contract with Community Action Board. Santa Cruz Community Foundation contributed separate funding to support this work. 	Finalize policies, procedures and community outreach related to flexible fund access and use. Continue work with Foundation to find ways to support centralized fund.

Increase Connections		
Goal	Status	Next Steps
1. Link Healing the Streets with Encampment Response Grant program and mobilize collaborative resources to support unhoused individuals living in the City of Santa Cruz San Lorenzo Park "Benchlands" encampment.	<ul style="list-style-type: none"> Effort with City of Santa Cruz completed and ongoing with individuals now residing at the Armory and 1220 River St. safe sleeping sites. 	Continue encampment resolution funding housing pathways scholarship program with individuals previously residing at the Benchlands.
2. Expand street outreach services in unincorporated areas of the County.	<ul style="list-style-type: none"> One-time funding secured from CA HCD and the Alliance to launch program. 	Select new provider, execute contract, and begin program in next six-month period.
3. Expand effective use of the HMIS outreach module to help create more connections and communication among providers in support of their work with clients.	<ul style="list-style-type: none"> Launched implementation of outreach module in HMIS. City of Santa Cruz staff used extensively as part of Benchlands efforts. Other providers did not use consistently. 	Incorporate use and testing of the module with new street outreach team that will begin work in the next six-month period. Consider if and how to incorporate Sheriff community policing unit into process.
4. Develop a coordinated entry implementation workgroup of "connectors" that includes ongoing training, support, and networking among direct services staff related to housing problem solving and access to flexible funding resources.	<ul style="list-style-type: none"> Launched initial "connectors" group with trial run training for new coordinated entry redesign. Ongoing group to begin meeting in February. 	Formalize regular meeting schedule and location of "connector" learning collaborative and expand the number of participants.
5. Expand and improve Social Security benefits advocacy resources for people experiencing homelessness with disabilities unable to apply for benefits without additional support.	<ul style="list-style-type: none"> Secured funding for social security advocacy database and legal assistance contracts. Need to finalize contracts for these services. 	Finalize contracts and begin implementation of efforts.

Goal	Status	Next Steps
6. Work with the Central California Alliance for Health to create a new health-focused recuperative care and temporary housing program.	<ul style="list-style-type: none"> The Alliance finalized a contract with Housing Matters for these services and the program started. Discussions taking place to expand capacity at the existing location and other potential locations. 	Pursue potential opportunities for expansion of health-focused sheltering capacity throughout the County.
7. Participate in design charette process with Housing Matters and City of Santa Cruz to develop plans for improvement to Coral Street campus in Santa Cruz with intention to expand temporary housing capacity on site.	<ul style="list-style-type: none"> Actively participated in design charette process related to the Coral Street campus. 	Continue involvement in planning for current and future use of the Coral Street campus. Work with City of Santa Cruz staff to support creation of formal recommendations to present to the City Council.
8. Work with Salvation Army in Watsonville to explore potential improvements to their shelter location.	<ul style="list-style-type: none"> Provided some additional resources to Salvation Army to make minor improvements. Began exploring alternative funding and locations for shelter in Watsonville. 	Working with the City of Watsonville to explore alternative sites and funding opportunities for an alternative low-barrier shelter site in the City. Partnering with the County of Monterey on a proposal for Encampment Resolution Funding to support a new program.
9. Develop a Homekey Round 3 funding application to create a transitional housing program for youth experiencing homelessness in unincorporated Watsonville.	<ul style="list-style-type: none"> Worked with development team to prepare for Homekey Round 3 application on existing county-restricted property. Secured and budgeted HHAP-3 and HHAP-4 funding to support project. CA HCD has not yet released Homekey Round 3 NOFO. 	Apply for Homekey Round 3 funding for project pending local Homekey RFP process.

Expand Permanent Housing		
Goal	Status	Next Steps
1. Increase and improve strategic outreach and incentives for property owners and managers to participate in housing subsidy programs.	<ul style="list-style-type: none"> Executed contract with the Housing Authority to standardize incentives across all special voucher programs. Helped 295 formerly homeless households utilize EHVs in community. 	Continue to market and document impact of property agent incentives and support with housing authority voucher programs. Work with Housing Authority on an appreciation event for participating property agents/owners.
2. Partner with Housing Santa Cruz County to expand outreach and education efforts related to the community benefits of increased affordable housing.	<ul style="list-style-type: none"> Partnered with Housing Santa Cruz County on communications and public outreach planning. 	Continue partnership work including involvement of Housing Santa Cruz County in key county position recruitments, tracking, and supporting affordable housing projects, expanding outreach and education efforts.
3. Develop plans for strategic release of one-time supportive and affordable housing development funding in partnership with Community Development and Infrastructure (CDI) Department and Behavioral Health.	<ul style="list-style-type: none"> DRAFT RFP for releasing secured funding to be presented to the Board for approval. Behavioral Health funding being set aside for a proposed behavioral health bridge housing project. 	Obtain approval for release of RFP, select vendor, and execute contracts with funding. Develop project and financing plan for behavioral health bridge housing project.
4. Continue coordination meetings with city and county staff to support jurisdictional efforts to meet their Regional Housing Needs Allocation (RHNA) goals for very low-income housing expansion.	<ul style="list-style-type: none"> Participated in ongoing conversations regarding RHNA and affordable housing goals. Worked with Housing Santa Cruz County to promote more affordable housing. Encouraged jurisdictional efforts to secure prohousing designation. 	Continue tracking and reporting on RHNA goals. Continue efforts with partners to further expand affordable housing development for extremely low-income households and below.

5. Provide support to housing projects that receive Round 2 Project Homekey funding to meet program and funding expectations and create new supportive housing units within the next 12 months.	<ul style="list-style-type: none"> • See separate Homekey update (Attachment F) for more details. Three out of four projects received funding awards. 	Continue to support projects with meeting Homekey requirements and getting ready for occupancy of new projects. First Homekey project likely to accept tenants in the next six months.
6. Prepare at least one Project Homekey Round 3 permanent supportive housing application for submission in the fall of 2022.	<ul style="list-style-type: none"> • See note above. Release of NOFO delayed. County to release RFP to identify local development partners for Round 3. At least two applications likely. 	Continue to prepare for next funding round and support project application submission as early as possible for Homekey Round 3.
7. Transfer existing HUD Youth Homelessness Demonstration Program (YHDP) grants to Covenant House to increase youth rapid rehousing capacity and resources.	<ul style="list-style-type: none"> • HUD grant transfer process almost fully completed. Client transition conversations between programs occurred. 	Covenant House to start some service operations in the County in the next reporting period.
8. Draft and plan for release of a Request for Proposals (RFP) for available supportive housing funding from the Health Services Agency and Human Services Department.	<ul style="list-style-type: none"> • RFP drafted, pending Board review before release. Only includes Human Services funding. Health Services funding being held for potential behavioral health bridge housing project. 	Release RFP and link with Homekey Round 3 application opportunity in the next reporting period.

Six Month Plan (January to June 2023)

Table 2 - H4H Division staff have identified the following key elements for inclusion in the next six-month implementation plan

Table 2 – Six-Month Plan Goals (July – December 2022)
Build a Coalition
<i>Goals</i>
1. Finalize coordinated entry evaluation scope of work and execute contract for evaluation work to begin in FY 23-24.
2. Finalize lived experience advisory work group support contracts to launch a youth advisory group and general advisory group to begin FY 23-24
3. Implement 2023 Point in Time (PIT) count and submit preliminary results to HUD along with required Housing Inventory Chart (HIC) information.
4. Execute partnership contract with United Way/2-1-1 related to coordinated entry and housing/homelessness resource networking.
5. Support at least one event with Housing Matters building on their “Community Conversations on Homelessness” CORE grant.
6. When available apply for HUD HOME ARP funding from California Housing and Community Development; work with County Behavioral Health to apply for Behavioral Health Bridge Housing funding; partner with Monterey County and the City of Watsonville to apply for Encampment Resolution Funds; submit at least two Homekey Round 3 funding applications.
7. Execute Housing for Health vendor pool contracts totaling an estimated \$500K in FY 22-23.
8. Seek CoC adoption of Housing for Health Partnership coordinated entry policies and procedures; pending approval, launch implementation of new coordinated entry approach.
9. Revise DRAFT CoC emergency shelter standards document for Policy Board review and approval.
10. Execute data sharing and HHIP partnership agreements with the Central California Alliance for Health and begin implementation of activities outlined in agreements.
11. Conduct Housing for Health Partnership organizational outreach to establish new HMIS and coordinated entry organizational partnership agreements and to identify formal CoC organizational partners to be identified on the CoC public website.
12. Participate in a county, cross-department data sharing governance workgroup to prepare for California Data Sharing Framework implementation at the county level.
13. Complete hiring process for vacant Housing for Health Division positions.
14. Meet with Health Improvement Partnership and Workforce Development Board leadership to discuss ways to enhance employee recruitment and retention efforts.
15. Expand strength-based care management practices with at least two additional teams and increase practice fidelity over time.
16. Explore viability and tradeoffs of a HUD urban county consolidation effort with local jurisdictional leadership.

Prevent Homelessness
<i>Goals</i>
1. Continue homelessness prevention work with contractors through end of fiscal year and document outcomes associated with effort.
2. Launch new Home Safe collaborative effort to support APS clients with housing issues.
3. Provide H4H support to CORE funded South County Housing Collaborative.
4. Formally launch centralized one-time housing financial assistance effort.
Increase Connections
<i>Goals</i>
1. Continue Encampment Resolution Housing Pathways program and document impacts.
2. Establish contract for new unincorporated county street outreach program that utilizes HMIS street outreach module and partners with the Sheriff's community policing unit.
3. Launch Housing for Health Connector learning collaborative with goal of at least 15 regular participants.
4. Launch use of SSI advocacy database.
5. Launch SSI advocacy legal assistance contracted program.
6. Develop plans for expanding recuperative care and short-term post hospitalization housing capacity in the County in partnership with the Alliance.
7. Support City of Santa Cruz with finalizing recommendations for Coral Street campus neighborhood development recommendations.
8. Support development of a new, low-barrier shelter program in Watsonville and support Encampment Resolution Grant funding proposal to support launch of new program.
9. Support submission of a Homekey Round 3 application for a transitional housing program for youth experiencing homelessness.
Expand Permanent Housing
<i>Goals</i>
1. Conduct a property agent appreciation event in collaboration with the Housing Authority.
2. Release local RFP to select Homekey application partners and commit local HHAP funding to applicant projects.
3. Continue tracking and reporting on RHNA goals and prohousing designation status of local jurisdictions.
4. Continue to support three Project Homekey sites with meeting development milestones and opening sites for tenants as soon as possible.
5. Assist Covenant House with launching a youth rapid rehousing program in the County.
6. Prepare and submit Homekey Round 3 funding applications.
7. Work with community-based service providers to help clients experiencing homelessness increase their overall incomes to increase housing affordability and track progress within HMIS.

Attachment B: Housing for a Healthy Santa Cruz Framework Performance Measures

The Housing for a Healthy Santa Cruz Strategic Framework outlines a range of strategies to reduce point-in-time count unsheltered homelessness by 50% and overall homelessness by 25% over the period between January 2019 and January 2024.

The 2022 point-in-time, single night, estimated count of persons experiencing homelessness in the County showed a mixed picture of progress with some subpopulations and a worsening picture for others. Compared with 2019 data, the 2022 count showed a 59% decrease in overall homelessness among families with children under 18 and a 94% decrease in unsheltered homelessness among families. Compared with 2019, there was an overall 61% reduction in youth homelessness and a similar percentage reduction in unsheltered youth experiencing homelessness.

Homelessness among adult only households increased 26% overall and 21% among unsheltered adults. Homelessness among people with disabilities and long or repeated histories of homelessness increased by 129% between 2019 and 2022 from an estimated 403 to 921 people. Increased homelessness among seniors, people with disabilities, people with serious mental health and substance use problems, and veterans contributed to the overall rise in homelessness among adult only households in the County. Racial and ethnic data from the Count showed increased rates of homelessness among Black/African Americans and Hispanic/Latinx populations.

Overall, the estimated number of people experiencing homelessness in the County increased by 6% between 2019 and 2022 (from 2,167 in 2019 to 2,229 in 2022) and the unsheltered population increased by 4% (from 1,700 in 2019 to 1,774 in 2022). Many of the trends in Santa Cruz County mirrored statewide demographic shifts related to homelessness.

Between 2020 and 2022, overall homelessness increased statewide by 6.2%. Statewide, chronic homelessness increased 77.4%, the percent that self-reported substance use problems increased 60.6%, and the percentage reporting a serious mental illness increased 23.5%. Several point-in-time counts around the state, that report on recent criminal justice involvement, also showed increases between 2020 and 2022. The consistency of statewide trends may indicate areas worthy of consideration for changes in state policy and investments. Within Santa Cruz County, the increases in chronic homelessness, self-reported behavioral health conditions, and self-reported criminal justice involvements are higher than the statewide averages.

Framework Performance Measures

The Framework establishes specific system capacity targets and performance targets for specific types of housing and service interventions. However, the Framework does not breakout these goals by subpopulations. Achieving significant reductions in homelessness will require sustaining progress with youth and families and targeting

additional capacity investments toward populations with negative trendlines, e.g., veterans, seniors, those with behavioral health conditions, those with disabilities and long or repeated histories of homelessness, and specific racial and ethnic groups.

Table 1 shows the Framework capacity targets and status for temporary housing beds (shelter and transitional housing), rapid rehousing, permanent supportive housing, and very low-income affordable housing.

Shelter provides temporary housing for people experiencing homelessness typically for no longer than six months. Transitional housing provides temporary housing, typically in more private settings, for a period of six to twenty-four months with an expectation that participants will pay a regular participation fee. Rapid rehousing is a programmatic intervention that provides time-limited rental assistance coupled with supportive services to help people move-in to permanent housing quickly and to increase their income over time to maintain that housing. Permanent supportive housing combines long-term housing subsidies or dedicated affordable housing units with supportive services for as long as needed by participants.

The table indicates current capacity if all available slots are being utilized. Less than 10% of current permanent supportive housing capacity in the County involves actual housing units. The slots listed refer to housing subsidy vouchers where the participant and service provider must locate a private rental market unit willing to accept the subsidy and participant. A portion of these vouchers are being reserved for use with specific new affordable housing projects in pre-development and development stages. Several of these projects will accept new tenants in 2023. Significant progress in utilizing tenant-based vouchers has occurred over the last six-month period.

Very low-income affordable housing is housing that is affordable to households with incomes at or below 50% of the area median income. In 2022, for a family of four in Santa Cruz County the annual income threshold to qualify as very low-income is \$77,750 per year. The Framework articulates a minimum affordable housing development goal for the County based on California Regional Housing Needs Allocation (RHNA) housing development targets for the County. The target and status on this metric are included in Table 1. The current capacity column of the table shows trends since the last six-month update. For example, the rapid rehousing capacity of 287 is an increase or “↑” from the capacity reported six months ago.

Table 1: Framework System Capacity Targets and Current Capacity			
	Baseline	Framework Target	Current Capacity
Temporary Housing	440	600	461↑
Rapid Rehousing	140	490	287↑
Permanent Supportive Housing	500	600	1,274↑
Very Low-Income Affordable Housing	Not Established	+734 (RHNA Goal) new units	+156↑

Santa Cruz County saw growth in all capacity targets over the last six months. Increases in temporary housing capacity stem from the City of Santa Cruz one-time investment in capacity at the National Guard Armory and expanded capacity on the Housing Matters campus of short-term post hospitalization housing beds funded by the Central California Alliance for Health. Increases in rapid rehousing capacity reflect one-time increases in Veterans' Administration (VA) and California Department of Social Services funding to expand rapid rehousing program capacity. Permanent supportive housing capacity increased due to Emergency Housing Voucher (EHV) and VA Supportive Housing (VASH) program expansions funded by HUD. Very low-income affordable housing building permit issuance reporting on the Regional Housing Needs Allocation (RHNA) increased by five units over the last six-month period.

The permanent supportive housing capacity expansions in the County have been primarily voucher subsidy based and limited by the private rental markets willingness to accept participants with subsidies and supportive services. Over the past six-month period the County of Santa Cruz and Housing Authority made significant progress in expanding the use of vouchers within the private rental market. Some of the current voucher slots have been committed to planned permanent supportive housing buildings in the affordable housing development pipeline, including two of the three Project Homekey Round 2 projects funded in Santa Cruz County.

The Framework establishes performance metrics for emergency shelter, transitional housing, and rapid rehousing in terms of reducing overall lengths of stay and increasing rehousing rates. Table 2 highlights these targets established in the Framework.

Table 2: Framework Performance Metric Targets by Housing Intervention						
	Emergency Shelter		Transitional Housing		Rapid Rehousing	
Measure	From	To	From	To	From	To
Reduce Length of Stay (in days)	76	60	413	250	281	180
Increase Rehousing Rate	21%	40%	66%	80%	62%	85%

Table 3 provides HMIS data showing current system performance relative to the targets established and listed in Table 2. The data looks at average performance across agencies using the HMIS system over a 12-month reporting period ending January 31, 2023. The table highlights changes in performance with arrows indicating trends when compared to six-months prior. For example, the average length of stay in shelter of 187 days was an increase from 156 days six months prior.

Table 3: HMIS Performance Data (12-month period through January 2022) Relative to Targets						
	Emergency Shelter		Transitional Housing		Rapid Rehousing	
Measure	Current Value	Target	Current Value	Target	Current Value	Target
Reduce Length of Stay (in days)	187↑	60	388↓	250	443↑	180
Increase Rehousing Rate	30%↑	40%	57%↓	80%	55%↓	85%

The performance data show increases in lengths of stay from baseline data 2019. Extended lengths of participation in transitional housing and rapid rehousing appear to reflect more programmatic challenges in finding appropriate and affordable community housing options for participants. Rates of exits to permanent housing, the “Rehousing Rate” continues to improve for shelters while declining for transitional housing and rapid rehousing programs.

The Human Services Department Business Analytics Unit working with our local HMIS vendor, BitFocus, created a systemwide performance metrics dashboard that allows authorized users to review program performance across agencies and programs. This provides the community an opportunity to explore “what works” in generating improved outcomes. A review of this data for emergency shelters shows a general trend. Program that have more staffing and rehousing financial resources available to them

tend to have higher rehousing rates. Programs serving individuals with a greater chance of increasing their income through employment or other means also appear to have better outcomes.

The 2022 PIT data and framework capacity metrics show significant progress in addressing homelessness among families and youth. However, there have been significant increases in homelessness among people with disabilities and long or multiple histories of homelessness. The estimated number of individuals experiencing homelessness and self-reporting struggles with a serious mental illness, substance use disorder, or HIV/AIDS increased significantly between 2019 and 2022.

Overall system capacity and program performance trends are moving away from Framework targets. However, when disaggregated by program type and level of resources available, certain programs stand out in their performance. The higher performing projects in the County tend to serve families and youth. Family and youth subpopulations tend to experience less stigma and fewer barriers to returning to permanent housing. Individuals with disabilities, behavioral health conditions, long histories of homelessness, and frequent interactions with law enforcement face significant barriers and stigma when working toward returning to permanent housing. Many individuals in this group require a high-level of field-based health care services and other supports to secure and remain in housing. Permanent supportive housing is considered an evidenced-based intervention for this population.

The 2019 Framework goal of 600 permanent supportive housing units is likely too low for meeting the need seen in the 2022 PIT count, showing 921 chronically homeless individuals on a single night. The permanent supportive housing in the County is primarily voucher based and scattered site requiring access to private rental units and heavily resourced mobile supportive services for program participants. Over the past six months the County has made progress in utilizing vouchers in the private rental market through a series of strategic investments in strength-based supportive services, property agent incentives, streamlined processes with the Housing Authority, and a coordinated real estate partnership outreach program.

Although the County has made progress in utilizing vouchers in the private market, this approach is more costly over the long-term. Scattered site supportive housing requires more funding for services and housing than building-based supportive housing where the units are incorporated and financed within a specific property. To address these gaps, Housing for Health staff recommend pursuing collaborative and countywide strategies focused on expanding building-based supportive services. Continued progress with utilizing vouchers in the private market will require sustained investments in programs and strategies that have proven effective.

Attachment C: Homelessness Prevention Update

The Housing for a Healthy Santa Cruz Strategic Framework outlines four strategic focus areas: (1) Build a Coalition; (2) Prevent Homelessness; (3) Increase Connections; and (4) Expand Permanent Housing. Federal and state grant funding to address homelessness rarely emphasizes the importance of prevention investments. However, long-term housing subsidies represent one of the most significant investments in housing retention and the largest investment of funds to address homelessness within Santa Cruz County.

Attachment B shows the County has 1,274 permanent supportive housing vouchers and units currently available. If all these vouchers were in use, assuming an average monthly value of \$2,800/unit for these resources, the value of this investment is over \$42M/year. When vacant, permanent supportive housing is considered a resource for those currently experiencing homelessness. When occupied, the ongoing permanent supportive housing subsidies and services represent an investment in preventing returns to homelessness. Returns to homelessness for households living in permanent supportive housing typically fall below 10%. Other investments in prevention activities, primarily for those without housing subsidies in the community, remain limited given funding and local priorities that emphasize investments in serving those currently experiencing homelessness.

During the COVID-19 pandemic, the federal and state governments provided unprecedented levels of emergency financial assistance to those unable to pay housing-related bills due to the widespread economic and health impacts of the pandemic. National, state, and local moratoriums on evictions were enacted to prevent widespread levels of displacement, evictions, and homelessness. The U.S. Treasury established an Emergency Rental Assistance Program (ERAP) for states and local governments to assist tenants with rental payments. Santa Cruz County officials elected to transfer their two allocations of ERAP funding to California for inclusion in a statewide ERAP program known as Housing Is Key (HIK). By combining locally designated ERAP funding with the state allocation, Santa Cruz County benefitted from a consistent statewide program infrastructure reducing local administrative and start-up costs and time. The County also leveraged additional state funding for residents.

The California COVID-19 Tenant Relief Act and the COVID-19 Rental Housing Recovery Act protected renters impacted financially due to COVID-19 through March 31, 2022. From October 1, 2021, through March 31, 2022, the law required any landlord wanting to evict a tenant for failing to pay rent because of COVID-19 hardship to first apply for rental assistance before proceeding with an eviction.

The Rent relief program paid eligible tenants and landlords a tenant's past-due rent and utilities going as far back as April 1, 2020. The program was free, and renters were

encouraged to apply as soon as possible. The CA COVID-19 Rent Relief program continued to help eligible Californians at risk of eviction to apply to receive money for rent and utilities through March 31, 2022. Eviction protections remained in effect statewide through March 31, 2022. Near the end of February 2022, many Santa Cruz households that applied for HIK funding had not yet received payments raising significant local concerns about the housing impacts of the delayed payments.

At the March 22, 2022, meeting of the Board of Supervisors, the Board authorized the Human Services Department to execute local homelessness prevention support contracts totaling \$500,000 to support households waiting for HIK funding and those at-risk of eviction, displacement, and homelessness. Funding for this one-time investment came from the Health Services Agency and Human Services Department. Contracts with Community Bridges and California Rural Legal Assistance (CRLA) were executed and extended through June 30, 2023. The priority areas of focus for these contracted services are: (1) Help households secure funds from the HIK program; (2) Help households keep their housing by helping them address underlying issues impacting their housing status; (3) Help households avoid formal evictions through mediation, legal assistance, education, and counseling.

Table 1 shows how demand and access to HIK emergency rental assistance resources evolved between February 2022 and January 2023 by jurisdiction in Santa Cruz County. Overall, 1,096 additional households received assistance during this period and more than \$13.6M in additional funding was received to support these households. The increased access to HIK resources may reflect Santa Cruz County's additional investments in local community-based organizations supporting households with their applications. Access to funding did not prevent all households from losing their current housing.

Narrative data from Community Bridges and CRLA indicate nearly 1,400 individuals received outreach contacts from these programs to date with just over 80% being able to maintain their housing. The agencies report 90% of households were able to avoid formal evictions. Even with these additional resources, an estimated 280 households served lost their current housing. Housing loss does not necessarily indicate households entered literal homeless but does significantly increase the risk.

Other data sources in Santa Cruz County provide indications of increasing housing instability. Calls for housing issues to the United Way 2-1-1 information and referral line have increased by 25% since 2019. Data from the Santa Cruz County Superior Court shows gradually increasing numbers of unlawful detainer cases and judgments since the end of the statewide eviction moratorium. Housing stress indicators such as these indicate increased risk of housing loss and homelessness within the County and the need for continued investments in housing affordability and prevention activities.

Table 1. County of Santa Cruz – Housing Is Key – Emergency Rental Assistance Access Over Time

	Countywide	Unincorp.	Watsonville	City of Santa Cruz	Capitola	Scotts Valley
Total Households Served as of February 2022	1,269	556	307	325	44	37
Total Households Served as of January 2023	2,365	978	669	578	75	65
Increased # of Households Served (Feb 2022 to Jan 2023)	1,096	422	362	253	31	28
Total Funds						
Total Funds Requested as of January 2023	\$51,707,304	\$26,402,048	\$8,770,993	\$13,031,152	\$2,199,096	\$1,304,015
Total Funds Paid as of February 2022	\$13,801,039	\$6,876,668	\$2,443,816	\$3,306,666	\$679,274	\$494,615
Total Funds Paid as of January 2023	\$27,420,756	\$13,547,317	\$5,532,934	\$6,331,989	\$1,126,075	\$882,441
Increased Funds Paid (Feb 2022 to Jan 2023)	\$13,619,717	\$6,670,649	\$3,089,118	\$3,025,323	\$446,801	\$387,826
Average Assistance/Household						
Average Assistance/Household	\$11,594	\$13,852	\$8,270	\$10,955	\$15,014	\$13,576

Source: Housing Is Key data provide by the California Department of Housing and Community Development.

Attachment D: Temporary Housing Capacity and Funding

The Housing for a Healthy Santa Cruz strategic framework established a target of 600 high-performing and low-barrier shelter and transitional housing beds countywide. The framework establishes goals for temporary housing programs to focus on assisting households to exit from homelessness to permanent homes as quickly as possible. The Framework calls for shelters to exit over 40% of participants to permanent housing within an average of 60 days and for transitional housing programs to exit 80% of participants to permanent housing within an average of 250 days.

Temporary housing or residential programs can serve purposes beyond helping with exits to permanent housing, including, but not limited to, supporting positive transitions from foster care, residential substance use treatment and recovery, supporting households impacted by natural disasters, creating alternatives to encampments, helping with recovery from illness after a hospitalization, providing warm and safe places during inclement weather. Some non-housing programs do not provide shelter but offer sanctioned safe sleeping or parking locations as alternatives to sleeping in other public places not meant for habitation.

With limited financial resources, available locations, and program operators, policy makers must make choices about the types and purposes of temporary housing or residential programs. This includes determining when investments in safe sleeping or parking are preferred to investments in programs that offer shelter. The adopted Housing for Health Framework seeks to evaluate investments based on how well they help people return to and remain in stable homes as quickly as possible.

At the time of the writing of the Framework, the County had 440 temporary housing beds, but not all the beds had exits to permanent housing as their primary focus. At the onset of the COVID-19 pandemic in early 2020, overall bed capacity was reduced to create safer temporary housing capacity. County staff members and community partners worked tirelessly to stand up additional semi-congregate and non-congregate shelters to help protect unsheltered households during the pandemic as a public health rather than a housing intervention. A Federal Emergency Management Agency (FEMA) public health emergency declaration coupled with one-time state and federal funds made it possible for the County to support the longest and largest sheltering operation in County history. In late 2021, additional state and federal resources were deployed in Santa Cruz County to convert public health shelters into housing focused shelters.

At peak capacity, the County more than doubled pre-COVID-19 community temporary housing capacity to over 1000 beds. The additional COVID shelter capacity served 1,441 people, primarily people experiencing homelessness, but also people living in overcrowded living situations with COVID exposures. The last county operated COVID sheltering site closed in June 2022. One remaining COVID shelter site, operated by contracted nonprofit partners, will close at the end of February 2023. Table 1 shows current temporary housing capacity in the County as of February 2023. The table

identifies programs that receive funding through the County Housing for Health (H4H) Division or directly from the City of Santa Cruz. The City of Santa Cruz support was made possible by a one-time \$14M state grant provided directly to the City. Nearly 40% of the bed capacity in the County does not receive funding from H4H or the City of Santa Cruz. Among programs receiving public funding, the public funding generally does not cover the full cost of their program operations. The chart shows current countywide capacity falls 139 beds short of the Framework's stated 600 bed goal.

Table 1. February 2023 Temporary Housing Capacity – Santa Cruz County

	<i>Temporary Housing Capacity</i>		
	Family Beds	Adult Beds	Total
<i>Currently funded at least partially through H4H or through a direct City of Santa Cruz contract</i>	90	187	277
<i>Does not receive H4H or City of Santa Cruz funding</i>	150	34	184
Current Totals	240	221	461
<i>Housing for Health - Goal</i>	240	360	600
<i>Gap</i>	0	-139	-139

Table 2 provides an inventory of safe sleeping and parking programs in the County. These programs are not considered temporary housing, but they do provide safe places for people to sleep with access to some supportive services.

Table 2. February 2023 Safe Sleeping and Parking Capacity – Santa Cruz County

	<i>Safe Sleeping and Parking Capacity</i>	
	Safe Sleeping Slots	Safe Parking Slots
<i>Currently funded at least partially through H4H or through a direct City of Santa Cruz contract</i>	102	50

Table 3 outlines the geographic distribution of temporary housing, safe sleeping, and safe parking programs in the County. The table shows the percentage of the unsheltered population living in a particular jurisdiction according to the 2022 Point in Time (PIT) Count of persons experiencing homelessness within the County. A few programs rotate operational sites, so they are listed as multi-jurisdictional.

Table 3. February 2023 Geographic Distribution of Temporary Housing, Safe Sleeping, and Safe Parking Programs – Santa Cruz County

<i>Jurisdiction</i>	<i>Program Beds/Slots (% of total)</i>	<i>% Unsheltered Population in County from 2022 PIT Count Data</i>
City of Santa Cruz	412 (67%)	59%
City of Watsonville	132 (22%)	12%
Unincorporated Santa Cruz County	25 (4%)	22%
Multi-jurisdictional (programs rotate among multiple sites)	44 (7%)	Capitola (2%); Scotts Valley (3%)

Fluctuating levels of temporary housing capacity and program performance within the County reflect significant funding instability coupled with a lack of a sustained, collectively supported, strategic vision for establishing targeted, high-performing capacity over time. The financial resources available to support temporary housing programs within the County peaked in 2021 and has returned to winter 2019 levels in 2023. The second highest documented peak in temporary housing bed capacity in Santa Cruz County occurred in 2009 when the Point in Time (PIT) count of persons experiencing homelessness identified 729 individuals as sheltered.

The federal government has steadily reduced the resources available to support temporary housing programs since the passage of the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH) in 2009. The HEARTH Act regulations and priorities resulted in a gradual shift of federal Housing and Urban Development (HUD) resources away from temporary housing to permanent housing interventions. These funding priority changes reflected a services and support paradigm shift away from a sequential, step-based, housing and services model to a housing first model that demonstrated significantly better outcomes in several research studies. The resources required to fully implement the researched housing first approach have not been brought to the scale necessary to implement the practice to meet national needs.

The California Homeless Emergency Aid Program (HEAP) created in 2018 represented the first statewide flexible funding source dedicated to providing resources specifically to address homelessness. HEAP funding was discontinued and replaced by the Homeless Housing, Assistance and Prevention (HHAP) program with four rounds of funding made available to date. HHAP remains a discretionary program with unpredictable funding allocations for local governments. Given the current federal and state funding landscape for temporary housing programs, local government and private sector contributions are critical for sustaining such programs.

Housing for Health Division staff estimate that higher quality temporary housing programs in Santa Cruz County currently have average operational costs of \$100/bed/night. Achieving the Framework goal of 600 high-quality beds, would require an estimated \$21.9M per year. Table 4 shows current known public funding sources and dollar amounts being utilized to support 277 of the 461 current shelter bed capacity

in the County. The table also indicates if the listed funding source is expected to be available in the next fiscal year.

Table 4. Current Known Public Funding Sources Supporting Temporary Housing Capacity in the County of Santa Cruz

<i>Public Funding Revenue Sources</i>	Fiscal Year (FY) 22-23	FY23-24 Expected Availability
City of Santa Cruz	\$ 215,687	Yes
Watsonville	\$ 81,614	Yes
Scotts Valley	\$ 44,170	Yes
Capitola	\$ 39,950	Yes
County of Santa Cruz	\$ 1,127,021	Yes
<i>Jurisdictional Contributions</i>	\$ 1,508,442	
HHAP-1 CoC	\$ 456,041	No
HHAP-2 CoC	\$ 357,170	No
HHAP-3 Combined	\$ 253,094	Yes
CESH-2018	\$ 237,209	No
CDBG-CV	\$ 1,329,727	No
CalWorks Emergency Housing	\$ 808,727	Yes
City of Santa Cruz Armory Indoor Funding (prorated estimate) - from \$14M one-time state grant	\$ 1,964,444	Unknown
TOTALS:	\$ 6,914,854	

\$4.3M of the FY22-23 funding sources listed in Table 4 will likely be fully utilized and unavailable in FY 23-24. Some HHAP Round 3 funding is available to cover this funding loss, but no funding has been identified to replace the City of Santa Cruz funding for the Armory shelter. This analysis does not include an analysis of the other 184 beds in the County largely supported by private funding and direct to grantee public grants. Some of these programs may also be at-risk of funding reductions or loss that may jeopardize their program operations.

Table 5 identifies known public funding sources supporting safe sleeping and safe parking programs in the County and the likelihood of current fiscal year resource availability next fiscal year. Nearly \$3.2M of funding for these programs comes from the one-time \$14M state grant provided to the City of Santa Cruz. These investments are likely to end in FY23-24 unless additional funding sources can be secured.

Table 5. Current Known Public Funding Sources Supporting Safe Sleeping and Safe Parking Capacity in the County of Santa Cruz

<i>Public Funding Revenue Sources</i>	<i>Fiscal Year (FY) 22-23</i>	<i>FY23-24 Expected Availability</i>
CORE County funds - Safe Parking	\$ 104,544	Yes
CORE City of Santa Cruz funds - Safe Parking	\$ 21,569	Yes
Armory City of Santa Cruz Safe Sleeping (estimate) - from \$14M one-time state grant	\$ 2,455,556	Unknown
Armory City of Santa Cruz Safe Parking (estimate) - from \$14M one-time state grant	\$ 480,000	Unknown
1220 River St. City of Santa Cruz (estimate)	\$ 230,000	Unknown

H4H staff continue pursuing efforts to expand temporary housing capacity in the County through grants and leveraging Medi-Cal health care resources. Monterey County, with support from Santa Cruz County, the City of Watsonville, and the Pajaro River Flood Management Agency, are applying for California Encampment Resolution Funding to establish a new low-barrier shelter and rehousing program in Watsonville for individuals living in encampments along the Pajaro River. H4H and the Behavioral Health Department are collaborating on an effort to utilize grants for a behavioral health bridge housing program for individuals with serious mental health issues experiencing homelessness. The City of Santa Cruz, H4H, and Housing Matters are collaborating on efforts to strategically expand low-barrier shelter capacity at the Coral St. housing and services campus. H4H and the County's Community Development and Infrastructure (CDI) Department are supporting an effort to secure funding to establish a new temporary housing program for transition age youth in an unincorporated area.

All four projects require securing one-time funding for capital needs and start-up costs. Sustaining the programs requires the development of the infrastructure necessary to generate Medi-Cal revenue for services provided to participants and securing a stable baseline level of funding from other local, state, and federal resources. Without additional, ongoing, and stable financial resources, the temporary housing, safe sleeping, and safe parking capacity in the County will decline over the next 1-2 years.

Ongoing financial contributions toward temporary housing from local jurisdictions in the County have remained fixed at \$1.5M/year for several years. Most HUD homelessness grants require 25% matching funds to secure federal funding. Funding 25% of the costs of the 600 bed Framework goal would require just under \$5.5M/year. This represents a \$4M/year increased investment from current levels. An increased investment of this scale could help leverage additional funding, expand capacity, stabilize existing programs, prevent closures, and improve housing outcomes.

Attachment E: Rehousing Wave Update

Using one-time federal, state, and local funding and a partnership with the Housing Authority of the County of Santa Cruz, the H4H division supported the creation of a Rehousing Wave effort to help guests staying in COVID-19 shelters and other households experiencing homelessness to secure permanent homes. COVID-19 sheltering programs focused on serving individuals at greatest risk for severe COVID illness, that is, households experiencing homelessness with one or more members over the age of 65 or with a chronic health condition increasing their COVID risk level. This programmatic effort primarily serves older adults, people with disabilities, and people with long histories of homelessness from throughout the entire County.

This effort includes three strength-based housing navigation teams, a real estate partnership effort, property agent incentives, and dedicated permanent housing subsidy vouchers from the Housing Authority. Funding this multi-year effort required securing and utilizing funding from multiple federal, state, and local resources as outlined in Table 1. Serving households through these combined services and housing resources cost an estimated \$32,800 per household per year. The bulk of these expenses are for subsidizing rents to close the gap between a household's monthly income and the cost of housing in the private rental market.

Combined, these re-housing wave resources, created nearly 300 new subsidy-based permanent supportive housing opportunities for the County. Since the collaborative effort is subsidy-based it is dependent on the availability of private market rental housing willing to accept participants with subsidies and support services. When the effort was launched, legitimate concerns were raised about the viability of using subsidies in the private rental market given Santa Cruz County has the most expensive rental market in the country for average renter households. Despite these challenges, voucher utilization has far exceeded expectations. As of February 12, 2023, the Housing Authority has utilized 295 Emergency Housing Vouchers (EHVs) out of an initial allocation of 269, a nearly 110% utilization rate. This rate is one of the highest rates nationwide and in California and allowed our Housing Authority to request additional vouchers from the Department of Housing and Urban Development.

HUD recognized the Housing Authority of the County of Santa Cruz with two awards during a January regional National Association of Housing and Redevelopment Officials (NAHRO) conference. The Housing Authority received the Emergency Housing Voucher (EHV) Star Award, as well as the Strong and Steady Award. HUD recognized approximately seven Housing Authorities with the Emergency Housing Voucher (EHV) Star Award based on outstanding voucher utilization. HUD has also recognized our success by issuing the Housing Authority 11 more EHV vouchers. Additionally, HUD recognized two Housing Authorities with the Strong and Steady Award. The Housing Authority of the County of Santa Cruz received this award for its continued ability to innovate, implement new programs, and sustain consistent and effective administration of key services.

Data from the Housing Authority on the EHV program, indicate 188 property agents/owners are currently participating in the program and 57 of these are new participants to Housing Authority subsidy programs. Participants have found units throughout the County with over 40% in the zip code around the City of Watsonville (Zip Code - 95076) and over 18% in the City of Santa Cruz and unincorporated areas (Zip Code – 95060). Of participants with leased units, over 47% are over age 60 or have a self-reported disability and 44% of households have children under 18 years old. Hispanic/Latino households make up 48% of EHV participants.

The combination of strength-based care management services, housing search assistance, support and incentives for property owners, flexible funding to help with housing search and move-in costs, a strong collaborative infrastructure, and flexible housing voucher rules, collectively have contributed to the strength of the local rehousing wave collaborative. Many of the participating households will require ongoing support and field-based health services to remain successfully housed over the long-term. Expanding this effective model will require additional ongoing housing subsidy and service resources.

Housing for Health staff are working with the Rehousing Wave teams and the Central California Alliance for Health to secure ongoing funding for their operations beyond FY 22-23. The teams will continue to provide housing navigation and tenancy sustaining services for individuals with disabilities receiving permanent supportive housing vouchers and in building-based supportive housing units. State Homeless Housing, Assistance and Prevention (HHAP) and CalAIM Medi-Cal Homeless Housing Incentive Program (HHIP) funding will be used to continue support of the private real estate market supports and incentives.

Table 1. Overview of Funding Sources Used to Support Rehousing Wave

Funding Agency	Funding	Primary Uses
Housing and Urban Development Department (HUD)	Emergency Housing Vouchers (EHVs) and Mainstream Vouchers to Housing Authority of County of Santa Cruz	Long-term, flexible housing subsidies, property agent incentives
Federal Emergency Management Agency (FEMA)	COVID-19 pandemic reimbursement	Project Roomkey sheltering and basic needs support
California Housing and Community Development (CA HCD)	Emergency Solutions Grant-Coronavirus (ESG-CV) funding	COVID sheltering, rehousing services and short-term rental assistance
CA HCD	California Emergency Solutions and Housing (CESH)	Flexible financial assistance, property agent incentives, data system support
CA HCD	Permanent Local Housing Allocation (PLHA)	Security deposits, property agent incentives
CA HCD	Community Development Block Grant – Coronavirus (CDBG-CV)	Extension of COVID sheltering operations
California Department of Social Services	Project Roomkey	COVID shelter, rehousing services
California Interagency Council on Homelessness	Homeless Housing, Assistance and Prevention (HHAP)	Real estate partnership, flexible financial assistance, property agent incentives
California Department of Health Care Services	Whole Person Care (County)/ California Advancing Innovations in Medi-Cal (CalAIM from managed care)	Field-based health services, housing navigation services, housing deposits
Santa Cruz County	General fund	COVID sheltering activities not reimbursed by FEMA, backbone staffing support

Attachment F: Project Homekey Update

On September 9, 2021, the California Housing and Community Development Department (HCD) announced a Notice of Funding Availability (NOFA) of approximately \$1.45 billion in Homekey funding to sustain and rapidly expand the inventory of housing for people experiencing homelessness or at risk of homelessness. This NOFA represented the second round of Homekey funding released by the state. No entities submitted applications for projects in Santa Cruz County during the first NOFA.

Homekey is an opportunity for state, regional, and local public entities to develop a broad range of housing types, such as, hotels, motels, hostels, single-family homes and multifamily apartments, adult residential facilities, and manufactured housing and to cover conversion of commercial properties and other existing buildings to interim or permanent housing for the target population.

The Board authorized the submission of four collaborative project applications for the second round of Homekey funding. Table 1 below provides an overview of the status of the authorized application submissions.

Table 1: Project Homekey Round 2 Applications and Current Status

Board Authorization Date (2022)	Project Name	Co-Applicant	Project Address	Project Description	Funding Award Status
January 11	801 River St.	Housing Matters	801 River St., Santa Cruz, 95060	7 supportive housing units in commercial to residential building	\$2,240,000 executed contract award
January 25	Park Haven Plaza	2838 Park Ave., LP	2838 Park Ave., Soquel, 95073	36 units of new modular construction supportive housing	\$10,660,000 executed contract award
January 25	Step-Up in Watsonville	Shangri-La Industries, LP	1620 W. Beach St., Watsonville, 95076	95-unit hotel to supportive housing conversion	Not awarded funds; plans to reapply
January 25	Veterans Village	Veterans Hall Board of Trustees	8705 Highway 9, Ben Lomond, 95055	Hotel to veterans supportive housing conversion 20-units	\$6,425,000 executed contract award

Three of the four projects have received formal award announcements and have executed standard agreements with the California Department of Housing and Community Development (HCD). The Veterans Village project has an executed project agreement with the County and where CA HCD has issued funding to the County. The timeframe between award announcement and actual receipt of funding from CA HCD has been much longer than anticipated. The process of securing funding following an award requires the completion of multiple steps and approval processes followed by a 30-45 day waiting period for check issuance. Delays contribute to overall increases in development costs. All three projects with awards still have viable plans to complete

their developments and achieve near full occupancy by early 2024. The Veterans Village project has five existing tenants.

Separate Board action has been requested on February 28, 2023, to authorize the release of a Homekey Round 3 local Request for Proposals (RFP) to identify potential collaborative Homekey Round 3 applicants with the County. The proposed RFP includes up to \$4M in available, Human Services Department-secured, Housing Disability Advocacy Program (HDAP) funding, to serve as match with one or two collaborative Homekey applications in the next competitive statewide funding round. The availability of these additional dollars will increase the competitiveness and long-term financial sustainability of future proposed Homekey projects. Projects with current Homekey funding awards are not eligible to apply for this funding.

The Board receives updates on the status of Project Homekey developments during the Housing for Health Division six-month Housing for a Healthy Santa Cruz Framework updates to the Board. Additional updates and actions on specific projects are brought to the Board as needed.

Attachment G: Federal and State Funding Update

The Housing for a Healthy Santa Cruz Framework calls for the development of a data-informed system with defined programmatic capacity in the areas of connections services and outreach, shelter and transitional housing, rapid rehousing, permanent supportive housing, and affordable housing.

Table 1 shows the estimated current costs associated with reaching the capacity and high-performing targets identified in the Framework. The table also shows current estimated funding levels from all known public resources countywide and the portion of funding that is one-time only. The information in Table 1 utilizes current financial data on well-resourced, high-performing programs, and associated costs in each category. The calculation assumptions utilized in creating Table 1 include:

- Connection services should have capacity to serve 500 people at a point-in-time.
- Supportive services in all intervention categories cost between \$600-\$650 per month per person served allowing for one full-time equivalent provider for every 20 people actively being served.
- Shelter and transitional housing bed nights costs an average of \$100 per bed night – includes facility costs, services, maintenance reserve, administration, etc.
- Rapid Rehousing and Permanent supportive housing monthly housing subsidy rates estimated at \$2,000/household/month to account for a range of unit sizes, need for security deposit and landlord incentives, supporting subsidy management, etc. The 2021 HUD Fair Market Rent for a studio unit in Santa Cruz is \$2,085/month.
- Estimated affordable housing subsidy rents are estimated at \$1,500/month to account for an assumption of lower subsidy needs for these units.

Table 1: Framework Estimated Annual Costs and Available Funds			
Housing for Health Framework Intervention	Estimated Annual Costs	Currently Available Estimate	Amount of Available Funding that is “One-Time”
Connection Services + Outreach (25 FTE)	\$4,680,000	\$2,340,000	\$1,560,000
Shelter and Transitional Housing (600 beds)	\$21,900,000	\$6,914,854	\$4,344,591
Rapid Re-Housing (490 slots)	\$18,522,000	\$7,560,000	\$0
Permanent Supportive Housing Subsidies (600 slots)	\$14,400,000	>\$14,400,000	\$0* (assumes EHV funding will continue)
Permanent Supportive Housing Services (600 slots)	\$5,220,000	\$5,220,000	\$5,114,000
“Homelessness-Focused” Program Totals	\$64,722,000	\$36,434,854	\$11,018,591
Affordable Housing Targets to Address Homelessness			
Affordable Housing – Conservative RHNA Very Low Income Housing Goals (734 units)	\$13,212,000	\$2,808,000 (based on 156 existing units)	\$0
OR			
Affordable Housing – Ideal Goals (10,545 units)	\$189,810,000	\$2,808,000	\$0

Table 1 shows an estimated *annual cost* for Framework interventions including current conservative RHNA housing goal targets of nearly \$78M per year. With currently available funding managed by the County, there is a funding gap of around \$38.7M per year. Much of the current funding comes from one-time federal and state discretionary budget resources. If these funds go away, the annual funding gap increases to over \$49.7M per year. Federal and state funding sources have proven unreliable sources for sustainable coverage of the costs associated with outreach services, emergency shelter, and permanent supportive housing services. Housing Authority and Continuum of Care housing subsidy funding from HUD is currently the most stable funding source.

Santa Cruz county providers of services to people experiencing homelessness have been heavily dependent on private donations and foundation grants to support their operations. For example, Housing Matters 2021 Annual Report indicates 27.5% of their income comes from individual donors, 19.4% from grants, and 53.1% from government funding. Pajaro Valley Shelter Services in Watsonville operates almost entirely without public funding. Private grants and individual donor contributions are not captured in Table 1. Private funding contributions provide significant support to local efforts, particularly shelter and transitional housing operators. Given the proximity of Santa Cruz to Silicon Valley additional private fundraising efforts could help address some of the identified Framework funding gaps. However, it is difficult for organizations to develop sustainable, appropriately scaled, and impactful programs on private funding contributions alone.

The Framework goals assume adequate availability of market rate and affordable rental housing stock in the County. There are widely disparate estimates on the level of affordable housing needed locally to achieve the Framework goals. Achieving current Regional Housing Needs Allocation (RHNA) goals for very low-income housing development would cost an estimated \$13,212,000 per year. Achieving the more ambitious goal of 10,545 very low and extremely low-income housing units articulated by the California Housing Partnership would cost an estimated \$189,810,000/year.

Affordable housing units can be created and financed in a variety of ways, so these numbers reflect the general scale of investment needed to achieve the goals. Advocacy at state and federal levels of government are needed to expand the availability of affordable housing resources. This advocacy should be paired with growth in the availability of local funding to support leveraging of currently available state and federal resources. A dearth of local affordable housing resources puts Santa Cruz County at a comparative disadvantage when trying to secure state and federal funding for affordable housing.

Funding to Address Homelessness – Landscape Analysis

Several academic studies have highlighted the critical importance of investments in affordable housing as the most consistently effective intervention for addressing homelessness. However, most funding to address homelessness does not help close the gap between local household incomes and rents over the long-term.

The current federal and state funding landscape in California involves multiple government agencies providing funding for different subpopulations, with varying and unpredictable funding levels, different reporting expectations and service descriptions, varying contract periods, and an expectation that local Continuum of Care (CoC) entities and governments sort through the various resource pots and develop sound strategic investments and local plans of action.

The complexities associated with the current funding landscape require significant investments in local governance infrastructure for planning, grant and fiscal

management, data tracking and reporting, strategic planning, and cross-agency collaboration and facilitation. Some of this work represent inefficiencies resulting from the lack of funding coordination at federal and state levels of government. Greater funding stability, consistency, standards, and coordination at state and federal levels of government could reduce local infrastructure burdens and increase the impact of investments.

At the end of this fiscal year, it's anticipated that Santa Cruz County will have fully utilized nearly all its one-time COVID pandemic related federal and state funding allocations. These one-time grants have supported service expansions in outreach, temporary housing, one-time flexible funding, and permanent supportive housing services. Other currently available one-time funding sources can only partially cover the lost COVID pandemic related funding. The Housing for Health Division is working closely with the Central California Alliance for Health, local Medi-Cal managed care plan, to identify ways to link current service providers with potential California Advancing and Innovating Medi-Cal (CalAIM) funding mechanisms for outreach, health-focused shelter, and housing-related services.

The Corporation for Supportive Housing (CSH) in collaboration with the California Housing Partnership (CHP) issued a report in December 2022, entitled the California Homeless Housing Needs Assessment. The report attempted to identify and quantify the state-level resource investments required to address homelessness. The report concluded a strategic annual average investment of \$8.1B per year over the next 12 years could solve homelessness in the state. The \$8.1B per year figure represents a \$6.9B/year increased investment compared with current state investments and 2.7% of the state's current budget.

The Santa Cruz County Human Services Department receives regular allocations of funding for core Human Services activities. This funding does *not* cover the work of the Housing for Health Division. Typically, the state invests about 0.8% of its statewide Human Services budget with Santa Cruz County. If the state invested \$8.1B in addressing homelessness and allocated a similar 0.8% share in Santa Cruz County, this would represent an average County allocation of \$64.8M/year. With this level of state investment, the County could move forward with fully implementing its framework resource targets.

In the absence of significant growth and streamlining in federal and state funding to address homelessness, the County and Housing for Health Division (H4H) will need to continue to aggressively pursue one-time funding opportunities and braid together resources to create effective programs. CalAIM may provide an opportunity for stabilizing some services program for individuals eligible for Medi-Cal if current community providers can learn to work in a managed care, health care billing environment. Over the next six months, H4H staff will work to support provider participation in CalAIM and will continue to pursue other grant opportunities.