



DATE: May 1, 2023

TO: Honorable Mayor and Members of the City Council through City Manager

FROM: Karen Shimizu, Housing Manager

SUBJECT: Petaluma's Strategic Action Plan to End Homelessness--Year 1 Progress Report and Presentation

RECOMMENDATION

It is recommended that the City Council receive a Year 1 Progress Report on the City's Strategic Plan to End Homelessness and provide feedback.

BACKGROUND

Every two years the federal Department of Housing and Urban Development (HUD) requires communities to conduct a "Point-in-Time" (PIT) census count of people experiencing homelessness. The 2022 Sonoma County PIT showed that countywide homeless census numbers increased slightly from 2,745 to 2,893, which is also a trend reflected in the number of people experiencing homelessness in Petaluma in 2022 (293). Of the nearly 300 people experiencing homelessness in Petaluma, 3 of 4 are unsheltered.

By definition the PIT is only a snapshot in time, and it is important to remember that people are becoming homeless and also ending their homelessness throughout the year. According to data from the Petaluma Health Center, approximately 750 unique households experienced homelessness in Petaluma at some point in 2021, which is 150% greater than the PIT results.

In response to these urgent needs, the City Council declared a Shelter Crisis in 2021 (see Attachment 2) in accordance with the City Council's authority under Assembly Bill 2553, codified in Government Code Sections 8698 - 8698.4, to implement immediate and interim housing solutions on city-owned or leased lands in support of the health, safety and well-being of persons experiencing homelessness. The City also engaged an expert in homeless system design, Andrew Hening Consulting, to guide the development of a comprehensive plan to address homelessness in Petaluma. On June 20, 2022, the City Council adopted Petaluma's first Strategic

Plan to End Homelessness (Plan), which provides guidance and priorities for City policies, programs and investments over a three-year period ending June 30, 2025.

At the highest-level, the Plan calls for building a homeless system of care that will be able to end long-term, chronic homelessness in Petaluma by the end of 2025 and in the process, create a crisis response system that ensures homelessness becomes a rare, brief, and one-time experience in our community. The Plan then describes how this vision can be achieved by implementing a variety of different strategic focus areas, including:

1. **Creating a robust “housing-focused” outreach system** that links people experiencing homelessness with new options through increased numbers of permanent supportive housing units and creative shelter options for vulnerable sub-populations,
2. **Creating and/or securing access to 200 new permanent supportive housing units** to provide sufficient housing and services for people experiencing chronic homelessness
3. **Improving the Petaluma Coordinated Entry access point** through which people access housing and shelter options,
4. **Tackling root causes of homelessness** to prevent people from losing housing in the first place, and
5. **Increasing the City’s internal capacity to respond to homelessness**, leverage the community to accelerate progress, and build alignment with other cities and subregions.

In addition to the vision and focus areas described above, the Plan also provides summary descriptions of the findings and analysis that went into its development, including how feedback from people with lived experience of homelessness was incorporated, and it speaks to ways to both fund the new system and evaluate its success. Finally, the Plan utilizes Mr. Hening’s “STEP” framework (Figure 1) to illustrate how all of these investments and policy changes can fit together to create a more effective and coordinated homeless response system. The City has begun referring to our local version of STEP as our “Pathway to Housing.”

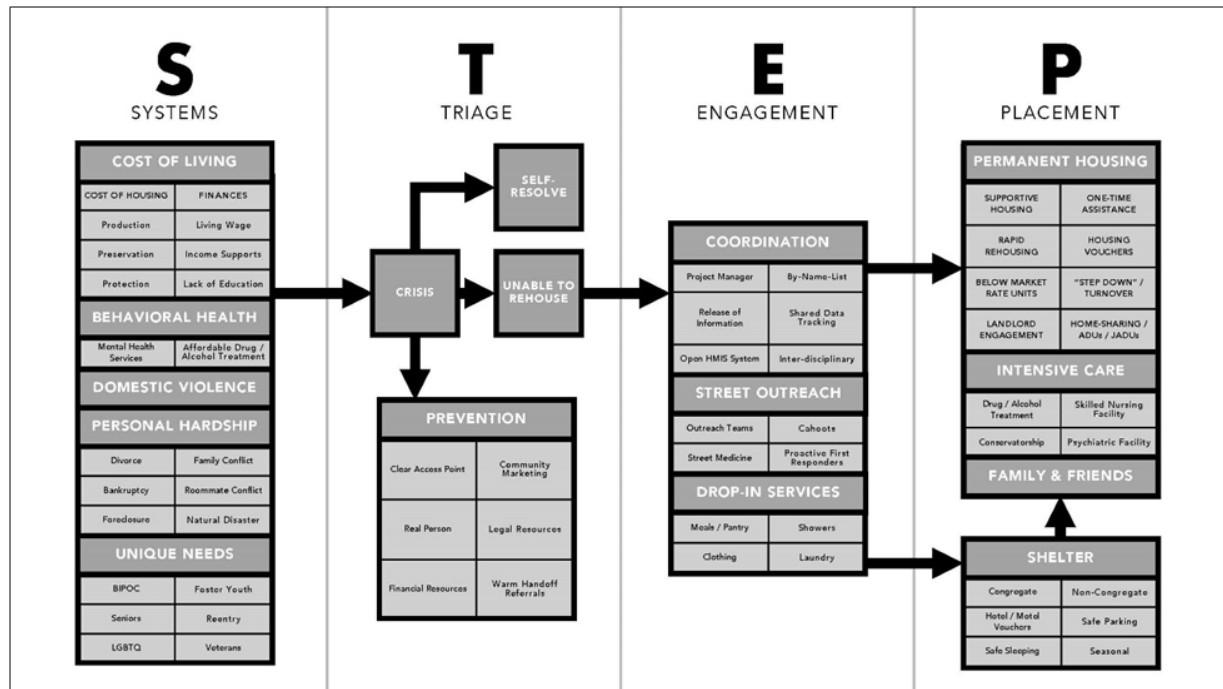


Figure 1: Andrew Hening Consulting: City of Petaluma Homeless System Design 2022

In December of 2022, the Sonoma County Continuum of Care adopted its own strategic plan to address homelessness in the region ([link to County Plan](#)). The City of Petaluma's Plan aligns with and helped to inform this broader County plan, which identifies three overarching goals to guide the direction of the homeless system of care in Sonoma County for the next five years:

1. **Invest in more housing and prevention.** It is imperative to reduce the inflow of people into homelessness and create more pathways to long-term housing stability. Doing so will require investments in both homelessness prevention and housing solutions.
2. **Strengthen supportive services.** The current system of care strains to meet the complex and diverse supportive services needs of people in the community who are experiencing the crisis of homelessness. That strain is felt not only by people experiencing homelessness, but also by homeless service providers, who are overtaxed and under-resourced. Building supportive services capacity is critical to ease this strain and better meet the needs of those in a housing crisis.
3. **Operate as one coordinated system.** Sonoma is a large county with many local governments and a broad array of service providers and other stakeholders whose work directly or indirectly impacts homelessness. To achieve functional zero, partners across the county must work to develop shared priorities, aligned investments, seamless coordination, and equitable solutions to the crisis of homelessness.

DISCUSSION

Since the City Council's adoption of its Strategic Plan to End Homelessness, staff has been working diligently on implementation efforts. Systemic change takes time, and staff is committed to the following three-year change management process:

- Plan Year One - BASELINE (FY2022-23)
 - developing a data dashboard to track progress,
 - implementing the most pressing program and policy recommendations in the Plan
 - developing higher-impact alignment of the City's funding investments and service contracts
- Plan Year Two - OPTIMIZE (FY2023-24)
 - allowing Year One policies and investments to take root and begin to show results
 - creating an ongoing collaborative process for the City, local service providers, and other community partners to come together and raise and vet emerging or changing policy issues.
- Plan Year Three – EVALUATE (FY2024-25)
 - analyzing our current system against our original baseline data
 - continuing to improve a framework to reinvest and pivot as needed as we remain focused on our core goal of ending long-term, chronic homelessness in Petaluma.

YEAR ONE (FY2022-2023) PROGRESS TO DATE

In addition to staff efforts over the last ten months, due to the urgency of the homeless crisis in Petaluma, the City had already begun development of critical emergency shelter and permanent supportive solutions during the process of developing its Strategic Action Plan to End Homelessness. In sum, the most significant accomplishments to-date have included:

- **Implemented first non-congregate emergency program – People's Village.** In August of 2021, staff presented to the City Council the idea of the City creating a non-congregate shelter project within the community to address identified gaps in existing services for unsheltered members of the community. The City Council allocated \$1,700,000 of American Rescue Plan Act (ARPA) funding for the project. Staff worked with local homeless service providers to identify a site, create a housing focused program and create a conceptual site plan known as the Peoples Village.

The non-congregate shelter project – located at 900 Hopper Street, Petaluma adjacent to the COTS Mary Isaack Center – has filled a critical gap in our “Pathway to Housing” pipeline. The project includes 25 fully ADA accessible shelter units, two office units, 2 showers, and 4 toilets. The project accommodates individuals and their

companion/service animals. COTS provides program operating support and case management for individuals living at Peoples Village, helping people exiting homelessness to transition to long-term housing. All 25 units were occupied almost immediately after project opening, and has already have 7 people transitioned from Peoples Village to permanent, long-term housing.

- **Strengthened By Names List (BNL) process and outcomes.** A BNL is a comprehensive list of every person in a community experiencing homelessness, updated in real time. Using information collected and shared with their consent, each person on the list has a file that includes their name, homeless history, and housing needs. The BNL is the vital tool that is used in case conferencing meetings. Petaluma began using a BNL nearly two years ago in the summer of 2021, and with the help of Andrew Henning Consulting, the meeting process and facilitation was overhauled after the adoption of the plan. Beginning in July of 2022, the BNL has become our primary tool for measuring our progress solving chronic homelessness.

Now a team of local service providers including the City, COTS, Downtown Streets Team, the Petaluma Health Center, and the SAFE Team meet on a weekly basis to coordinate care for our most vulnerable community members. Encouragingly, the Sonoma County Continuum of Care's Strategic Plan called for creating sub-regional BNLs in every part of the county, and our efforts in Petaluma have helped inform those efforts. In addition to case conferencing, these meetings have also been a forum for discussing bottlenecks, analyzing trends in monthly inflow and outflow, and addressing system wide concerns.

- **Initiated intensive encampment outreach and resolution.** Two major encampments in Petaluma – one at Steamer Landing Park and the other at Cedar Grove – have been resolved in the past nine months. Both sites had become extremely unsafe for residents of the encampments and posed significant public health and safety hazards when the City began targeted efforts to assist people camping at the locations with finding shelter and housing. In both instances – Steamer Landing in June 2022 and Cedar Grove in February 2023 - the City Housing, Public Works, and Police teams worked closely with local homeless services providers prior to planned relocation dates to intensify outreach with locally available housing options for people staying at the encampments. Partners included Petaluma Community Health (outreach support and connection to medical and mental health services), COTS (street outreach plus facilitated access to congregate shelter, non-congregate shelter and permanent housing), Downtown Streets Team (outreach and connection to services), SAFE (mental health crisis intervention and resource access), and the Sonoma County IMDT and HEART Teams (intensive mental health support.)

Through the most recent encampment resolution at Cedar Grove, the encampment team of City departments and community partner organizations provided intensive outreach and engagement, mental health support, and facilitation of shelter and housing access to 43 individuals who had been living unsheltered at the site. The team applied lessons learned from the earlier Steamer Landing resolution as well, offering coordinated storage of personal belongings and increased mental health and housing placement support.

While some local jurisdictions have established sanctioned encampments, also known as “safe” or “managed” encampments, the City of Petaluma has made the strategic decision to invest its limited resources for addressing homelessness in approaches that work to not only address root causes of homelessness such as lack of affordable housing, job loss or mental health and substance use issues, but also more permanent and stable housing options. In addition to the cost of creating and maintaining sanctioned encampments that may be a viable short-term solution to homelessness, Petaluma continues to have capacity and investment in our local shelters, namely the Mary Isaak Center and Peoples Village is adequate to address the level of unsheltered homelessness in the City. The City is collaborating with county-wide subregional efforts to coordinate not only permanent housing placements but access to available emergency shelter options, which further increases existing capacity to provide people experiencing homelessness in Petaluma with the help they need. The City prioritizes investing in programs and services that are housing-focused – i.e., those which help people experiencing homelessness attain permanent housing along with the support they need to retain that housing.

- **Launched development of new permanent supportive housing – Studios at Montero.** In 2021, the City of Petaluma and Burbank Housing partnered to apply to the State of California Homekey program to create a new permanent supportive housing program (PSH) in Petaluma for people experiencing homelessness. The state awarded \$15,680,382 for the proposed new PSH project through the Housing and Community Development Project Homekey program. The award is supporting creation of 60 single occupancy PSH units at the Studios at Montero (formerly America’s Best Value Inn Petaluma) at 5135 Montero Way in northeast Petaluma, and once completed and ready for move in on May 2, 2023, will be the largest Homekey-funded PSH project in Sonoma County. The Studios at Montero will be owned and operated by Burbank Housing and will be the third Homekey project in Sonoma County that the organization is involved with. The 60 units at the Studios at Montero marks the first PSH partnership between Burbank Housing and the City of Petaluma, and upon its completion will provide critically needed housing for over 10% of the chronically homeless population in Sonoma County identified through the 2020 Point-In-Time (PIT) count. Committee on the Shelterless (COTS) will provide wraparound housing-based supportive services and case management for residents of the

Studios at Montero. When the project opens in May 2023, it is estimated that 15-20% of people currently being served through Petaluma's By Names List will move into permanent housing at the site.

Executed Homeless Services RFP to strengthen Street Outreach and Landlord Recruitment. To address two significant gaps identified in the City of Petaluma Strategic Plan to End Homelessness, the City issued a Homeless Services Request for Proposals (RFP) in November 2022. The RFP sought proposals focusing on the need for expanded street **Outreach and Engagement** capacity and **Landlord Recruitment** services.

- **Outreach and Engagement:** Street-based outreach is one of the most important “front doors” to a homeless system of care. It is a combination of client engagement outside the traditional office setting, networking to identify clients, and meeting clients where they are, on their own terms, to connect them with services, shelter and housing. The City identified specific best practices for Outreach and Engagement and requested proposals that would implement programs based on those practices, including use of a targeted caseload approach with outreach teams specifically focused on either encampment outreach or engagement of individuals at scattered sites throughout the city. In addition to tracking the number of people assisted with outreach who move into shelter and housing, projects were required to focus on these key program metrics and outcomes: 1) Assessment for the countywide Coordinated Entry system for permanent housing placements, 2) Reporting contacts in the countywide Homeless Management Information System (HMIS), 3) Document-readiness for caseload clients (e.g., identification, certifiable disabilities, homelessness verification) and 4) Attempts at diversion, problem-solving, family reunification, and or other immediate rehousing opportunities.
- **Landlord Recruitment:** The foundation of any homeless service system is the ability to quickly and effectively identify permanent housing opportunities. While the City of Petaluma is investing significant resources in new affordable and supportive housing projects, one of the most expedient strategies for getting people rehoused is finding and securing rental opportunities with local landlords. These opportunities can then be paired with one-time financial assistance, rapid rehousing funding, housing vouchers, and/or agency-managed master leases. With its recent RFP, the City sought to create a dedicated landlord recruitment provider to accelerate the rate of community-based housing placements. The City modeled its approach after other successful examples of how to structure a landlord recruitment program, including the Marin Housing Authority (MHA), whose “landlord partnership program” was named a nationwide best practice by Housing and Urban Development. The City of Petaluma RFP sought a Landlord Recruitment partner to achieve key MHA-style metrics,

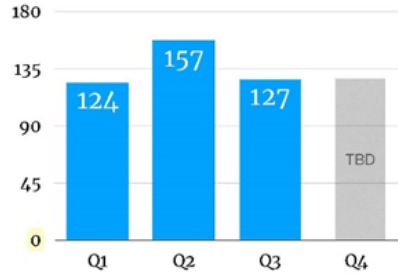
including: 1) Recruiting new landlords, 2) Retaining landlords, 3) Permanent housing placements, and 4) Community education efforts.

- The City received seven proposals in response to its November 2022 Homeless Services RFP. Applications were scored according to priority criteria outlined in the RFP, and recommendations were made to engage a nonprofit organization named HomeFirst to provide Outreach and Engagement and Landlord Recruitment services beginning in July 2023. HomeFirst is a highly qualified organization that has been providing high-impact homeless services in the North Bay Area for over 50 years, including operation of the Sonoma County Coordinated Entry Program and interim shelter programs for the City of Rohnert Park. HomeFirst will partner closely with the City's existing service providers, including COTS, DST and PPSC, to expedite and improve housing outcomes for people experiencing homelessness in Petaluma. Staff will be returning to the City Council at its June meeting with a recommendation to address this gap in service.
- **Data Dashboard to Monitor Homeless Services Impact and Improve Housing Outcomes for People Experiencing Homelessness in Petaluma.** In support of achieving the goals of the Petaluma Strategic Action Plan to End Homelessness, the City homeless services action team, that includes City staff and community partners has deepened significantly the use of data-driven models to monitor and inform progress toward achieving its goals, particularly as it relates to assessing progress using the BNL.

A preliminary report of "*Petaluma Homeless Action Plan Year 1 Implementation Efforts: Data for Q1-Q3*" demonstrates both the ongoing need and the impact of some of the City's new approaches to resolving homelessness (Figures 2-6.) This data confirms the baseline of people experiencing chronic homelessness in Petaluma and shows temporary increases due to heightened engagement during targeted encampment efforts. The report also demonstrates a significant improvement in the percentage of people who access shelter after the opening of People's Village as well as the continued need to develop more permanent supportive housing as a long-term solution to homelessness.

How many people are experiencing long-term chronic homelessness in Petaluma?

Active By Names List

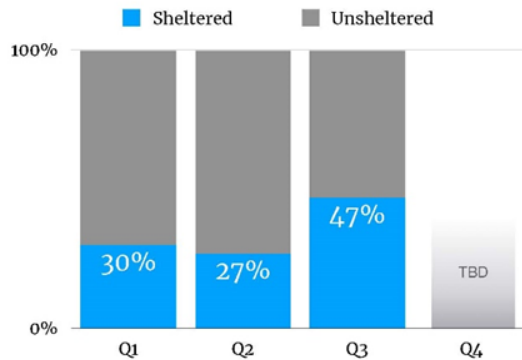


Data Insights:

- Q2 increase primarily from Cedar Grove engagement
- Otherwise, BNL has been stable at ~125

Figure 2: Andrew Hening Consulting: Petaluma Homeless Action Plan Report Yr 1 Q1-Q3

What percentage of that group is sheltered? Q1-Q3



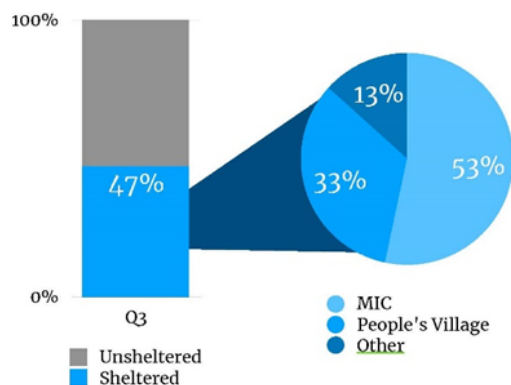
Data Insights:

- Increased shelter utilization in Q3 primarily driven by more Petaluma residents at MIC

Figure 3: Andrew Hening Consulting: Petaluma Homeless Action Plan Yr 1 Q1-Q3

Sheltered Vs. Unsheltered

Q3 Sheltered Breakdown



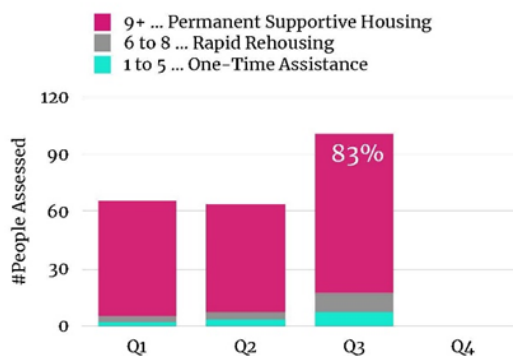
Data Insights:

- Most shelter utilization (80%+) is at MIC and PV
- Some BNL participants are sheltered elsewhere (couch surfing, Santa Rosa based shelters, etc.)

Figure 4: Andrew Hening Consulting: Petaluma Homeless Action Plan Yr 1 Q1-Q3

Projected Housing Needs

Prioritization Score Ranges



Data Insights:

- Current assessment scores suggest the overwhelming majority of people on our list are chronically homeless and need permanent supportive housing

Figure 5: Andrew Hening Consulting: Petaluma Homeless Action Plan Yr 1 Q1-Q3

Engagement Buckets

Process towards housing:

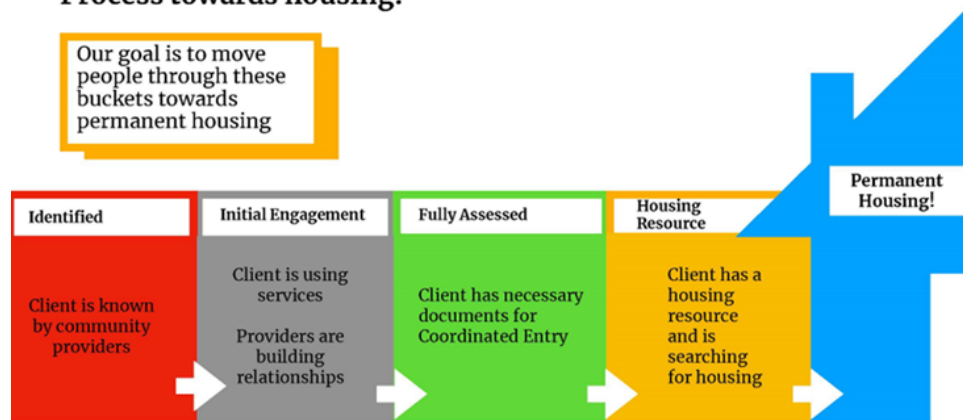


Figure 6: Andrew Hening Consulting: Petaluma Homeless Action Plan Yr 1 Q1-Q3

In summary, the significant progress the City has accomplished in the first three quarters of implementing its Strategic Plan to End Homelessness has positioned Petaluma well for the launch of implementation Year 2 of the Plan. During FY 2023-2024, efforts will focus even more intensively on closing continued gaps in the existing system including outreach, case load support, Coordinated Entry engagement, and rate of permanent housing placements from the entire system of care in Petaluma.

YEAR 2 (FY 2023-2024) PLANNED KEY ACTIVITIES

Key actions for FY2023-2024 that are planned to continue the momentum built during implementation of year one of the Petaluma Strategic Plan to End Homelessness include:

1. Provide intensive support for strong implementation and integration of new service partnership with HomeFirst for Street Outreach and Landlord Recruitment.
2. Continue strong partnerships with COTS (supporting increased aim toward permanent housing solutions in shelter and interim housing programs), PPSC (expanding awareness of and support for programs that prevent homelessness), and DST (integrating mobile shower support with expanded street outreach and continuing employment development program).
3. Publish quarterly Petaluma Strategic Action Plan to End Homelessness activity and outcome dashboards to City Council and entire community.
4. Continue resource development for homeless services and permanent housing by pursuing new sources of funding, expanding current funding where possible, and growing new collaborative partnerships.

5. Remain aware of and participate in county, state and national level initiatives to end homelessness, including the Sonoma County subregional efforts to integrate and improve outcomes of street outreach and permanent housing location and placement.
6. Continue to explore the larger emerging issues of developing a proactive plan for emergency shelter, flex up for extreme weather events, such as warming and cooling stations.

COUNCIL GOAL ALIGNMENT

The Strategic Action Plan to End Homelessness aligns with all five goals the Council has identified for the City of Petaluma:

- Goal 1: A CITY THAT WORKS FOR EVERYONE – Ensure a fiscally and organizationally sustainable City that is innovative and efficient; provides valued services promptly and professionally; engages the community, and proactively funds, designs, installs and maintains City infrastructure that is safe, functional, and sustainable and serves the needs of our residents.
- Goal 2: OUR ENVIRONMENTAL LEGACY – Preserve and protect Petaluma’s environment for future generations and become a municipal leader in sustainability by protecting our river and open space; reducing and drawing down greenhouse gas emissions; and encouraging sustainable development.
- Goal 3: A SAFE COMMUNITY THAT THRIVES – Support facilities and design programs that create a healthy, resilient, and engaged community that is prepared, safe, and housed.
- Goal 4: AN ECONOMY THAT PROSPERS – Encourage a thriving business environment that results in a strong, diverse, resilient economy and supports community prosperity.
- Goal 5: SPACES AND PLACES THAT INSPIRE – Create inviting natural and built places and spaces for contemplation, play, arts, and connection while celebrating our history and encouraging community pride

ENVIRONMENTAL COMPLIANCE

The proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15378, in that receiving an update on the City’s Strategic Plan to End Homelessness does not meet CEQA's definition of a “project,” because this does not have the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment.

FINANCIAL IMPACTS

The presentation, update and discussion of the Strategic Plan to End Homelessness does not generate any specific financial impact; however, implementation of the Plan will serve as a key guide in determining City funding priorities, and the need to invest in capacity building to pursue the additional resources that will be required to fund expanded services and to create more supportive housing units. Projects and proposed professional services agreement will be brought forward to the Council for discussion and consideration in June.

ATTACHMENTS

Attachment 1: City of Petaluma's Strategic Plan to End Homelessness 2022-2025

Attachment 2: City of Petaluma Homeless Crisis Declaration 2021