



Improving Outcomes to Better Serve Our County Residents

Supplemental Request:

An Assessment of Health, Human, Housing and Social Services Delivery Options

Submitted by: KPMG LLP

July 27, 2020

Select the right professional services team – one with the industry depth, knowledge, and insight to help you address your most pressing issues





Cover Letter

Ms. Kay Lowtrip
County of Sonoma
County Administration
575 Administration Drive
Suite 104A
Santa Rosa, CA 95403

Dear Ms. Lowtrip,

KPMG LLP (KPMG) is pleased to provide our response to the Supplemental Request for the assessment of Health, Human, Housing and Social Services delivery options. Our experience delivering projects to optimize county health and human service delivery, specifically focused on affordable housing, housing development and homelessness, coupled with our knowledge of Sonoma County and peer counties in California, has positioned us well to deliver the services sought by Sonoma County.

This project is an opportunity to drive positive and sustainable change by building a stronger, better integrated, and more cohesive and collaborative system to deliver services to your community

We understand the pressures facing the three in-scope agencies and the increased demand on supportive and affordable housing resources and funding during and after the COVID-19 pandemic. This increase in demand may only exacerbate existing challenges facing your County agencies already aggravated by the 2017 and 2019 wildfires. Before the pandemic, the County's health and human service agencies were already examining options to better adapt to population and demand growth in the County, and in particular a growing number of homeless and individuals with complex needs however this is now a greater priority and requires a unified and actionable plan that can deliver results.

We bring the right team with the right experience to work collaboratively with you

Our engagement team is made up of advisory professionals dedicated to assisting local government clients to improve service delivery, and they bring deep experience from industry and working with clients to enhance coordination of services and cross-agency collaboration to drive client outcomes, efficiency, and cost savings. Our team includes professionals with extensive national and global experience per your own organization's needs to provide the necessary leading practices regarding enhanced service delivery and funding utilization.

You may contact me at any time regarding this letter or KPMG's service offerings.



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Section I – Question Responses

1. Describe your knowledge and experience evaluating Federal, state, and local affordable housing and development and homeless services and programs administered at the local level.

KPMG has experience in assisting local, state, and federal agencies analyze, develop, and improve the administration of affordable housing and homelessness programs. Whether it was through a comprehensive financial analysis, a performance and operations review, or helping identify innovative collaboration of public and private funding to ensure feasibility, KPMG has consistently been a value add partner for government entities and their housing programs.

Housing affordability and homelessness were major challenges across the State of California before the COVID-19 crisis. The pandemic has only made these challenges more acute. KPMG's global network of expertise is even more valuable in times like these where we can leverage the solutions and leading practices from others across the globe to address local issues.

Several members of the KPMG team have industry experience with direct roles in administering housing programs at the local level. Oscar Bedolla worked for the **City of Cincinnati** on multiple affordable housing projects using a variety of federal, state and local funding mechanisms. Among the projects that he spearheaded, was a mixed-use affordable housing project for senior citizens called Marlowe Court. This LEED Silver certified project includes 50 affordable apartments reserved for seniors and 3,600 square feet of retail. The total project cost was \$11million and received an allocation of competitive 9 percent Low-Income Housing Tax Credits (LIHTC).

Similarly, Marc Bleyer has extensive experience structuring mixed-income and affordable housing developments for the **District of Columbia**. Marc has specific experience working with local programs for people experiencing or at risk of homelessness. Working on behalf of the District of Columbia, he led the development of a 123-unit affordable housing project with 60 units reserved for disabled veterans. This complex project incorporated multiple sources of funding including VASH vouchers, which combines rental assistance vouchers from HUD with case management and clinical services provided by the Department of Veterans Affairs. In total, Marc has helped build more than 800 units of affordable housing in the District of Columbia and his work was integral to forming closer alignment and integration between multiple local housing agencies.

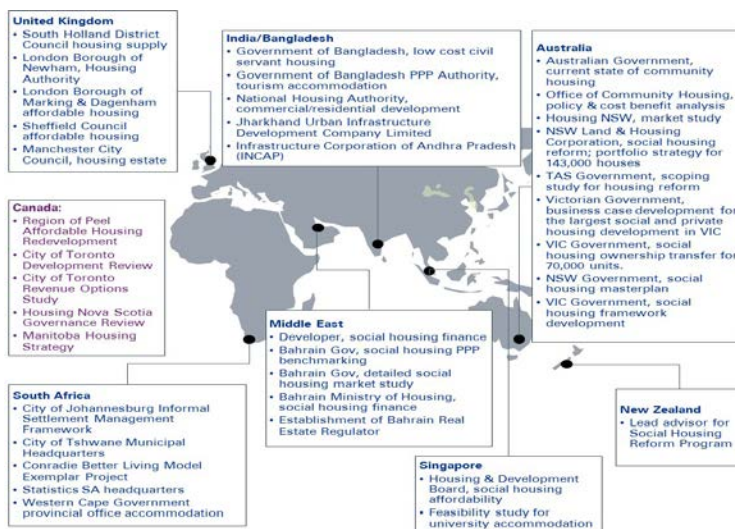
In addition to some of our project-specific experience, KPMG brings experience and knowledge of leading practices in administering affordable housing programs and homeless services from around the globe. In 2016, KPMG Australia helped the **State Department of Housing** develop a five-year housing and homelessness strategy to address both housing challenges and many associated social issues. Among other things, this strategy resulted in a 25-year asset renewal approach with a disposal and re-development schedule, and a vulnerability-based indicator of housing needs to target investments in housing and homelessness services. KPMG East Africa supported the Government of Kenya with a master plan for its Affordable Housing Agenda to build one million housing units by 2022. KPMG conducted a nationwide market analysis, develop a sustainable housing supply strategy and implementation schedule, evaluated the organizational and financial condition of the National Housing Corporation, and developed a financial model to support the overall plan. Through KPMG, Sonoma County can benefit from this global experience and knowledge tailored to the local level.

2. Describe your knowledge and experience evaluating and making recommendations on the appropriate organizational and operational structures for affordable housing, housing development and homeless services programs where those programs may be administered across multiple departments and agencies.

KPMG has international experience reviewing and providing recommendations on the organization and operational structures for housing and homeless services programs. Within the US, KPMG recently worked with the **New York City Housing Authority (NYCHA)**, the largest public housing provider in the country with a \$3.48 billion budget, and roughly 13,000 employees. While NYCHA is primarily responsible for operating New York City's public housing portfolio, it works closely with partner agencies across healthcare, homelessness, and public safety. In 2019, NYCHA engaged KPMG to provide a top-to-bottom review of the Authority's structure, operations and management. This engagement addressed some of the most significant challenges facing the Authority surrounding capital planning/project management, the operation and maintenance of properties, and available tenant services. In less than six months, KPMG provided a full review of the Authority's current organizational and business model, level of performance for each core business capability including its financial management function, and readiness to adopt changes that will improve everything from financial management to building operations. The team conducted its assessment through analysis of more than 400 documents, 75 interviews across the organization, and more than 25 group workshops site visits and focus groups with internal and external stakeholders. The assessment included identifying strengths and gaps, as well as key considerations to be taken into account during the development of the future state. As part of this, the team also reviewed how HUD policy shifts including the recapture of excess operating funds, sequestration, and cuts to operating subsidy and capital funding have impacted NYCHA's operations.

As part of its operational assessment, KPMG also conducted an asset management evaluation and developed a strategy to improve the condition of NYCHA's underperforming housing assets. The KPMG team developed a detailed understand of the Department of Housing and Urban Development (HUD) programs and policies associated with affordable housing. Our work on behalf of NYCHA was critical to building a stronger relationship between the Authority, HUD, and other partner agencies.

One of KPMG's greatest assets is our global network of expertise and understanding of housing practices. KPMG brings experience in housing and homeless service programs from around the world.



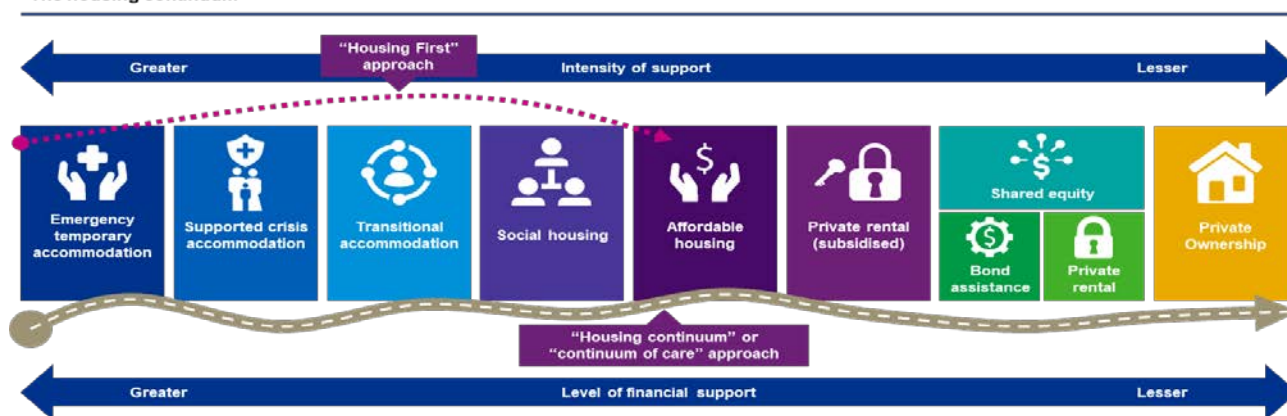
This allows our team to bring the methodologies, experience, and expertise of our global partner firms and an understanding of leading practices in managing and operating affordable housing from around the world.

For example, **Homes England** is the UK government's purpose built organization responsible for delivering more affordable housing where it is needed most across the country. Homes England was tasked with delivering 300,000 affordable homes per year by 2021 through a variety of methods such as direct build, partnership with private developers, and working through other government agencies. KPMG conducted an assurance diagnostic review across the Agency's operations to identify areas and methods to improve assurance processes and procedures. Our analysis identified six key items and recommendations for Homes England improve its assurance operation, including development of a centralized and consistent assurance strategy, framework and approach that was applicable across all parts of the organization. The review sought to improve the Agency governance structure and reinforce sound oversight responsibilities to give senior decision-makers confidence that the Agency's day-to-day activities are meeting the government's objectives.

3. Describe your knowledge and experience identifying areas of overlap in services within housing, health, and human services organizations as it relates to housing-related programs.

KPMG has worked with a number of local governments to identify overlapping services within these agencies, our most relevant California experience is outlined below. However before discussing our experience it is important to note that there is clear evidence that housing agencies, healthcare providers, and social services must all work together to improve outcomes and address critical needs. Traditionally, many jurisdictions have followed a "housing first" approach that focuses on providing stable, long term housing for people who are homeless, at risk of homelessness, experiencing housing crisis or stress. More recently, housing agencies and social service providers have begun to follow a "continuum of care" or "housing continuum" approach that focuses on providing people with a range of support services in addition to stable housing.

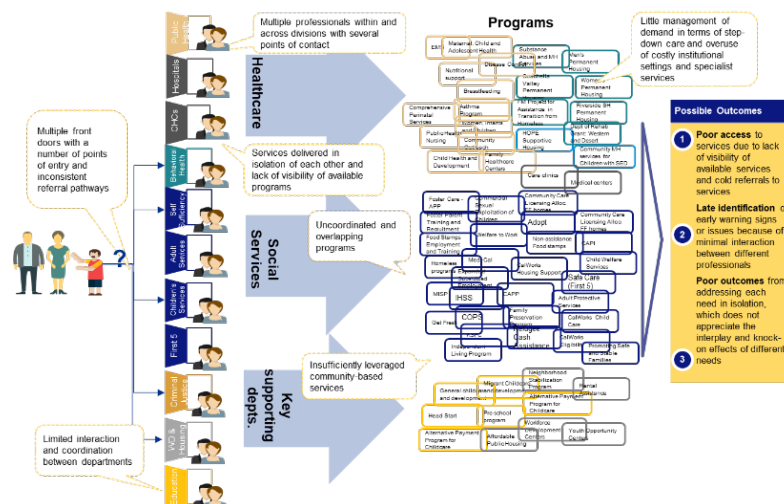
The housing continuum



In addressing both homelessness and affordable housing, our team fully appreciates the integrated needs and overlapping services across housing, health, and human services. KPMG has worked with numerous municipal governments around the United States to identify efficiencies, challenges, and opportunities across public services. **Riverside County, California** engaged KPMG to drive cross-system integration by conducting program and super user analysis to identify opportunities for collaboration between multiple human service departments, particularly where departments are serving the same cohorts with the aim of identifying opportunities for joint working and integration between departments.

This review included multiple housing programs across the different agencies and worked to identify opportunities to improve funding utilization, reduce fragmentation of services, and serve cohort populations in a more systematic manner while improving outcomes. The figure below shows the 'current state' of programs identified within the review and the overlapping, fragmented nature of the services resulting in poor outcomes for clients. Based on the findings of this review, KPMG worked with Riverside County to develop an overarching vision for cross-system integration based on population-based operating models that bring together programs for that specific population that focused on early intervention and

prevention, coordinated access and entry point, and shared administrative and support services to enhance funding effectiveness.



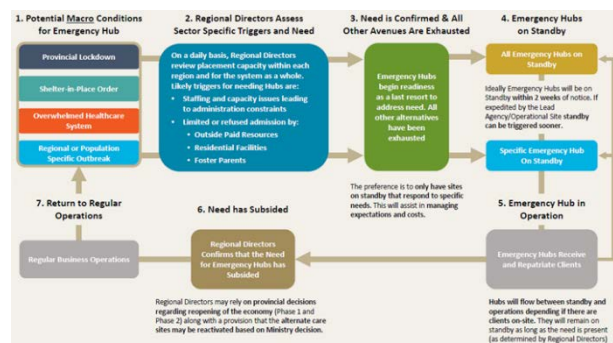
4. Describe your knowledge, experience, and ability to develop implementation plans or roadmaps for how affordable housing, housing development, and homeless services programs can be integrated where these programs and services may overlap and be administered in different departments and agencies within a local jurisdiction.

Our experience with developing roadmaps and implementation plans to integrate services covers a broad array of social service programs including housing and homeless services. One of the key outcomes of our recent work with the **New York City Housing Authority** was a detailed roadmap for the implementation of improvement opportunities based on alignment to the overall vision, cost and benefit, level of risk, and logistical complexity. This implementation strategy specifically sought areas of overlap with other city agencies to improve efficiencies and draw on the city's varied social service programs.

Within our global network, KPMG Canada was engaged by the **Alberta Ministry of Community and Social Services** to support the development of a new housing model that included both housing and non-housing supports for people with complex needs. Through current state assessments and a comprehensive understanding of governmental stakeholders, KPMG assisted in developing a business case and capital plan that will support a shift to more fully integrate housing development and social services through the capital plan. This success was attributable to developing an understanding of housing needs and gaps, existing capital assets, and, most importantly, creating enhanced coordination between service providers and stakeholders.

KPMG Australia collaborated with the **Department of Housing in the Northern Territory in Australia** to address a lack of coordination between the 'continuum' of services available to people with housing needs with a strategic policy approach that would provide an overarching strategy to move towards a better quality, more sustainable housing system for the Territory. The final strategic plan offered a multi-faceted response to the issues facing the Northern Territory, and offered a suite of coordinated, integrated options, including implementation plans, to a) deliver financial sustainability over a 10 year period through an asset recycling road map, b) integrate housing and homelessness services to improve system efficiency and tenant outcomes, and c) address key identified gaps in remote service provision and position the Department to better meet the needs of remote communities.

Just recently, in response to the COVID-19 pandemic, KPMG Canada was engaged by the **Ministry of Children, Community and Social Services in Ontario** to develop Emergency Hubs for their vulnerable populations in partnership with community partners. Emergency Hubs will provide individuals involved in the Child Welfare or Developmental Disability sector with appropriate and safe housing during the pandemic, and support community providers who are unable to maintain services due to high sick rates among their staff and clients. KPMG facilitated the development of two operating models for the COVID-19 Emergency Hubs for the Child Welfare and Developmental Disability Sector in partnership with the lead organization and MCCSS. The operating models included the activities, policies and procedures, and governance that MCCSS would need to consider to meet the unique needs of each of the vulnerable populations. KPMG also developed a cross-partner Governance Framework that outlines the roles and responsibility for the operating facility, lead agency and MCCSS. Included within this was the development of an algorithm which would support MCCSS in determining when to go on standby, emergency hub operations and to resume back to regular operations, see the figure below. The two models can now be used to develop additional Emergency Hubs across the province if the need arises.



Additionally, our team member Steven David, has extensive experience in implementation planning and program development for collaboration between non-profit service providers and local government. On behalf of the **City of Houston**, he was part of a leadership team that helped to develop the Homeless Management Information System (HMIS), and worked with participating non-profits and stakeholder departments to develop areas of responsibility, accountability, and a plan for sharing information. The most critical aspects of the cross-system implementation plan focused on how providers would be able to extract their own data and minimum data entry requirements when using the systems. The diverse systems that nonprofit providers used was an early challenge in the project. By allowing providers to extract data they entered into HMIS, we minimized duplicate data entry, increased the collective knowledge of providers, and reduced barriers to compliance. In addition, prior to gaining access to HMIS, there was a minimum set of core questions established that each provider committed to asking and recording in the system. This ensured that the system had a minimum set of data points on each person engaged by any provider, which allowed for greater cross collaboration among providers.

5. Describe your knowledge and experience of assessing performance outcomes and metrics related to; mandatory and discretionary levels of service, budget analysis, programs and services, departmental policies, procedures and practices, staffing levels and resource allocation, and workload and workload trend information. Describe your experience in identifying areas of overlap in services between multiple departments/agencies.

KPMG US was engaged by **Riverside County, CA** to drive cross-system integration by conducting program and super user analysis to identify opportunities for collaboration between 15 health and human services, and criminal justice, departments, with a particular focus on programs where departments were serving the same cohorts. This involved a program evaluation which assessed 200+ programs across criminal justice, healthcare and social services departments, including permanent, supportive and transitional housing programs, in addition to homeless programs. The programs were assessed across a number of criteria: Purpose & Strategy, Efficiency & Operations, and Effectiveness & Outcomes, to assess their overall effectiveness and efficiency in service delivery. This was triangulated with a comprehensive community needs assessment to identify gaps in service provision, supporting decisions to reinvest funds into programs that make the most impact on residents and families. The output of the review aimed to scope opportunities for joint working and integration between departments, identify opportunities to provide improved client outcomes and address increasingly complex needs, as well as identify methods to improve the utilization of funding.

The primary housing programs: intensive supportive housing, emergency & transitional housing, and permanent supportive housing, were assessed against a range of performance metrics and outcomes to determine an overall program rating and provide specific recommendations for improvement. The metrics and outcomes reviewed included:

- **Cross system collaboration:** level of interaction and coordination with other supporting agencies for information sharing, client coordination, and case management
- **Customer service:** tracking timeliness of customer response, services, duplication of services, and increased needs
- **Efficiency:** program management, program compliance and utilization of funding sources
- **Utilization:** maximizing use of funding sources, occupancy, and turnover
- **Access:** assessing if the right target populations are served in the most appropriate settings
- **Ongoing support:** ability to address behaviors and link them back to root causes such as behavioral health, substance use, medical needs, or homeless focused behaviors.
- **Financial position:** sustainability of financial position and overall program
- **Barriers to entry:** existence of housing barriers and ability to monitor the resident's needs and behaviors to ensure they continue to comply with their funding requirements
- **Exit outcomes:** maintaining at least 70% of individuals in stable housing for longer than one year and clients gained or increased income from entry to annual assessment
- **Sustainability:** analyzing the sustainability of impact for its housing programs to include cost to other County departments, length of time on subsidies (cash and housing)
- **Quality standards:** ability to comply with appropriate housing standards
- **Proactive outreach:** capacity and ability to identify client populations in need to provide the necessary support

The Program Review identified a number of issues in relation to the programmatic operating models of the departments, which impacted access to services and the quality of service provision. The fragmentation of services and delivery of programs in isolation resulted in worse outcomes for clients. The key drivers for this were:

- The role of departments is as administrators of program funding as opposed to identifying and solving the needs of clients.
- Each program tended to have its own dedicated resources: delivery staff, administrators, supervisors.
- There was a lack of coordination between programs within departments and between departments. Programs are delivered largely in isolation of each other and there are few formal pathways or referral processes.
- Customers and professionals have patchy visibility of available programs and eligibility for programs and they struggle to navigate the complexity and fragmented system, and may fall through the gaps between the programs

As a result of this review KPMG identified approximately 30 discrete initiatives that, if implemented, could achieve significant immediate to medium term cost savings of up to \$31 million. In addition, KPMG identified four vulnerable population groups that would benefit most from increased collaboration and joint-working among the 15 departments through an integrated model of care and worked with the County to support implementation of the recommendations.

KPMG US was tasked by elected and appointed leaders of the **County of Santa Barbara** to drive a government-wide operational and performance transformation that focused on improving efficiency, effectiveness, and delivering a better service to the community. This effort was to support their 5-year transformation initiative to increase the resiliency and sustainability of their County operations. KPMG US is in the process of undertaking a series of operational and performance reviews across all County departments to identify opportunities for improved operational efficiency, cost effectiveness, and service delivery. Within each review, KPMG reviews the departments' organizational structure, fiscal analysis and funding utilization, staffing levels and span of control ratios, workload trends and measurement, policies and procedures, operational processes and collaboration with other departments, data management, and

performance management. KPMG provides strategic and operational recommendations for each department, associated benefits and costs, and supporting actionable implementation roadmaps to guide County personnel with future delivery. KPMG's work is helping the County deliver against its strategic priorities and transformation roadmap. The recommendations made will help ensure the County's operations are sustainable and they improve their resiliency to mitigate against future disasters.

Finally, KPMG supported the **City of Chicago's Department of Housing and Community Development (HCD)** and the Chicago Housing Authority with on-going support to drive performance improvement initiatives around four key areas of focus:

1. KPMG diagnosed and designed a new model of organizational structure for Chicago HCD, merging a variety of disparate functions previously under separate Mayoral departments into one central operation. This work included options/impact analysis and recommendations on staffing, structure, savings, and service delivery resulting in millions in overhead savings and a new plan for service enhancement.
2. KPMG diagnosed, designed and delivered a new model of processes across the Chicago Housing Authority's lifecycle of requisition, solicitation, selection, contracting, and extension of contracts for goods/services under RFP, RFQ, IFB, and PO procurement work streams. The outcomes of this work resulted in 20-30% reductions in total procurement timelines and an increase in available buyer capacity of 10% to be redeployed to more proactive strategic buying plan efforts to better manage incoming request volume and business unit expectations.
3. KPMG diagnosed, designed and delivered a new model of managing Chicago Housing Authority contracts and vendors to embed performance-based contracting concepts across the contract/vendor lifecycle. Efforts included design and training on performance-based requirements/scopes, optimizing competitive selection techniques, defining effective performance measures, and best practices in ongoing management of vendors to improve accountability and strategic partnerships, or to inform future selection decisions.
4. KPMG's work in functional performance and efficiency reviews included development of roadmaps to improve a variety of Chicago Housing Authority functions and programs, including the General Counsel, Procurement, and other divisions.

6. Describe your knowledge of funding sources and budgets related to housing programs in multiple departments/agencies and your experience determining whether those sources could be blended or braided in order to better utilize services and funding.

During the program review with **Riverside County**, as referenced in question 5, the team worked with the County to build an understanding of the existing funding siloes and how they could be blended and braided to target specific population groups to provide the appropriate level of support and stabilization for at risk individuals. In particular, funding sources such as the 1991 and 2011 realignment funds, and Mental Health Service Act (MHSA) funds were especially important in setting the foundation for identifying available funding uses and gaps, and identifying how the more restrictive grant funds could be utilized most effectively.

The KPMG US team has extensive experience evaluating funding and financing options and developing financial plans for public agencies. On behalf of the **Northwest Indiana Regional Development Authority**, which drives transportation and housing-based economic development initiatives, the KPMG team has been engaged in developing a financial strategy for new tax increment financing districts to drive mixed-use development near transit stations. This work has included an evaluation of the potential sources and uses of funding for opportunistic housing projects that would blend public and private resources including state, federal and local resources. In the case of one specific project, our analysis included the review of blending HUD 221(d)4 funds with local housing funds, land value, and other direct subsidy to

determine project feasibility. We have also provided the RDA with analysis of ways to leverage housing capital from the federal government and state.

In another case, KPMG US brought together the **Puerto Rico Housing Authority** and the **University of Puerto Rico** to develop an innovative public-private partnership (P3) approach to building on-campus housing with more than 500 student housing beds, 900 parking spaces, and retail space. KPMG staff led market outreach to gauge interest and capabilities, led the procurement process, and supported the Authority in its discussions with the USDA regarding financial assistance from the Facilities Direct Loan Program.

From our global network of member firms, KPMG Australia was engaged by the **Department of Health and Human Services in Victoria, Australia** to provide financial analysis and strategic options analysis related to transferring 12,000 housing units to the nonprofit housing sector. One of the key issues in this engagement was the potential financial implications, including both capex and opex, of a large-scale transfer for both the Department and the nonprofit sector. KPMG provided detailed financial analysis of the revenue and expenditure implications of such transfers for public and community providers. This included assessing the different revenue and expenditure profiles of the housing stock held by different types of providers, and assessing the extent to which costs and revenues would change upon transfer from the government to a nonprofit provider. Ultimately, the team was able to provide a nuanced analysis that took into account the financial and client impacts for both community and public providers.

7. Describe your experience analyzing the extent to which a consolidated housing programs across health, human and housing services agency or entity, would allow for funding flexibility that could facilitate integrated services for clients currently served by separate county health, human, and housing services departments or agencies. Describe your experience in preparing cost benefit models for services and programs.

As outlined in question 6, our work with Riverside County allowed the team to identify funding flexibility to provide more effective services and programs to clients. Housing affordability is understood as one of the core economic and social challenges in many developed countries around the world. Further, we understand that many jurisdictions now recognize the importance of integrating housing supports with other social and economic programs not only to improve outcomes, but also as a means to stretch scarce public resources. This is evidenced in a 2016 Enterprise Community Partners report that found investments in affordable housing can reduce Medicaid costs. By integrating services across departments, the county can achieve operational savings through more efficient service delivery as well as through improved case management over the long-term.

KPMG brings direct experience in developing the cost-benefit analysis of a housing program. In South Africa, our member firm provided a cost benefit analysis of inclusionary housing for the **Gauteng Department of Human Settlements**. Gauteng Province is South Africa's most populous and most densely developed province. The cost-benefit report was needed to evaluate the most appropriate and workable approach to implementing a policy for requiring developments to accommodate low-income residents in better locations. KPMG personnel quantified the projected impact of rolling out such a policy given current financing instruments and conducted outreach to gauge the opinions and interests of leading private sector actors, academics and financial sector representatives – all of whom had previously rejected the policy in its current form.

8. Describe your experience with multi-disciplinary teams (MDTs) across different departments and agencies at a local level. How would you evaluate a local MDT?

KPMG was engaged by the **Riverside County, CA** to assist in evaluating a multidisciplinary team of registered nurses, vocational nurses, physician assistants, case managers, and social workers within the Behavioral Health System. While conducting a review and subsequent implementation of improvements to

the Behavioral Health System, the KPMG team developed a comprehensive understanding of whether the teams were working to their full scope of practice, working within their scope of practice or outside of their permitted license, conducting work that should be accomplished by lower level personnel, and determining if documentation and practices were in line with college standards. This allowed the Behavioral Health System to develop teams that have the appropriate mix of disciplines and FTE count based on client demand, as well as create opportunities to flex as demand shifted. Moreover, KPMG helped to reduce costs in areas where it was difficult to get a physician by getting a Nurse Practitioner who can often provide a similar line of care for the homeless population.

Additionally, KPMG team member Steven David helped to develop the cross-functional programming and sharing of responsibilities for organizations that operate inside the **Houston Recovery Center**. The Houston Recovery Center is a centralized space and safe environment with combined social support services to screen for and manage substance abuse disorders that present a public safety and health hazard. During development of the operating model for the Recovery Center, the operating agency required careful consideration of areas of responsibility and accountability when law enforcement dropped a client off, when the client is allowed to leave the facility, how interactions occur, physical and mental screening, and appropriate case management. The Houston Recovery Center coordinates with 32 non-profit providers that operate inside, or with, the Recovery Center, helping to provide physical health, mental health, and counseling services to the clients. For example, once a client is dropped off by a law enforcement officer, hospital, or emergency department, an emergency medical technician will monitor the client until they reach a sobriety level acceptable for release. While the idea of a sobering center is not novel, the large number of community, law enforcement, and governmental partners make the Houston Recovery Center a model for the nation.

9. What is your knowledge of best practices in County-administered housing and homeless services? Within those best practices, what are the indicators that are essential to positive outcomes? What is your experience evaluating counties relative to those best practices and key indicators?

KPMG US has supported numerous state, county, and municipal governments with understanding leading practices across a wide-spectrum of governance and operational issues. In the case of homeless services, the **Mayor's Fund for Los Angeles** engaged KPMG in 2017 to conduct research using on the current state of the city's homeless services. The outcome of this engagement was a detailed analysis on the current state of governance and reporting for homeless services in Los Angeles. The report provided specific insights on the gaps and challenges in the city's homeless services. The report also identified a number of leading practices and service concepts based on KPMG's work on homelessness in other jurisdictions. The report provided an options analysis for Los Angeles' Deputy Mayor for Economic Opportunity and the Mayor's Fund for Los Angeles as they seek to address the complex homelessness challenge.

There are a number of different approaches to administering housing and homeless services, however while physical housing needs to be part of the homelessness solution, in and of itself providing more housing will not solve homelessness. For this reason, the most successful approaches involve integrated housing and non-housing supports. The housing supports provided may include a subsidized house, or support to overcome market barriers – such as through head-leased properties, time-limited rental subsidies, or help to find a shared house. Two primary approaches involve a). the 'housing continuum' approach to assisting a person, illustrated in the figure below, emphasises stepping a person through different levels of support, as they become more able to take up longer-term, more stable options. It describes the need for and use of various types of programs by various clients at different points in their housing journey. It contrasts with a 'housing first' approach, which emphasises providing a person with stable, long-term accommodation immediately, and providing the required social supports at the same time which can often be too much for an individual.

Newer ways of approaching homelessness involve approaches that are more tailored to the client's needs, in view of strengths and resources, i.e. a 'client centered' approach.

- **'Tenure neutrality':** Clients enter a given property, and the support services and rent arrangements that relate to that property shift as the client's needs evolve. A client can effectively move from crisis services to community housing, and even to ownership without having to move house.
- **Rapid re-housing:** aims to rapidly move people from homelessness into stable (medium-long term) housing. Focusing on establishing tenancies in the private rental market or in social housing, and include a long-term supportive housing model for people with complex needs.
- **Increasing prevention and early intervention efforts:** to stop people from becoming homeless. Supports include such services as rental advocacy and flexible funding targeted at people who are at risk of homelessness, such as people leaving corrections or mental health facilities.
- **Exit-oriented services:** combine explicit exit planning at entry to housing with a time-limited housing support period (typically 2-3 years). Clients agree to undertake activities (like training) to enable them to leave. Incentives can be put in place to support the transition out – for example a return of part rent paid for a deposit or moving costs. Foyer models for young people operate along these lines.



Below are some examples of performance metrics that help to establish a baseline understanding of community needs, areas of challenge and criticality, and success.

Number	Metric	Description
Metric 1	Length of time persons remain homeless	Includes reporting the average and median length of time homeless across the universe of projects. Must include time during the report range as well as prior to the reporting start date.
Metric 1a	Start and exit dates of homelessness	This is a component unit of Metric 1 that helps to enumerate beginning and end dates of homeless. Should be used to help identify trends and seasonality.
Metric 2	Length of time it takes a person to return to homelessness	This is intended to measure the amount of time, in increments, it takes a person to move from permanent housing into homelessness. Typical increments are 6, 12, and 24 months.
Metric 3	Number of homeless persons	This is going to basic count of people who are homeless, but should be broken out by sheltered and unsheltered. Jurisdictions will typically establish this metric through an annual homeless county in which government bodies will partner with city/county-wide non-profits to collectively establish this number.
Metric 4	Employment status for homeless persons	This metric is intended to track the employment status of homeless persons who are enrolled in a Sonoma County funded or sponsored programming.
Metric 4a	Income growth for Homeless Persons	This is a component unit for Metric 4 that is intended to understand the income and growth of income for the employed.
Metric 5	Number of people who are homeless for the first time	Intended to develop of understanding of first time homelessness, as well as identifying upward trending.
Metric 6	Number of beds available in shelters	Using this metric and comparing it to the total number of homeless persons to understand capacity limits.
Metric 7	Cost of beds in shelters	In some instances, shelters will charge people to stay in them creating a disincentive for someone to go there.

homeEd is one example of our international work in affordable housing. homeEd is one of the major affordable housing providers in Edmonton, Alberta. KPMG Canada helped homeEd identify and evaluate optimal options to achieve a sustainable growth target for their housing stock, and to target their client services where they are most needed. KPMG was responsible for identifying growth options for homeEd, and supporting the selection of homeEd's preferred alternatives to be presented to the City of Edmonton. KPMG prepared an environmental scan of fundamental needs and gaps with relevance to housing for low-income households in Edmonton and engaged key stakeholders including homeEd property managers, key opinion leaders, and policy advisors from the City of Edmonton to confirm growth objectives and internal strengths and challenges. The data was used to learn more about homeEd's current strengths, challenges and opportunities, to confirm client-related growth objectives, to identify existing and anticipated service gaps and issues, as well as identify the desired future state of homeEd.



Section IV - Cost of Service

We believe our pricing is competitive and consistent with the high-quality service you would expect from your service provider. Further, we believe long-term business relationships are based on strong professional association, mutual professional respect, and reasonable fees for professional services. The rate below includes all overhead costs and expenses. The total rate is significantly discounted from our published, standard rates and is commensurate with the price of projects we are currently delivering with benchmark counties of your size.

The fixed-fee price proposal outlined below is based on the 90 day timeline for the engagement. Pricing is subject to the scope discussions and clarification. The price outlined in our original response is no longer valid if work is scoped into distinct phases.

We appreciate that our services come at a cost, one that is most likely higher than any other bidder in competitive solicitations; however, that is because we know what it takes to deliver quality work and the outcomes you need. We have experience delivering results that shows a return on investment of 5-10 times the cost of our services. We are willing to discuss alternative pricing options that help ensure both price and scope are calibrated appropriately.

Product/services provided	Fixed Fee (US\$)
Assessment of health, human, housing, and social services delivery options	\$212,000
Total	\$212,000

The anticipated fixed fee price proposal has been developed based on the hourly rates for labor and expected hours outlined below. As this is proposed as a fixed fee KPMG reserves the right to change the mix of resources based on project needs.

Personnel Level	Maximum Hourly Fee (USD)	Number of Expected Hours
Partner/Principal	\$495	12
Director/Project Manager	\$410	140
Manager/Delivery Lead	\$375	200
Senior Associate/Engagement Analyst	\$300	260



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