



## SUMMARY REPORT

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**Agenda Date:** 4/20/2021

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**To:** Sonoma County Board of Supervisors  
**Department or Agency Name(s):** County Administrator's Office  
**Staff Name and Phone Number:** Sheryl Bratton, 565-2231  
**Vote Requirement:** Majority  
**Supervisory District(s):** Countywide

**Title:**

KPMG's Housing and Homeless Services Assessment

**Recommended Action:**

- A) Receive housing and homeless services assessment report from KPMG
- B) Direct staff to return to your Board with additional analysis and recommendations for consideration

**Executive Summary:**

After a competitive procurement and evaluation process, KPMG, LLC was selected to provide an assessment of housing and homeless services programs. Over a 12-week period beginning in January 2021, KPMG conducted interviews with key stakeholders across the County and community, conducted focus groups with those with lived experience of homelessness, analyzed available data, reports and policy documents, and undertook benchmarking and leading practices review. KPMG evaluated organizational structure models for affordable housing, housing authority, and homeless services and their corresponding suitability for the County, using a set of design principles to weight and score each of the models.

**Discussion:**

**Background**

At the 2019-20 budget hearings, the Board approved appropriations to fund various efficiency studies. After a competitive procurement and evaluation process, KPMG, LLC was selected to provide an assessment of housing and homeless services programs, with the following key objectives:

- Assess and inventory all housing and homeless services programs administered through the Community Development Commission, Department of Health Services, and Human Services
- Assess and provide an inventory of the ancillary services and programs necessary to enable individuals to successfully obtain and maintain housing
- Determine whether there is duplication between services, administrative functions and activities across organizations and make recommendations to increase efficiency
- Determine best practices to administer programs and improve collaboration and communication across organizations
- Provide an environmental scan of organizational structures outside of the County that could effectively administer some or all of the County homeless and housing programs
- Assess whether existing homeless and housing programs should be redesigned to more effectively achieve outcomes

## **Methodology**

Over a 12-week period beginning in January 2021, KPMG conducted over 50 interviews with key stakeholders across the County and community, including the Board of Supervisors, department leadership, safety net collaborative members, service providers, city managers, Continuum of Care (CoC) representatives, and advocacy groups, among others. The focus of the interviews was to gain an understanding of, and solicit feedback on, the current state eco-system of County housing and homeless services, current state organizational structure, roles and responsibilities of stakeholders, homeless and housing programs and services offered, and the operations of each department to understand the landscape of challenges and opportunities.

In addition, KPMG also facilitated two focus groups with those with lived experience of homelessness, analyzed available data, reports and policy documents, and undertook benchmarking and leading practices review of 17 benchmark counties, including, among others, Alameda, Contra Costa, Monterey, Napa, San Mateo, Santa Cruz, San Diego and Ventura counties.

## **Focus Areas and Initiatives**

KPMG identified the following focus areas and initiatives for the County to consider, based on their interviews, analysis and best practices research. These actions, systems and process improvements could potentially help the County more efficiently deliver housing and homeless services to County residents.

### Organization Structure (see discussion below on Organizational Models)

- Evaluate potential organizational models to consolidate housing funding and expertise, leverage homeless and health service delivery capacity and streamline service offerings to facilitate best outcomes
- Evaluate the impact of transition on the Continuum of Care structure and governance to ensure continued compliance with funding regulations and requirements

### Strategy and Performance

- Expand on the Homeless Point-In-Time Count exercise to conduct a comprehensive needs assessment of the homeless population to align with differentiated housing and service strategy
- Combine and develop through a lead agency who has capacity, a Countywide strategic plan to address homelessness and a separate strategic plan to address affordable housing
- Leverage ACCESS (Accessing Coordinated Care and Empowering Self Sufficiency) and Provider community input and establish strategic cohort populations and program and/or service coordination or multi-year integration plan

### Governance

- Revise Department charter statements to align with any organization restructure
- Engage with workforce to understand the drivers of staff attrition resulting in the loss of institutional knowledge

### Funding Optimization

- Establish a Funders Collaborative to increase competitiveness of funding pursuits

#### Program Optimization

- Conduct an evaluation of the program inventory and ancillary services to better connect target populations with program offerings and/or identify duplication and gaps in service
- Develop a consistent and balanced set of data-driven performance measures and regular reporting cadence to better measure program and Provider performance to inform decision-making
- Develop a cross-jurisdictional diversion program to redirect persons experiencing homelessness from the criminal justice system to homeless services
- Increase the range and quality of programs by increasing Provider competition through developing an incubator program for smaller Providers to increase competition and enhance service delivery

#### Coordinated Entry

- Develop a plan for the transition of Coordinated Entry from Catholic Charities to ensure a seamless transition of service
- Expand hours of service and number of locations and distribution for Coordinated Entry points across jurisdictions to align access points to need and enhance overall client experience
- Develop an approach to incident command linking to the Intermulti-Disciplinary Team (IMDT) to provide a structured approach to incident response
- Conduct an in-depth assessment of pre-screening tools (i.e. VI-SPDAT) to identify the optimal solution for the County in identifying client vulnerabilities

#### Coordinated Service Delivery

- Develop cadenced touchpoints between homeless outreach teams to enhance outreach coordination, share knowledge, data, and best practices
- Enhance marketing and advocacy efforts across Departments and jurisdictions to increase transparency and awareness of service and program offerings
- Based on a comprehensive needs assessment and refreshed high utilizer analysis, expand current IMDT cohorts to serve a greater population
- Enhance integration with service offerings for those released from custody to better meet the needs of homeless offenders via Housing Navigators

#### Housing Coordination and Access

- Automate the housing and shelter inventory tool and link to Coordinated Entry and ACCESS to allow for a dynamic, real-time view of available beds and or units where persons experiencing homelessness can be referred
- Establish MOUs between the County and City Housing Authority to ensure voucher portability
- Based on the outcomes of the needs assessment, consider targeting the development and/or implementation of a range of specific housing types which align with the identified need
- Incorporate housing and voucher applicant screening into Coordinated Entry evaluation to streamline the process and increase efficiency in administering affordable housing units

#### System and Data Usage

- Evaluate individual system capabilities and opportunities for enhanced data integration and/or interoperability with ACCESS

**Training and Capabilities**

- Conduct regular inter-agency training to educate County staff on homeless & housing services offered across departments as well as on-the-job tools
- Liaise with Providers to develop a collaborative cross functional approach to Provider- Department training to share knowledge and practices

**Organizational models - design principles**

KPMG used the following design principles, identified during stakeholder interviews, to evaluate organization structure models for affordable housing, housing authority, and homeless services and their corresponding suitability for the County. The weighting addresses the relative impact and importance of each design principle in any model.

| Design Principle                                                                                                                                                                                                          | Weighting |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| <b>Enhances cross-jurisdictional collaboration:</b> establishes a regional homelessness which increases City/County collaboration                                                                                         | 3         |
| <b>Adjusts funding status:</b> retains current state / federal funding status with HUD without further complication or adjustment                                                                                         | 1         |
| <b>Maximizes funding opportunities:</b> increases departmental collaboration and pooling of resources for funding application; enhances competitiveness of County as an applicant                                         | 2         |
| <b>Streamlines program complexity:</b> reduces internal program complexity related to cross-jurisdictional awareness and administration of program offerings                                                              | 2         |
| <b>Optimizes expertise and capacity:</b> ability to attract, retain, develop and empower resources; optimizes capacity                                                                                                    | 3         |
| <b>County representation, accountability and service impact:</b> degree to which the County is represented, impact on mandated County services, and accountability in applying for funding and complying with regulations | 2         |
| <b>Enhances consumer experience:</b> degree to which a model promotes easy, accessible, targeted and dedicated direct service delivery to enhance service delivery to the County's most vulnerable clients                | 3         |
| <b>Implementation complexity:</b> level of complexity involved for model implementation                                                                                                                                   | 1         |

**Model Options**

Each of the models discussed below are described in more detail in the attached report. Using the design principles above and based on the interviews, data analysis, and benchmark research KPMG conducted, the models for the various models for affordable housing, housing authority, and homeless services were scored according to their corresponding suitability for the County as follows:

| <b>Affordable Housing Organization Model</b>                              | <b>Total scoring of design principles</b> |
|---------------------------------------------------------------------------|-------------------------------------------|
| Transition affordable housing to the Renewal Enterprise District (RED)    | 73                                        |
| Affordable housing Joint Powers Agreement (JPA) between County and Cities | 64                                        |
| Establish County-level department of housing / rebrand and narrow the CDC | 56                                        |
| Include affordable housing as part of superagency                         | 48                                        |
| Status quo of existing structure and situation                            | 31                                        |

| <b>Housing Authority Organization Model</b>                               | <b>Total scoring of design principles</b> |
|---------------------------------------------------------------------------|-------------------------------------------|
| Combine City and County housing authorities                               | 78                                        |
| Include housing authority as part of any JPA between County and Cities    | 67                                        |
| Transition housing authority to Health or Human Services                  | 47                                        |
| Transition housing authority to Dept. of Housing / rebrand and narrow CDC | 45                                        |
| Include housing authority as part of superagency                          | 41                                        |
| Status quo of existing structure and situation                            | 40                                        |

| <b>Homeless Services Organization Model</b>       | <b>Total scoring of design principles</b> |
|---------------------------------------------------|-------------------------------------------|
| Transition homeless services to Health Services   | 70                                        |
| Establish a separate Homeless Services department | 64                                        |
| Homeless services JPA between County and Cities   | 59                                        |
| Transition homeless services to not for profit    | 56                                        |
| Include homeless services as part of superagency  | 56                                        |
| Status quo of existing structure and situation    | 47                                        |

Complete analysis, including benefits, considerations, and risks of each of the top-scoring models is detailed in the full report (**Attachment 1**).

Note that the CDC receives substantial revenues from numerous different federal and state funding sources, each with their own specific eligibility requirements. A thorough legal review is required to determine if the implementation of the organization models outlined in the report could affect either the County's or a new entity's ability to continue receiving these funds. Additionally, the report does not analyze potential impacts to CDC's staff performance of administrative functions for the County in its Successor Agency capacity, or the Housing Authority's role as the Successor Housing Entity to the Redevelopment Agency. Finally, consideration of any model is subject to review of any relevant labor memoranda of understanding (MOU's) and the meet and confer process with the County's labor partners.

## **Next Steps**

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Your Board may consider directing staff to return to your Board with additional analysis and recommendations, particularly as it relates to a thorough legal review of the potential impact on funding and potential labor impacts of any organizational restructuring.

**Prior Board Actions:**

12/8/20 Authorized agreement for consulting services with KPMG, LLP with a contract amount not to exceed \$186,000

**FISCAL SUMMARY**

| <b>Expenditures</b>                | <b>FY 20-21<br/>Adopted</b> | <b>FY 21-22<br/>Projected</b> | <b>FY 22-23<br/>Projected</b> |
|------------------------------------|-----------------------------|-------------------------------|-------------------------------|
| Budgeted Expenses                  |                             |                               |                               |
| Additional Appropriation Requested |                             |                               |                               |
| <b>Total Expenditures</b>          |                             |                               |                               |
| <b>Funding Sources</b>             |                             |                               |                               |
| General Fund/WA GF                 |                             |                               |                               |
| State/Federal                      |                             |                               |                               |
| Fees/Other                         |                             |                               |                               |
| Use of Fund Balance                |                             |                               |                               |
| Contingencies                      |                             |                               |                               |
| <b>Total Sources</b>               |                             |                               |                               |

**Narrative Explanation of Fiscal Impacts:**

None

| <b>Staffing Impacts:</b>                       |                                            |                               |                               |
|------------------------------------------------|--------------------------------------------|-------------------------------|-------------------------------|
| <b>Position Title (Payroll Classification)</b> | <b>Monthly Salary Range<br/>(A-I Step)</b> | <b>Additions<br/>(Number)</b> | <b>Deletions<br/>(Number)</b> |
|                                                |                                            |                               |                               |
|                                                |                                            |                               |                               |
|                                                |                                            |                               |                               |

**Narrative Explanation of Staffing Impacts (If Required):**

None

**Attachments:**

1-KPMG report, "Improving Integration and Outcomes to Benefit County Residents"

**Related Items "On File" with the Clerk of the Board:**

None