



Governance Options and Funding Sources for an Integrated Care Organization Serving Sacramento's Chronically Homeless Population

July 2020

[This brief does not address potential funding, structural, and operational implications brought about by the COVID-19 pandemic.]

Executive Summary: This report incorporates the work of a nationally-recognized consulting group that explored governance options and infrastructure (capital) and programmatic (operational) funding sources for a potential integrated care system that would support the health care, social service, and housing needs of people experiencing chronic homelessness—about 2,000 of the estimated 5,600 homeless individuals in Sacramento County. The UC Davis Center for Healthcare Policy and Research (CHPR) reviewed and updated the information. It complements earlier CHPR work that details a variety of integrated, co-located care models for homeless populations implemented across the U.S. ([Integrating Care for People Experiencing Homelessness: A Focus on Sacramento County](#)).

Governance Structure

Should the Sacramento community pursue development of an innovative integrated care system to serve the needs of the chronically homeless, it will need to choose the appropriate type of governance structure. Of the three primary non-profit governance structures that Sacramento could consider, exploring a partnership with a well-established non-profit (such as Mercy Housing) or creating a new, independent non-profit are likely the most promising options for Sacramento. Each structure offers advantages and disadvantages and the most appropriate choice will be influenced by the degree of community consensus about the system design.

Capital and Program Funding Sources

Existing organizations in Sacramento have leveraged successfully multiple public sources of funding to provide services for people experiencing homelessness. However, a number of potential private and public funding sources warrant exploration. Other U.S. integrated care models marshalled significant public and private resources to build their innovative programs. To win substantial funding for an innovative integrated care program, Sacramento stakeholders must build a unified vision and converge on program design and evaluation. This approach demonstrates to investors, grant makers, and lending agencies an organized community that will generate improved health and housing outcomes for people experiencing chronic homelessness.

Governance Structures Used by Innovative Models in the U.S.

As described in the [Integrating Care for People Experiencing Homelessness](#) report, many communities across the U.S are adopting a relatively new concept of integrating and co-locating treatment for mental health or behavioral health services, substance use treatment services, supportive housing programs, and/or primary care services.

These exemplary models are run by non-profits (private or government) meaning that they further a social cause and provide public benefits. Per IRS guidance, they must serve the public and make financial and operating information public. The boards of directors establish governance and financial management strategies to ensure the organization’s sustainability. Members of the board serve on committees that have specific duties, such as executive, finance, development/fundraising, health services; committee recommendations are presented the full board for consideration. Additionally, they commonly hire executives and may appoint external advisors who act as non-voting board affiliates.

Composition of Boards of Directors

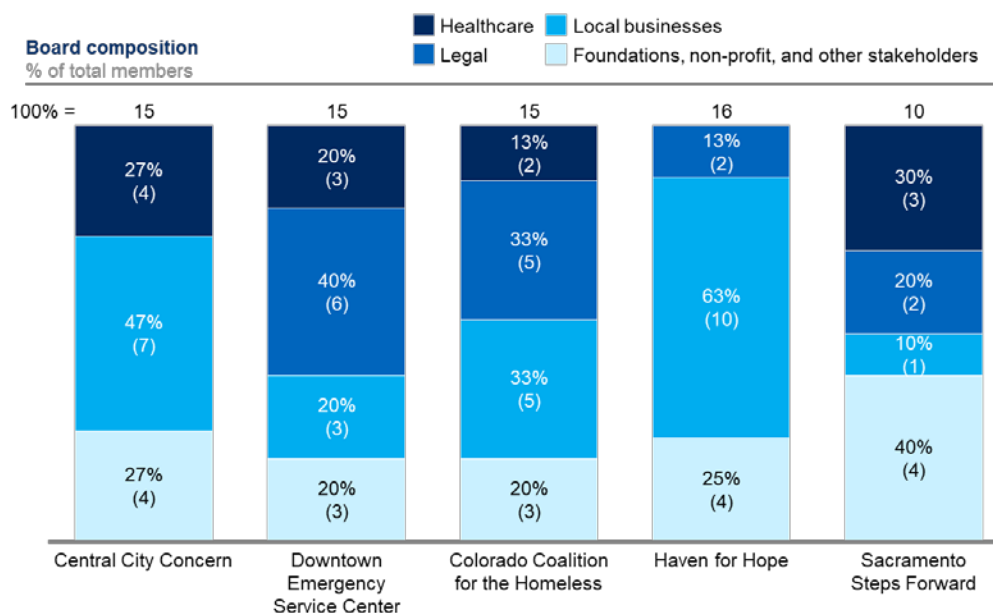
The boards of directors of innovative models across the U.S. are generally composed of 10-20 members with backgrounds from healthcare, legal system, local businesses, and foundations, non-profit, and other local stakeholders. *Importantly, the board composition often correlates significantly with funding sources.* For example, Figure 1 shows that Haven for Hope relies heavily on

Exemplary Models of Integrated Care Organizations Serving People Experiencing Homelessness

We found 19 exemplary models, which vary in size (e.g., single building, city block, multiacre) and location (urban, suburban, and semi-rural) whose governance structures may be instructive as Sacramento explores integrated care options for people experiencing homelessness.

Thirteen organizations offer at least one location with comprehensive services co-located on a campus or the same city block (with or without on-site housing) and six provide innovative, scattered site models (providing integrated, co-located treatment services without associated housing). Most of the organizations that operate co-located programs with housing had a pre-existing portfolio of dispersed services, and only recently opened (or plan to open) their co-located structures. (See appendix for details.)

Figure 1. Composition of Boards of Directors for comparable integrated care models serving the homeless.



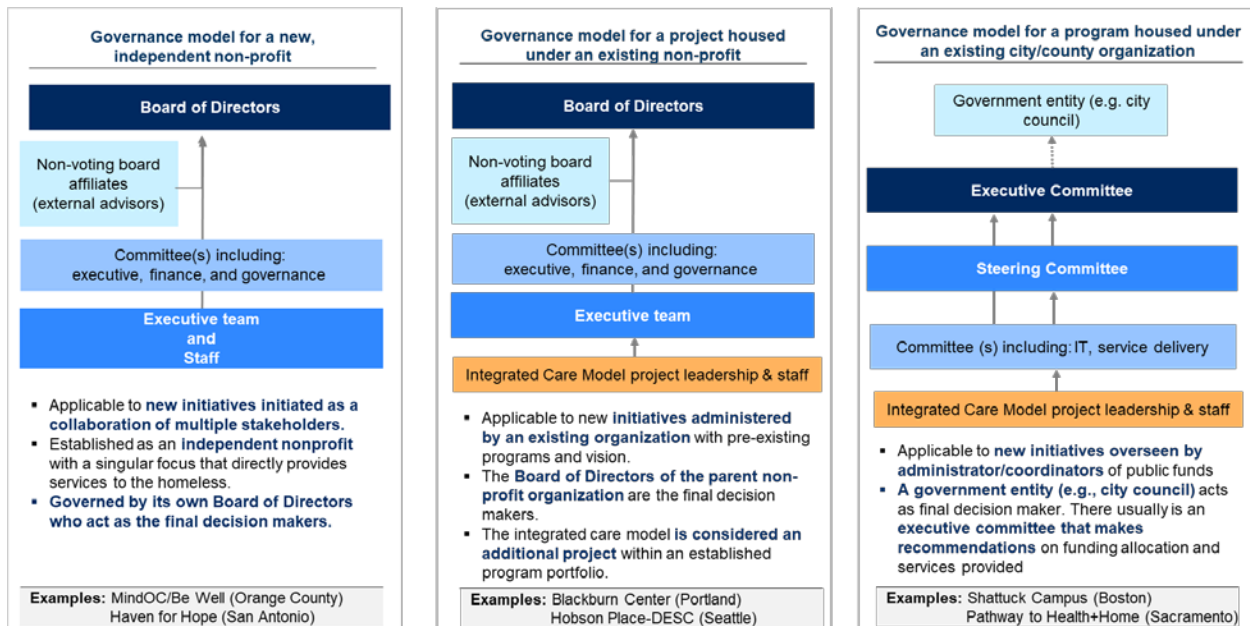
private funding (48% of total yearly funding) and local businesses are heavily represented on its board (53%). The local healthcare systems contributed significantly toward the initial cost of Central City Concern's integrated Blackburn Center; thus, a significant portion of the board is represented by the healthcare sector (27%).

Non-profit Structures

The innovative models operate under one of three non-profit structures (Figure 2):

1. *New, independent non-profit organization*: Haven for Hope (HH) in San Antonio and MindOC/Be Well in Orange County created new, independent non-profit organizations governed by a board of directors who were recruited to execute a strategic plan for a shared, innovative vision. These models are cited because of their similarity to a mock integrated care model for Sacramento where diverse service providers would collaborate to establish a new integrated system at a single site.
2. *Existing non-profit organization*: The Blackburn Center of Central City Concern (CCC) in Portland, the Colorado Coalition for the Homeless Stout Street Clinic in Denver, and Hobson Place of Downtown Emergency Service Center (DESC) in Seattle are projects developed by large, long-standing non-profits already providing extensive services for their local homeless populations. They employ providers directly or have well-established relationships with local service providers. DESC and CCC are 501c3 organizations with boards of directors that guide their executive leadership teams. DESC has a 12-member executive team and 20 senior managers running multiple programs and are overseen by a board of directors comprised of representatives from healthcare, legal, local businesses, academics, and a foundation. Hobson Place is DESC's newest real estate holding and provides 117 housing units plus integrated health care. According to its Articles of Incorporation, CCC relies on a board of 16 directors to select the President and CEO of CCC. Their executive team, comprised of seven leaders, runs day-to-day operations for multiple programs and facilities including the Blackburn Center, which has 114 housing units and an FQHC that serves +3,000 clients annually. Their board is comprised of healthcare and local business representatives and advocates.
3. *Government entity* (such as the state, city or county): In place of a board of directors, government entities may administer an integrated care system. For example, the Commonwealth of Massachusetts (Executive Office of Health and Human Services and Division of Capital Management and Maintenance) will oversee the Shattuck Campus in Boston including the selection of the campus developer and service provider team. The Pennington County (South Dakota) Sheriff's office and Health and Human Services Department jointly operate the county's Care Campus. Locally, Sacramento's Whole Person Care/Pathway to Home + Health operates under the jurisdiction of the city council, which makes funding decisions and oversees the service implementation under the state's Whole Person Care Pilot program.

Figure 2. Non-profit governance options for a new integrated care system serving people experiencing homelessness



Discussion of Governance Structure Options for Sacramento

There are advantages and disadvantages associated with each type of governance structure. Community decisions about the design of the integrated care system (i.e., types of services, location, etc.) ultimately will instruct the selection of the most appropriate governance model and determine the timing (creation/activation) of the governance structure (before, during, or after system development).

New, independent non-profit: Advantages of forming a new, independent non-profit organization may outweigh the other options, if Sacramento stakeholders achieve consensus on an organizational vision. This option enables the selection of board members who support a singular vision in the organization’s objective and design without distraction from existing obligations or constraints inherent to established non-profits. However, establishing a new organization requires strong buy-in and consensus from key stakeholders who may have competing interests, priorities, and demands on their time. Furthermore, start-ups face legal and operational challenges associated with developing a new organization, including establishing the governance system, developing community relationships, promoting a consistent reputation, and forming a development strategy.

Existing non-profit: The advantages of partnering with an established non-profit organization include existing expertise, processes, and systems that may ease the development and implementation of a new program. Furthermore, relationships with the local ecosystems of service providers and established funding sources may accelerate implementation of the new system/program. Many organizations across the U.S. that implemented an integrated, co-located care approach branched out from housing-only or dispersed care sites (DESC, CCC, SOME-Washington D.C., etc.). Finding a local organization that is interested in adopting a large, innovative program in addition to its current portfolio may be challenging. Locally, Mercy Housing might be the best option for Sacramento given its large, multi-state portfolio and some experience with integrating on-site health care services. A disadvantage associated with this option may be the inability to appoint or influence board member selection of the parent organization, wherein allegiance to the founding organization’s mission or low risk tolerance to

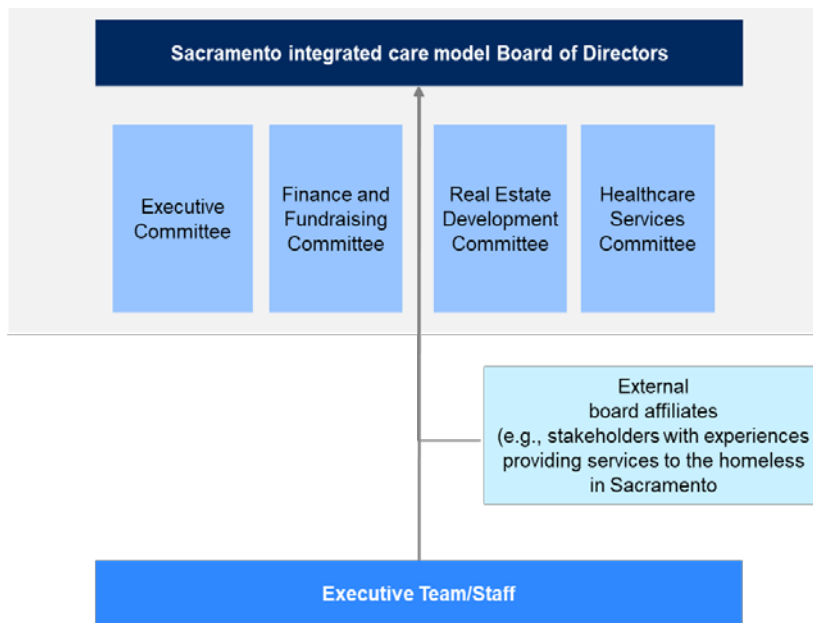
implementing an innovative approach could hinder the execution of a new integrated (co-located) care system.

Government entity: The Shattuck Campus in Boston is a unique example of a state government-run integrated care program; however, it was established through a long-standing public health care system operated by the Commonwealth of Massachusetts. A local Sacramento government entity could act as the governing board for an integrated care organization, for which there is some precedent. Sacramento’s Whole Person Care/Pathway to Home + Health is overseen by the Sacramento city council, however, the structure for this state-funded program will sunset with the program funding in 2021. The advantage of a government option might include immediate buy-in from the city stakeholders who have experience with addressing homelessness and knowledge of existing funding sources. However, this option is unlikely as local governments typically have little bandwidth or experience to oversee such a program. In addition, barriers common to government, such as bureaucracy or politicization, may produce resistance or low risk tolerance to implementing innovative approaches.

Conclusion

Based on the experience of integrated care models in the U.S., two governance choices stand out for Sacramento if it developed an integrated care system: explore partnering with a local or national nonprofit such as Mercy Housing, a well-established, well-respected non-profit housing provider that has local experience with co-locating health care; or create a new, independent nonprofit organization.

Figure 3. Example of a new, independent nonprofit structure for a Sacramento integrated care system Sacramento



If a new organization is formed, it could establish a board of directors with 10-20 stakeholders representing four key homeless service areas: healthcare, legal, local businesses, and the community (e.g., social services, housing providers, advocacy groups, FQHCs, etc.) (Figure 3). Committees would leverage topical expertise of board members to make recommendations for full board consideration. The board could appoint external affiliates as permanent or *ad hoc* advisors. Additionally, the board may want to consider two *ex officio* positions for elected representation from the city and county of Sacramento.

Potential Funding Sources

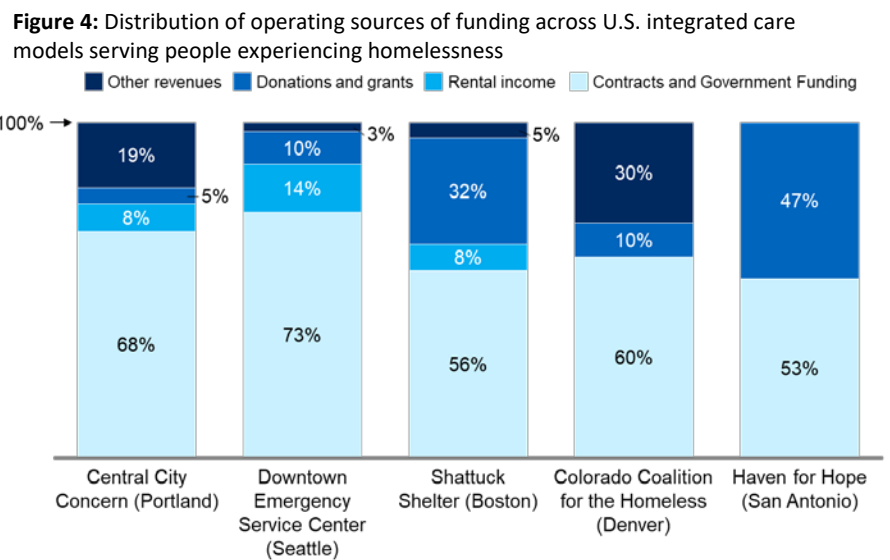
Note that funding sources, access, and dollar amounts are fluid during the COVID-19 pandemic. We recommend forming a committee of stakeholders with grant application/fundraising expertise across service sectors to survey and pursue public and private funding opportunities. The unknown magnitude of the economic impact of the COVID-19 pandemic will continue to affect all sources of funding; creating an active and adaptable funding committee will give Sacramento a competitive advantage. The integrated care services, programs and requisite structural needs have yet to be defined by Sacramento stakeholders.

This brief offers direction for resources to explore, but it is not exhaustive, and some suggestions may not be relevant depending on the design of the integrated care site.

Funding streams for homeless services may be categorized by public and private **funding sources** such as federal, state, local governments, foundations, private donors, banking industry (bonds, loans); **service sector** such as housing, health care, social services, and criminal justice; and **purpose** such as land acquisition, capital improvement, or operations (program) funding. The intersection of these funding streams are very complex and can be restrictive; service sector funding may overlap (i.e., healthcare dollars may also pay for some social services and housing assistance); funding sources frequently intersect (i.e., federal program pass-throughs; federal-state/state-local matching dollars); and applicant eligibility criteria can require forging partnerships with knowledgeable developers (e.g., Sacramento Housing Redevelopment Agency).

Sources of Funding Used by Integrated Care Models in the U.S.

We identified five integrated care models in other regions of the country as examples for the development of a Sacramento integrated care system. Funding sources were identified through financial statements and annual budgets.^a Figure 4 shows distribution of sources among the five models. All integrated care models are heavily funded through public sources – especially HUD dollars—ranging from 53% (Haven for Hope – San Antonio) to 73% (Downtown Emergency Services Center [DESC] – Seattle) of total revenue. Private donations and grants contribute between 5% (Central City Concern [CCC] – Portland) to 47% (Haven for Hope) of the total revenue and typically come from local corporations, foundations, health systems, and individuals. Rental income was reported by three of the five integrated care models. The Commonwealth Fund reported that



^a Based on 2018 Central City Concern Financial Statement, 2017 Downtown Emergency Service Center Annual Report, 2017 Shattuck Shelter Financial Statement, 2018 Colorado Coalition for the Homeless Annual Report, and 2019 Haven for Hope Fact Sheet

the Colorado Coalition for the Homeless raised \$35 million to construct a health center and housing project. They leveraged the Low Income Housing Tax Credit Program and New Market Tax Credit Program^b, which are “complex federal programs designed to encourage private investment in projects and businesses that provide a public benefit to underserved populations”.¹ The coalition also leveraged the tax credit programs to obtain an additional \$10MM in support from the city and county of Denver, Kresge Foundation, and individual donors. (Note that the New Market Tax Credit Program, which supported the development of the health center, had not been used to fund health clinics before and other organizations are taking notice. Replicating this success can be difficult due to scarce number of tax credits. Nevertheless, CCC’s Blackburn Center in Portland also successfully raised \$8MM through NMTC.^c)

Seattle’s DESC uses city, county, state, and federal funding (including funding from the Department of Housing and Urban Development) to support operational expenses while Haven for Hope’s multimillion-dollar operations budget has been funded primarily by a single local donor for many years (although more recently they are expanding to public and foundation sources). Examples of other operational funding strategies include:

- leveraging low-income housing tax credits and Medicaid funds;
- procuring contributions from local health systems and health plans and
- negotiating rent-free building space.

Funding explicitly related to capital expenditures was influenced by the local real estate market and size of the integrated, co-located program; capital expenses ranged between \$11 million and \$75 million. Central City Concern’s \$75 million infrastructure budget for the 6-story, 100+ bed Blackburn Center was primarily funded by local health systems, foundations, and state dollars. The SOME non-profit raised \$70 million through public funding, low interest loans, and tax credit financing to build its Conway Center in Washington, D.C.

Current Sacramento Funding Sources

Sacramento County successfully leverages millions of dollars in federal, state, and private funding for housing, social services, health care, and behavioral health care. Significant federal funding sources in Sacramento include the HUD Continuum of Care (\$20MM in received by Sacramento County in 2018) and HUD bonus funds. Other city, county, and state funding streams include: Whole Person Care, CalWorks, California Department of Social Services, Medi-Cal, and county and city general funds (including the city’s Measure U funds). These monies support established programs that serve thousands of people experiencing homelessness annually.

Unfortunately, there is stiff competition for limited funds which increases the need for careful collaboration among local parties when introducing a new program. Identifying new or expanded funding sources would leave funding streams intact for existing programs to continue their work. It is with this consideration that the following sources are suggested for more in-depth exploration once the integrated care structure and services are determined.

^b LIHTC Investors receive tax credits over a 10-year period in exchange for equity up front.

^c NMTC are administered over 7 years and provides federal tax credits that total 39% of investment.

Potential Public Funding Sources for Capital Investment and Operational Support

Federal Sources

Centers for Medicare and Medicaid Services (CMS): Program funds. Clients meeting beneficiary criteria for Medicare (over 65 years and/or disabled) and Medicaid (at or below federal poverty line and/or disabled) can receive public health insurance. Health care providers at the integrated care system would be reimbursed for treating eligible clients. See California Department of Health Care Services below.

Corporation for National and Community Service (NCS): Program funds. The NCS administers the Federal Social Innovation Fund and allocates funds to grantmakers to award to outcomes-based programs.² Portland's CCC was awarded \$500,000 over 5 years to develop a social enterprise to train clients. The CCC created a coffee shop that provides job and training opportunities to their clients recovering from homelessness.

Federal Emergency Management Agency (FEMA): Capital and program funds. Sacramento County has already made use of one-time FEMA funds to manage the COVID-19 pandemic through medical sheltering of people experiencing homelessness.³ To date, funds have been used to secure 59 trailers and 522 motel rooms; however, the permanence of these facilities is unknown. This funding stream requires a 25% local cost share.

Social Security Administration (SSA): Program funds. Local entities supporting people experiencing homelessness should be pursuing SSDI/SSI benefits for eligible persons.⁴ See SAMSHA SOAR program below for information about increasing access to these federal disability income assistance programs.

Substance Abuse and Mental Health Services Administration (SAMSHA): Program funds. SAMSHA provides funding through multiple programs for those who are homeless or at risk of homelessness⁵:

- Projects for Assistance in Transition from Homelessness (PATH) (funding distributed by California Department of Health Care Services to county administered-programs)
- Cooperative Agreements to Benefit Homeless Individuals (CABHI)
- Grants for the Benefit of Homeless Individuals (GBHI)
- Treatment for Individuals Experiencing Homelessness (TIEH)
- SSI/SSDI Outreach, Access, and Recovery (SOAR) program for people experiencing homelessness (in partnership with the Social Security Administration)

U.S. Department of Justice, Bureau of Justice Assistance (DOJ/BJA): Program funds. The *Second Chance Act Pay for Success Initiative: Outcomes-based Contracting To Lower Recidivism and Address Substance Use Disorders Through Reentry and Housing Services* is a “pay for success” outcomes-based program (i.e., maintaining stable housing and sobriety; reduced recidivism, etc.).⁶ Services that may be purchased with these grant funds include permanent supportive and recovery housing, as well as other types of reentry services that are tailored to individuals leaving incarceration, particularly those with substance use disorders. BJA grant opportunities flex over time and we recommend monitoring the website for new opportunities.

U.S. Department of Housing and Urban Development (HUD): Capital and program funds. Sacramento County, with Sacramento Steps Forward, leverages the Continuum of Care (CoC) funding that provides funds for transitional housing, permanent housing, and Homeless Management Information System (data collection).⁷ CoC grantees may provide housing and services by acquiring, rehabilitating, or constructing properties; leasing properties; providing rental assistance; and by paying operating costs. This program requires a 25% match of funds from separate sources. Other potential funding streams

include HUD's Office of Community Planning and Development formula programs; Community Development Block Grants; CDBG Recovery Housing Program; HOME Investment Partnerships; Emergency Solutions Grants (ESG); Housing Trust Fund (HTF); and Coronavirus Aid, Relief, and Economic Security (CARES Act) supplemental funding.⁸

Veteran's Administration (VA): Capital and program funds. The VA offers the Enhanced-Use Lease program, which allows private entities to lease unused/underused VA campuses to provide supportive housing with additional services to veterans. The VA also offers five programs that can offset an integrated care program's costs for homeless veterans seeking care (Domiciliary Residential Rehabilitation and Treatment Programs; Homeless Grant and Per Diem Program; Substance Use Residential Rehabilitation Treatment Program; Post-Traumatic Stress Disorder (PTSD) Residential Rehabilitation and Treatment Program; and Compensated Work Therapy/Transitional Residence Programs).⁹ Finally, there is a collaborative program, HUD-VASH, between HUD and the VA to provide supportive housing subsidies to veterans experiencing homelessness.¹⁰ Of the 667 veterans identified in the Sacramento County 2019 Point-in-Time Count, about 430 experienced chronic homelessness.¹¹

State and Local Sources

California Mental Health Services Act: Capital and program funds. Funded through the Prop 63 "millionaire tax," MHSAs support county mental health programs including prevention, early intervention, and mental health treatment for county residents.^{12,13} Capital funds can be accessed through the *General System Development (GSD) Fund* that supports a Project-Based Housing program. This program permits new construction for master leasing of units or renovation of hotels for short term housing. Limited funds from the *Community Services and Supports (CSS)* program may be used to finance construction of short-term housing (i.e., hotel), and transitional and permanent supportive housing. However, counties must expend the majority of CSS funds on *Full Service Partnerships* which provide wrap-around care for people experiencing homelessness – including subsidies for housing costs.¹⁴ *Innovation (INN) projects* are a subset of CSS and PEI funds (5%) and may be used to assess a new or changed application of a promising approach to solving persistent mental health challenges, including, but not limited to, permanent supportive housing development. Finally, up to 20% (of 5-year average) of CSS funds may be transferred to a county *Capital Facilities project* to develop facilities to meet increased needs of the local mental health system.

California Department of Health Care Services, Medi-Cal (federal partnership): Program funds. Enrolling eligible clients in Medi-Cal insurance improves patient access to health and behavioral health care and helps providers recoup the cost of care. Additionally, DHCS also funds federally-waivered programs administered at the local level such as the Whole Person Care Pilots, and the Health Home Program. DHCS is applying for a new waiver, CalAIM 2020, that may include reimbursement for *in lieu of services*. This service category is defined as flexible wrap-around services such as housing transition and sustaining services; recuperative care; short-term non-medical respite; and sobering centers.¹⁵

California Department of Housing and Community Development (HCD): Capital and program funds. The *No Place Like Home Program*, administered by HCD, authorizes the state to sell up to \$2 billion of revenue bonds to provide deferred payment loans to counties developing permanent supportive housing for people with mental illness and experiencing (or at risk of) homelessness.^{16,17} Bonds are repaid using California's Mental Health Services Act dollars.¹⁸ The program requires a 20-year commitment by county grantees to provide housing and wrap-around services. Sacramento County received \$13M to renovate two sites in 2019. Statewide competitive and noncompetitive grants are

available with funding cycles historically offering around \$100M (large counties) and \$190M, respectively.^{19,20}

Sacramento County was recently awarded \$10M for rental assistance through HCD's *Housing for Healthy California* program, which creates supportive housing for individuals who are recipients of or eligible for Medi-Cal coverage.²¹ Its purpose is to reduce the financial burden associated with unnecessary use of emergency departments, inpatient care, nursing home stays, and the justice system as the point of health care for people who are chronically homeless.

Additionally, HCD oversees the *Low Income Housing Tax Credits* (LIHTC) issued by HUD for California. LIHTC provide a funding mechanism that allows affordable housing project developers to partner with investors in return for tax credits from the state and federal government. Once the housing project is placed in service, investors can claim the LIHTC over a 10-year period. The federal LIHTC allocation to California in 2019 was \$230MM and matched by \$600MM in state general fund dollars.^d LIHTC program typically permits between 30-60% of building cost in California. LIHTC has been successfully leveraged in Sacramento to build multiple low-income housing projects, including \$25MM to Mercy Housing 7th and H Apartment with 150 units and an FQHC (75 units dedicated to formerly homeless residents) and \$14MM to the St Francis Terrace/Village Park project with 98 units.

Finally, HCD oversees *Public Lands for Affordable Housing* program to match affordable housing developers with unused state and local land.²² Using Measure U funds, Sacramento recently established a \$100M *Affordable Housing Trust Fund* that makes it competitive for an HCD *Local Housing Trust Fund (LHTF) Program*.^{23,24} The *Pet Assistance and Support (PAS) Program* awards \$100,000 - \$200,000 to homeless shelters for pet care.²⁵

Sacramento City Measure U: Capital and program funds. The one cent sales tax approved by voters in 2018 is estimated to generate an additional \$90 million dollars annually in Sacramento city.²⁶ Funding categories are unrestricted, but the 2018 Measure U was promoted as earmarking funding for economic redevelopment and housing the homeless. To date, the city council allocation of Measure U funds has been contentious despite recommendations from the Measure U Community Advisory Committee.²⁷

Private Funding Sources

Private funding sources include but are not limited to public and private foundations, private investors or donors, health plans, and health systems.

Foundations: There are a number of potential corporate, family, and public charitable foundations that could be approached to support capital development and program operations. Some have established grantmaking cycles and others may require direct solicitation and relationship building by Sacramento representatives of the integrated care project. Relationship building with smaller, local family foundations is especially important and a technique used by many cities that developed co-located, integrated care campuses serving the homeless. Innovative methods to address seemingly intractable problems is of interest to most foundations; presenting Sacramento's novel "demonstration" project with a strong evaluation component would be highly competitive among grant applicants. Examples of foundations donating to the homeless cause include:

- Healthy Futures Fund (partnership between Kresge Foundation, Morgan Stanley and Local Initiatives Support Corp. which finances affordable housing connected to health care. \$100M invested to date).

^d LIHTC is awarded over a 10-year period. Thus, an annual budget of \$600MM can equal to \$6B in total subsidy value.

- Bezos Day One Fund (Amazon founder Jeff Bezos)
 - Bill & Melinda Gates Foundation*
 - Conrad N. Hilton Foundation*
 - Kresge Foundation*
 - Melville Charitable Trust*
 - Oak Foundation*
 - Raikes Foundation*
 - The Sherwood Foundation*
 - Sisters of Charity Foundation of Cleveland*
 - Champion Foundation*
 - Kaiser Permanente*
 - Liberty Mutual Foundation*
 - Meyer Memorial Trust
 - Paul & Phyllis Fireman Charitable Foundation*
 - The Simmons Foundation*
 - Arcus Foundation*
 - Deutsche Bank Foundation*
 - Helmsley Charitable Trust*
 - McGregor Fund*
 - Tipping Point Community*
 - Arnold Ventures
 - The John D and Catherine T MacArthur Fund
 - Walmart Foundation - State Giving Program (Pennington County, SD; Baton Rouge, LA)
 - Home Depot Foundation
 - Wells Fargo Foundation
 - National Equity Fund
 - Citi Foundation (CitiGroup)
 - City First Bank Foundation
 - Northmarq Foundation
 - Bank of America Foundation
 - U.S. Bank Foundation
- (*also members of *Funders Together to End Homelessness*, which mobilizes and coordinates philanthropic efforts to end homelessness)

In addition to equity donations, private organizations may also provide in-kind donations such as legal services, financial consulting, engineering and architecture renderings, land or buildings, etc. For example, Stantec, a large multinational engineering firm provided an in-kind donation of a land use rendering for a mock integrated care campus to help inform a cost analysis of a campus approach.²⁸

Corporation for Supportive Housing (CSH): CSH funds new innovative housing projects, supports program/project evaluation, and reforms government approaches to housing through education and policy change. Their work in California regarding the intersection housing and health is long standing; they are a good resource for exploring and designing innovative programs in Sacramento.²⁹ Their associate director is a member of Governor Newsom’s Council of Regional Homeless Advisors, which issued report with ambitious goals in January 2020.³⁰

Social Impact Bonds (SIB): Local governments facilitate repayment of private investments in projects with a social impact using public cost savings as specific project outcomes are achieved. Projects focused on the homeless population in California have used SIB to raise funds. For example, Project Welcome Home (Santa Clara County) raised \$6.9MM for 150-200 beds in permanent supportive housing for chronically homeless individuals and Just-in-Reach (Los Angeles County) raised \$10MM to develop permanent supportive housing for 300 frequently incarcerated individuals. Denver City and County Social Impact Bonds (SIB) supported the Colorado Coalition for Homeless with \$8.6MM in SIB funding. These bonds are not without controversy, however.^{31 32} Some literature indicates problems such as increased costs to governments (paying investment plus interest), restricted program scope or service provision to meet contract outcomes.^{33,34} This option would need to be carefully explored by Sacramento stakeholders.

Health Systems & Health Plans: Local healthcare systems partnered with Portland's CCC to contribute significantly toward the construction of the Blackburn Center, an integrated care center in Portland. Nationally, hospitals contribute 13.7% of operating expenses toward community benefits.³⁵ In Sacramento County, major healthcare systems include Kaiser Permanente, Dignity Health, Sutter Health and UC Davis Health currently contribute between 3.88% to 19.7% of operating expenses toward existing community organizations and programs as part of the Hospital Community Benefit Obligation.³⁶ In addition to the annual contributions, Kaiser Permanente committed \$32MM to address homelessness in Sacramento County in February 2020. The funds will be allocated to housing projects and systems change through their partner, Community Solutions.³⁷ Additionally, Centene Corporation recently located its national headquarters in Sacramento, and is a potential donor partner with a well-aligned mission to provide health care to underserved communities.³⁸

Conclusion

Existing organizations in Sacramento have leveraged successfully multiple public sources of funding to provide services for people experiencing homelessness. Innovative integrated care models use significant public funding sources, but also receive substantial private funding as well. There are a number of new funding opportunities from both public and private sources that the Sacramento integrated care model can explore.

A key take-away from innovative models around the U.S. is the collaboration between local government and non-profit entities that built consensus around a vision and coordinated funding priorities. Obtaining substantial funding from an engaged private sector also played a key role, including support from philanthropists, health systems, health plans, and the business sector. Raising the capital for a new structure and ongoing operational costs requires commitment to an agreed upon plan and goal by a broad group of stakeholders. If the Sacramento community converges on an integrated care system design, we recommend engaging a public finance and a development expert to identify and coordinate the capital and program resources appropriate for the services offered in the new integrated care system.

Appendix: Models of Co-Located Integrated Care Organizations Serving People Experiencing Homelessness

Name (Location)	Medical Services	Mental Health Services	Substance Use Treatment Services	Social Services	Housing and Basic Needs	Notes
<p>Care Campus (Pennington County, SD) 70,000 sf building ~\$14M construction cost</p>		<ul style="list-style-type: none"> Mental Health Treatment Adult Residential Treatment 	<ul style="list-style-type: none"> Detox Services (35 Beds) Inpatient and Outpatient SUD Treatment (64 Beds) Crisis Care (9 Beds) 	<ul style="list-style-type: none"> ID/ Birth Certificate Assistance 	<ul style="list-style-type: none"> Transitional Housing Supportive Housing (23 Units) 	<ul style="list-style-type: none"> Law Enforcement Diversion
<p>Central City Concern (Portland, OR)</p> <ul style="list-style-type: none"> Old Town Clinic-Old Town Recovery Center / Harris Building 	<ul style="list-style-type: none"> Primary care Pharmacy Basic lab Acupuncture After hours care Hep C treatment 	<ul style="list-style-type: none"> Old Town Clinic outpatient mental health care Old Town Recovery Ctr outpatient addiction & mental health care 	<ul style="list-style-type: none"> Outpatient addiction treatment 	<ul style="list-style-type: none"> Case management 	<ul style="list-style-type: none"> Harris building – recovery supported housing (180 units) Eviction prevention Housing placement services 	<p>3 adjacent buildings provide medical, housing, and social services. Harris Building ~\$14.5M</p>
<ul style="list-style-type: none"> Blackburn Center (opened 2019) \$75M construction cost 	<ul style="list-style-type: none"> FQHC (~3,000 pts/yr) Pharmacy Recuperative care (51 units) Palliative care (10 units) Basic lab 	<ul style="list-style-type: none"> Mental Health Care 	<ul style="list-style-type: none"> Addiction Treatment CCC Sobering Program 	<ul style="list-style-type: none"> Case Management Employment Assistance 	<ul style="list-style-type: none"> Transitional housing (80 units) Permanent Supportive Housing (34 studios) Housing placement services 	

Appendix: Models of Co-Located Integrated Care Organizations Serving People Experiencing Homelessness

Name (Location)	Medical Services	Mental Health Services	Substance Use Treatment Services	Social Services	Housing and Basic Needs	Notes
Colorado Coalition for the Homeless (Denver, CO) <ul style="list-style-type: none"> Stout Street Health Center/Renaissance Stout Street Lofts 53,192 sf \$35.3M construction cost 	<ul style="list-style-type: none"> FQHC (~18,000 patients/yr) Dental Care Vision Care Pediatrics 	<ul style="list-style-type: none"> Integrated Behavioral Health 	<ul style="list-style-type: none"> Substance Abuse Treatment Services 	<ul style="list-style-type: none"> Social Services Life Skills Training Financial Literacy Employment Assistance 	<ul style="list-style-type: none"> Supportive Housing and Services (78 units in Renaissance Lofts upper floors) 	<ul style="list-style-type: none"> Health Outreach Program (mobile clinic with pharmacy, lab, dental, vision care, etc.) Respite care off-site Affordable Housing for Low Income off-site
Cordilleras Mental Health Facility (San Mateo, CA) OPENING 2022	<ul style="list-style-type: none"> Primary Care 	<ul style="list-style-type: none"> Mental Health Rehabilitation Center (80 Beds) Crisis Stabilization 	<ul style="list-style-type: none"> Substance Use Treatment 	<ul style="list-style-type: none"> Case Management Job Training 	<ul style="list-style-type: none"> Transitional Supportive Housing (57 Beds) Medically-oriented Secure Residential 	<ul style="list-style-type: none"> Art center Chapel Retail store Bed-bug elimination room
Douglas County Mental Health Campus (Douglas County, KS) OPENING 2021		<ul style="list-style-type: none"> Respite beds up to 14 days Crisis Center (14 beds) w/ 	<ul style="list-style-type: none"> Medication assisted detox (23 hrs) and crisis stabilization (<73 hrs) 		<ul style="list-style-type: none"> Transitional Supportive Housing (8-12 Beds; 6-12 mos.) The Cottages Permanent Supportive Housing (8-10 Units) 	<ul style="list-style-type: none"> Hospital and county health center are adjacent

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Name (Location)	Medical Services	Mental Health Services	Substance Use Treatment Services	Social Services	Housing and Basic Needs	Notes
<p>Downtown Emergency Service Center (Seattle, WA)</p> <ul style="list-style-type: none"> The Estelle 91 units Hobson Place (117 units) OPENING 2020-2021 	<ul style="list-style-type: none"> Primary Care providers at 8 supportive housing buildings On-site clinic at Hobson w/ integrated care 	<ul style="list-style-type: none"> Mental Health Services Crisis Respite (20 beds) off-site Mobile Crisis Team 	<ul style="list-style-type: none"> Outpatient Substance Use Disorder (MAT available) Alcoholism Treatment 	<ul style="list-style-type: none"> Comprehensive Case Management Services Vocational Training Veterans Outreach Employment Services 	<ul style="list-style-type: none"> Supportive Housing (medication monitoring) Emergency Shelter Hygiene Facilities 	<ul style="list-style-type: none"> First Responder Crisis Diversion Facility Community resident activities Garden Computer lab/tv lounge
<p>Haven for Hope /Restoration Center (San Antonio, TX)</p> <p>Multiple campus buildings \$101M construction cost</p>	<ul style="list-style-type: none"> Medical Care Dental Care Vision Care Initiated Trauma Informed Care 	<ul style="list-style-type: none"> Mental Health Services (16 Bed Psych Unit) 	<ul style="list-style-type: none"> Detox and Sobering (40 Bed Sobering Unit, 28 Bed Detox Unit) 12 bed transitional recovery center 	<ul style="list-style-type: none"> Legal Services Vocational and Certificate Training Programs + 70 onsite partners; +80 referral partners 	<ul style="list-style-type: none"> Supported housing (140 beds) Emergency shelter (200 beds) Outdoor courtyard (~500/night) Dormitory (575 beds) 	<p>~975 housed on campus with 147-day average length of stay</p> <ul style="list-style-type: none"> Law Enforcement Diversion Spiritual Services Pet Kennel Specialty courts
<p>Home Forward (Portland, OR)</p> <ul style="list-style-type: none"> Bud Clark Commons 	<ul style="list-style-type: none"> Acute Care Clinic 	<ul style="list-style-type: none"> Mental Health Services 	<ul style="list-style-type: none"> Substance Use Treatment 	<ul style="list-style-type: none"> Case Management Vocational and employment training Money Management Services 	<ul style="list-style-type: none"> Permanent Supportive Housing (130 Units) Transitional Shelter (90 Beds) Day Center (with 	<ul style="list-style-type: none"> Storage Exercise Facility Kitchen Courtyard

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Name (Location)	Medical Services	Mental Health Services	Substance Use Treatment Services	Social Services	Housing and Basic Needs	Notes
				<ul style="list-style-type: none"> Life Skills Training Advocacy 	Shower, Laundry, Mail, Food, and Learning Center with Internet)	
New Genesis (Los Angeles, CA)	<ul style="list-style-type: none"> Physical Health Assessments Preventative Health Screenings Ongoing Treatment for Chronic Illness Referral to Specialty Care 	<ul style="list-style-type: none"> Mental Health Services Crisis Intervention 	<ul style="list-style-type: none"> Co- Occurring Substance Abuse Services 	<ul style="list-style-type: none"> Targeted Case Management Health Education Life Skills Training 	<ul style="list-style-type: none"> Transitional Housing (50 beds) 	<ul style="list-style-type: none"> Community Outreach Services Collateral Contacts
One Stop Homeless Services Center (Baton Rouge, LA) <ul style="list-style-type: none"> 34,000 sf building \$8.4 million construction cost ~\$2 million operating budget 	<ul style="list-style-type: none"> Baton Rouge Primary Care Collaborative (one wing) Dental Care (3 provider groups) HIV/AIDs quick testing Pharmacy Services 	<ul style="list-style-type: none"> Catholic Charities-- Diocese of Baton Rouge behavioral health wing 	<ul style="list-style-type: none"> Substance Use Treatment 	<ul style="list-style-type: none"> Legal Services (LSU students + attorney) Vocational Rehabilitation and Employment Life Skills Training 	<ul style="list-style-type: none"> Permanent Supportive Housing (36 Units) Transitional Housing Emergency Shelter Day Center w/ showers, laundry, 	46 partners including UpLIFTD, Louisiana Rehabilitation Services, Women’s Community Rehabilitation Center, O’Brien House, Healing Place Serve, U.S. Veterans Affairs and the LSU Dept. of Psychology

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Name (Location)	Medical Services	Mental Health Services	Substance Use Treatment Services	Social Services	Housing and Basic Needs	Notes
<ul style="list-style-type: none"> 800-1,000 people/year 					<ul style="list-style-type: none"> telephone/Internet 	
Restorative Care Village: LAC+USC Medical Center (Los Angeles, CA) OPENING 2021: (Phase I)	<ul style="list-style-type: none"> Recuperative Care Center (96 Beds) Acute Care Hub (adjacent to LAC-USC Hospital) 	<ul style="list-style-type: none"> Mental Health Outpatient Center (SMI-focus) Mental Health Urgent Care Center Mental Health Residential Treatment (64 Beds) 	<ul style="list-style-type: none"> Substance Use Disorder Treatment Recovery & Respite Center (sobering and detox) 		<ul style="list-style-type: none"> Transitional Housing Skilled Nursing Facility Permanent Supportive Housing under consideration 	<ul style="list-style-type: none"> Continuum of clinical services urgent, emergency, inpatient to residential detox/rehab and IMD First Responder Diversion Program
Shattuck Campus (Boston, MA) OPENING 2022	<ul style="list-style-type: none"> Outpatient Medical Services (260 Beds) Limited Health Services Clinics Pharmacy Services 	<ul style="list-style-type: none"> Urgent Psychiatric Care Services Ambulatory Behavioral Health Services 	<ul style="list-style-type: none"> Substance Use and Co-Occurring Treatment 	<ul style="list-style-type: none"> Case Management Job Training Education Services 	<ul style="list-style-type: none"> Supportive Housing (75-100 Units) Emergency Shelter 	
So Others Might Eat (SOME) (Washington, D.C.) <ul style="list-style-type: none"> The Conway Center 320,000 sf building 	<ul style="list-style-type: none"> Health Center 	<ul style="list-style-type: none"> Mental Health Services 	<ul style="list-style-type: none"> Inpatient Treatment Intensive Outpatient Treatment Outpatient Treatment 	<ul style="list-style-type: none"> Job Training 	<ul style="list-style-type: none"> Permanent Supportive Housing (202 Units) Transitional Housing 	<ul style="list-style-type: none"> Pharmacy Playground Green (garden) Roof 3 levels underground parking

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