

# Gaps Analysis 2024

Continuum of Care Board

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2025



SACRAMENTO  
STEPS FORWARD

# Presentation Agenda

- **Context and Process**
- **Model Description**
- **Key Takeaways**

## Presentation Goal:

Review the 2024 gaps analysis process and share the results of the model

# Context and Process

# What Is a Gaps Analysis?

A gaps analysis is:

- An **annual requirement** from HUD
- A way to **estimate the size** of the homeless response system that would be able to serve everyone experiencing or at risk of homelessness
- A tool to help decide **where to direct resources**

A gaps analysis is **not**:

- A deep dive into **how to improve the delivery** of services
- A **prediction** of what the future will actually look like

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# Disclaimers

The gaps analysis presented here:

- Is the output of a **model** of current and future efforts and how they compare to a target state. It is not precisely correct. If any cost or population assumptions here differ from other data sources, trust data from the original data sources.
- Looks at only **core homeless response services**. Behavioral health and other services that may provide assistance to homeless clients and non-homeless clients, nursing and other institutional care, and general government administration costs are not included.
- Assumes the **Sacramento housing market/economy remains constant** for the next decade. Large changes in market conditions or the economy would impact the model's conclusions, and the model should be revisited annually to account for changes.

# Long Term Goal: Transformed System

## Business as Usual

Emphasizes crisis response once a person becomes homeless



Leads to increasing need for shelter and other crisis responses and less capacity to prevent or quickly end homelessness for people.

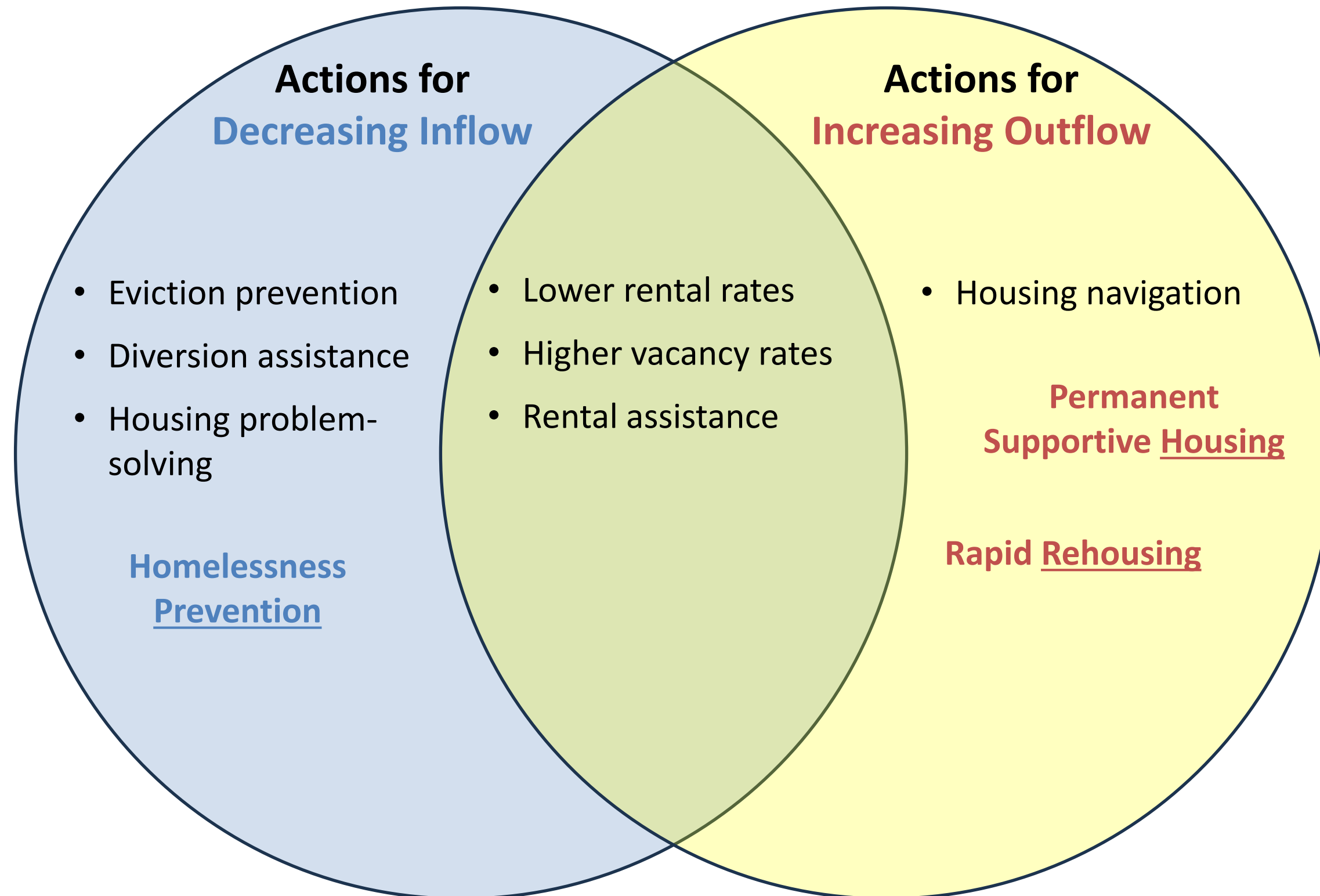
## Transformed System

Emphasizes targeted prevention, diversion, rehousing and permanent housing assistance, reducing need for crisis services



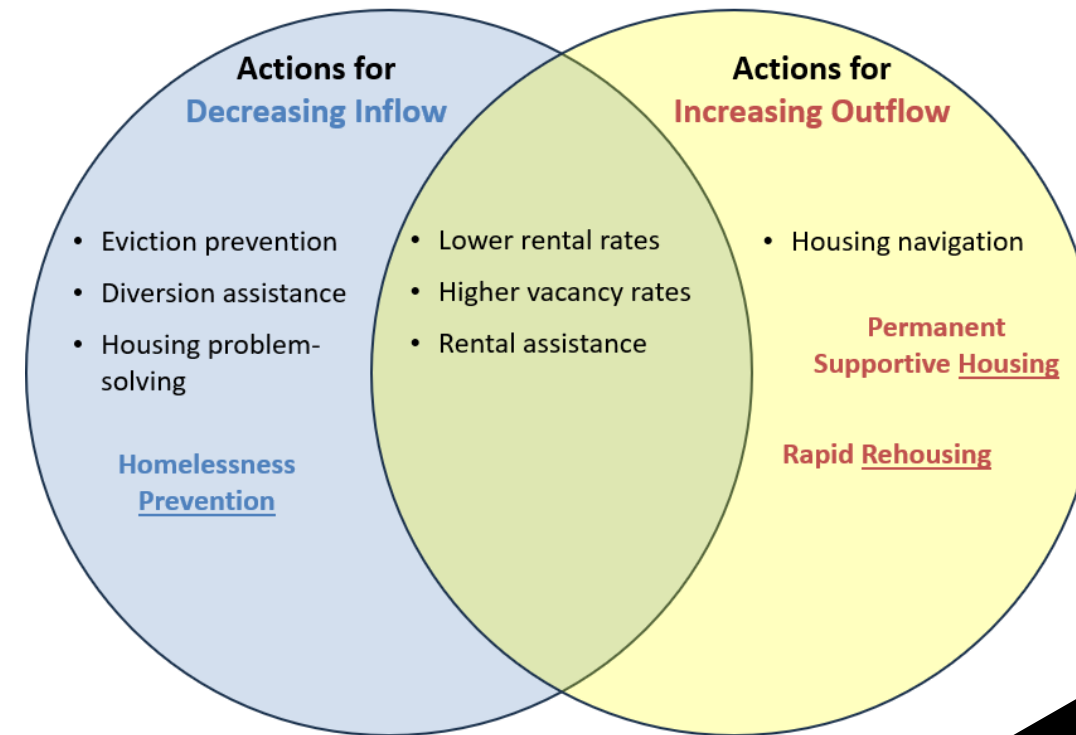
Leads to less people experiencing homelessness and more people receiving the help they need to quickly end their homelessness and remain housed.  
Eliminates or significantly reduces the need for additional emergency shelter capacity.

# Addressing System Flow

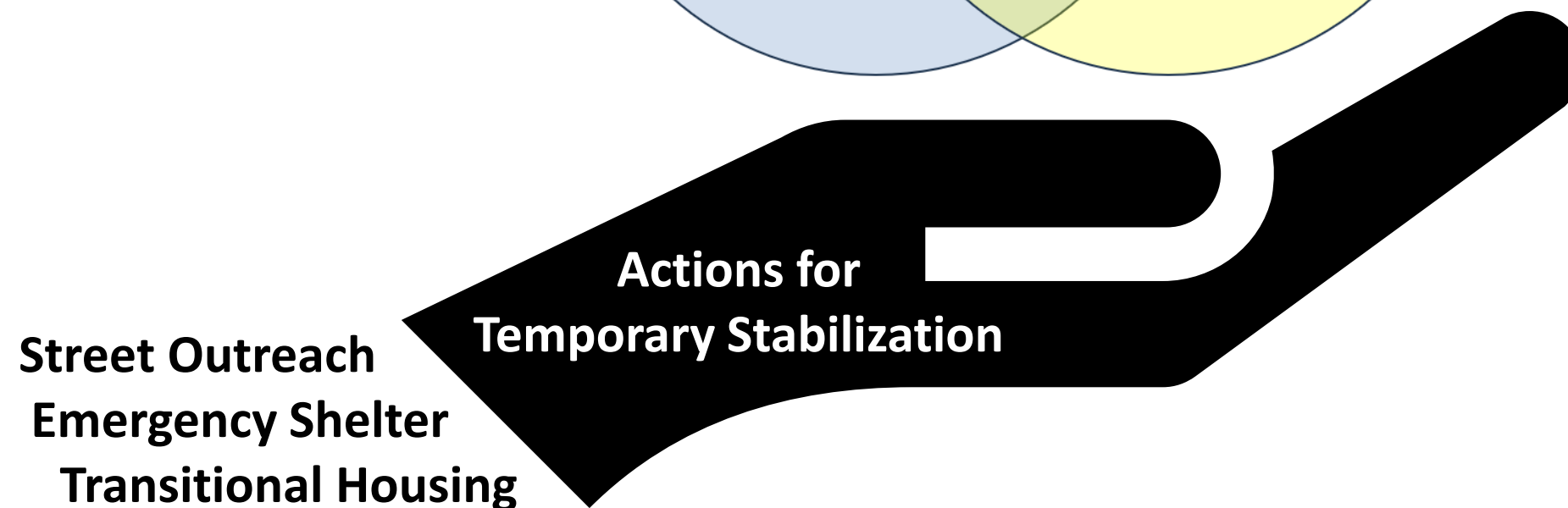


# Supporting System Flow

*Crisis response resources help stabilize people while they are in crisis...*



*... but they don't directly reduce inflow or increase outflow.*





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# 2024 Gaps Analysis Process

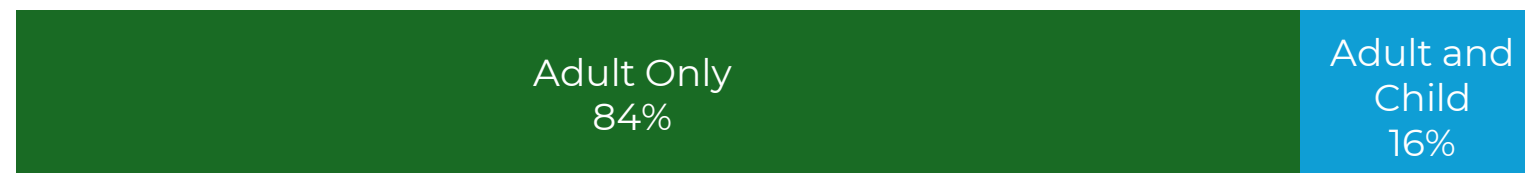
- **In-depth analysis - Summer 2024**
  - Review prior gaps analysis
  - Expand model to incorporate a multi-year analysis
  - Incorporate detailed data from PIT, HIC, HMIS, City, County, SHRA
- **Review and revise draft model and results - late 2024**
  - Multiple SPC reviews
  - City, County, SHRA, SSF clarifications, tweaks, revisions
- **Finalize - beginning of 2025**
  - Finalize model, summarize results
  - Present to CoC

# Model Description

# Current Modeled Homeless Population

Total Countywide Sacramento Homelessness Estimate  
16,000 – 19,000 persons in  
12,000 – 14,000 households

## Household Characteristics



Transition Age Youth (age 18-24), plus households with only children

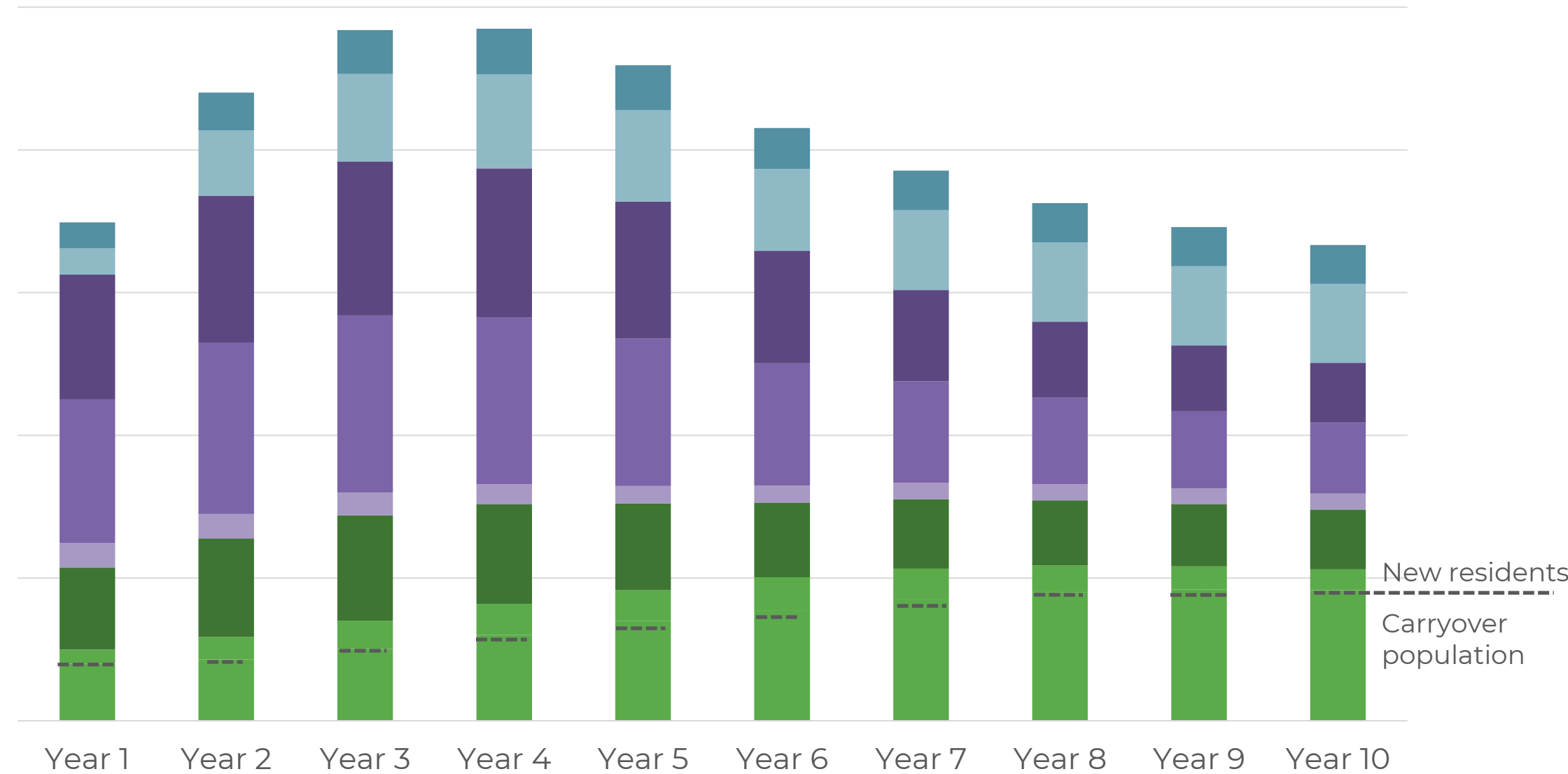
- 41% of households are chronically homeless
- 16% are family households containing adults and children
- 10% are veteran-led households
- 9% are Transition-Aged Youth led households

# Intervention Changes Over Time

- Model projects a **near-term surge in prevention, diversion, and rapid rehousing** would reduce inflow and increase outflow enough to eliminate unsheltered homelessness
- Sustained **long-term increase in permanent supportive housing and other affordable housing** will be necessary to continue reducing the population experiencing homelessness

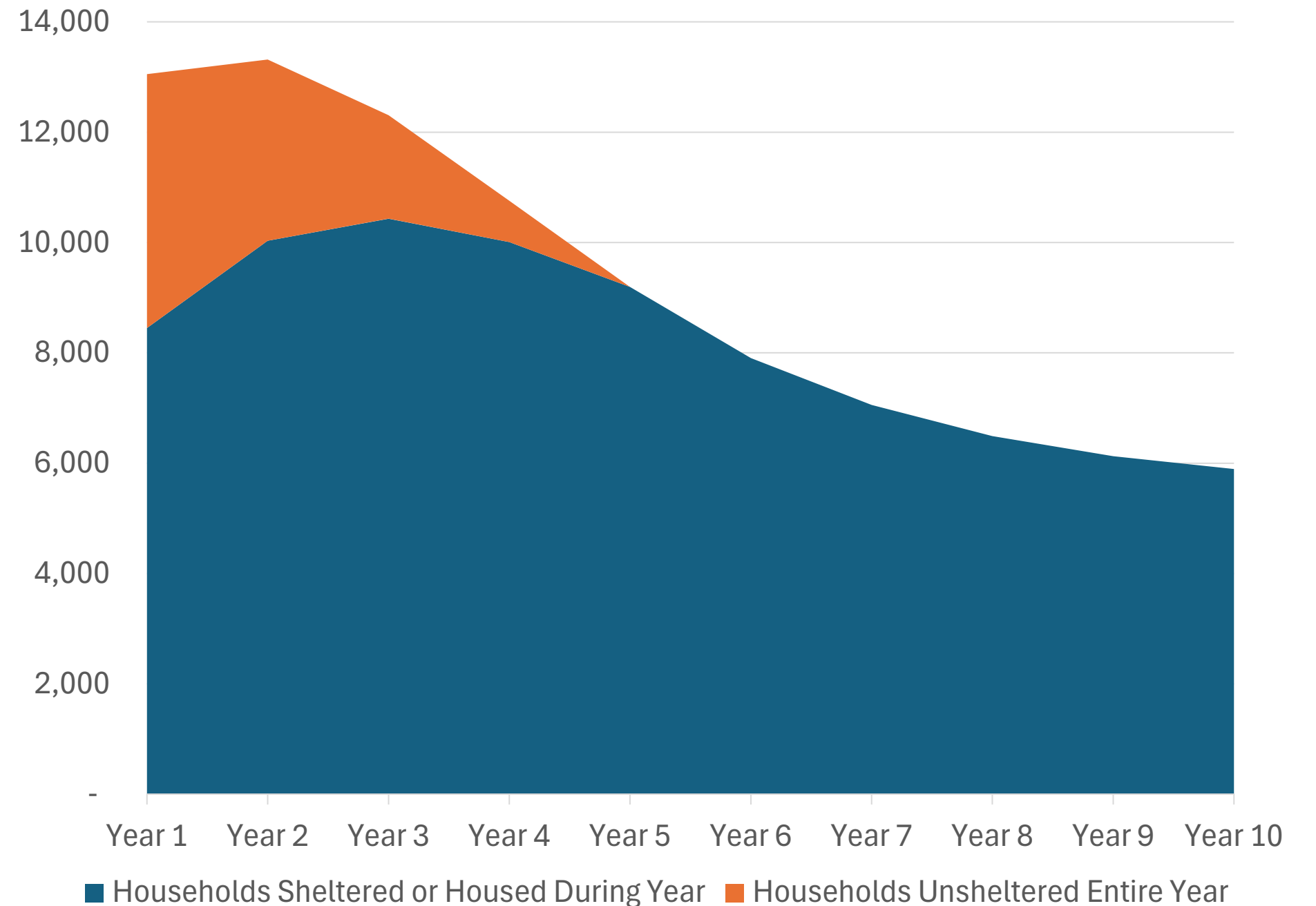


Households Served Over Time



# Homeless Population Over Time

- **35%** of the population experiencing homelessness **can't access shelter** due to insufficient housing and sheltering capacity
- Recommended changes could result in **no unsheltered homelessness within 5 years** and a **53% reduction in total homelessness within 10 years.**

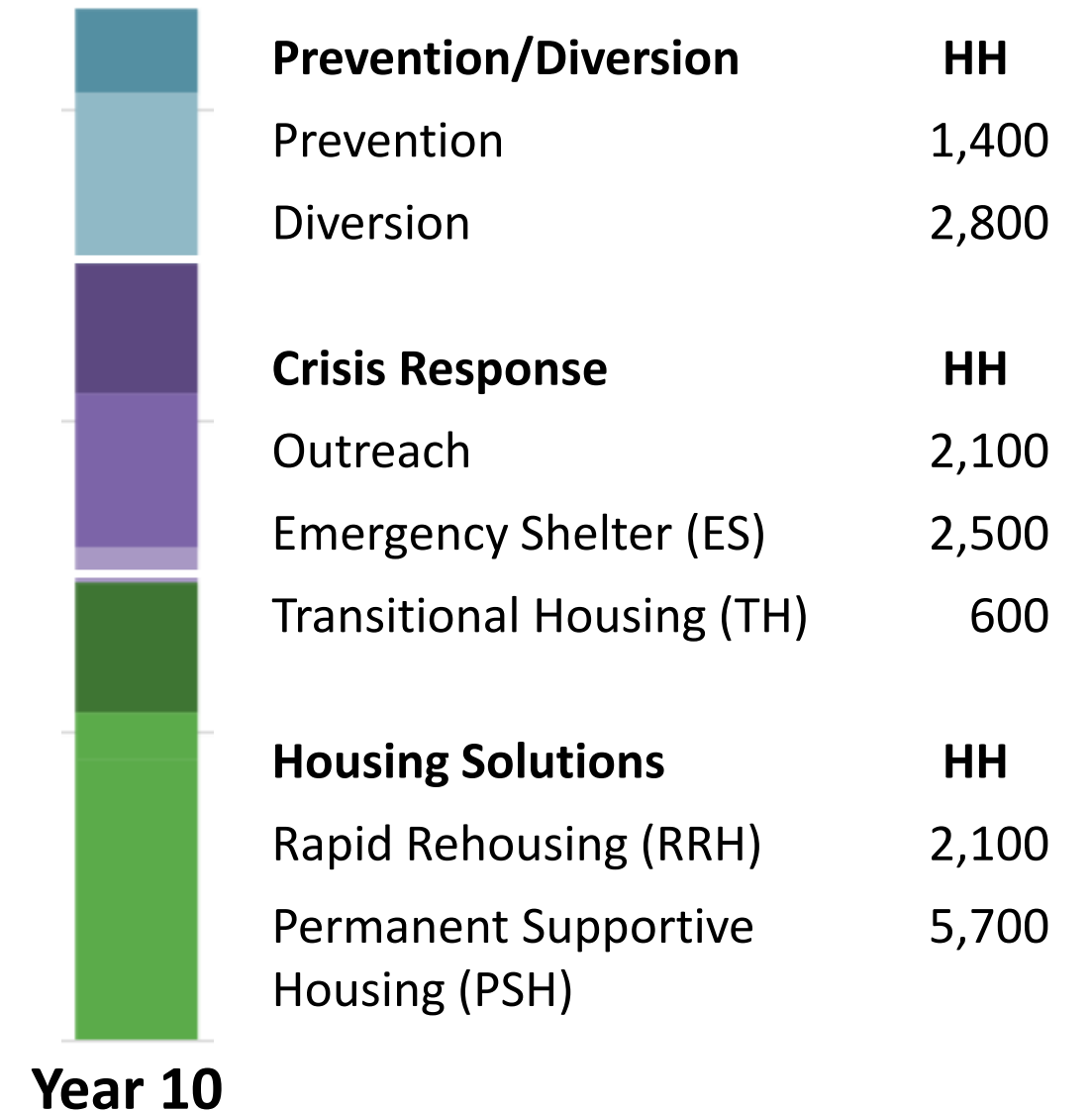
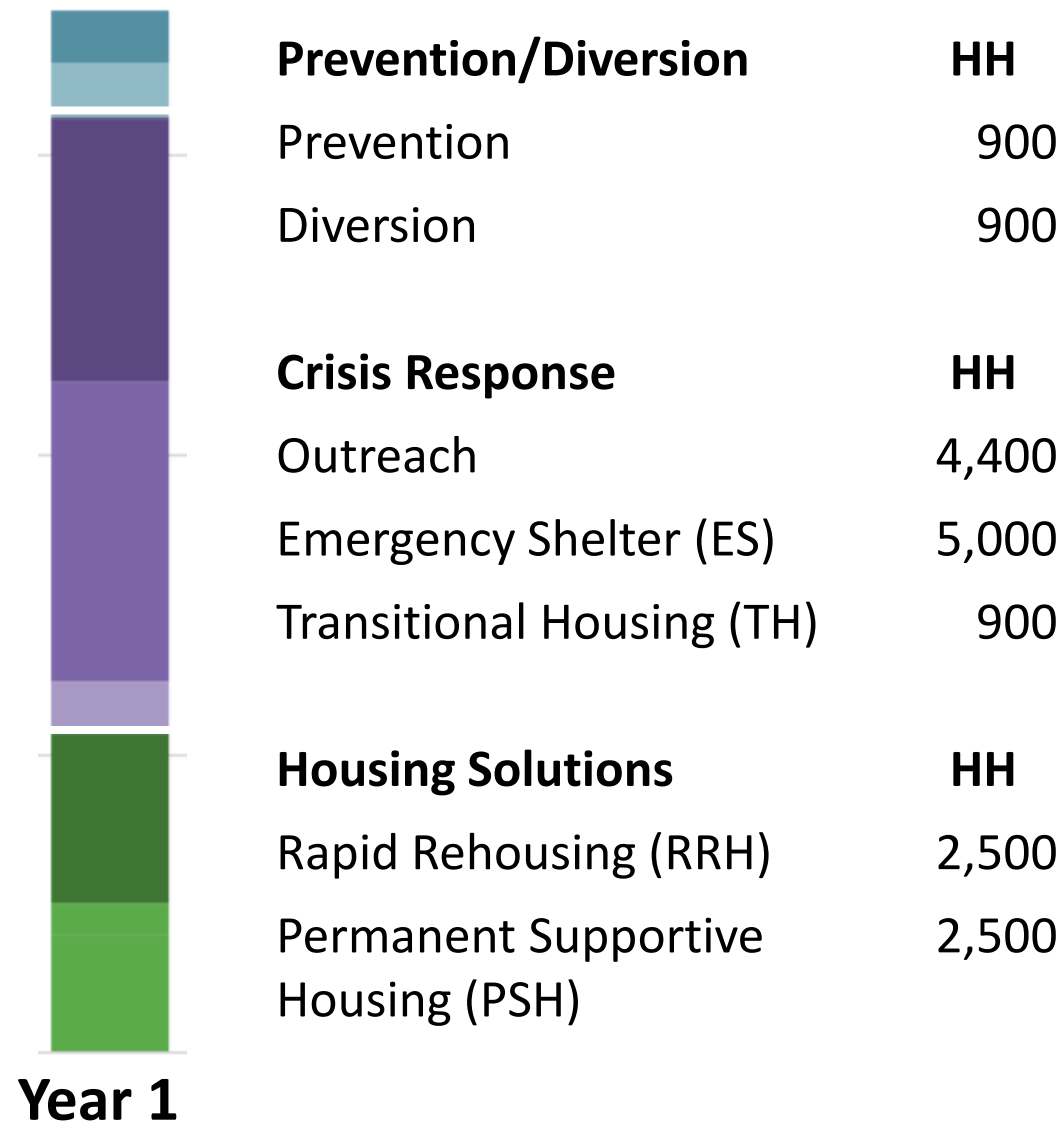


# System Size at Key Points

**Current:** More households pass through shelter than any other intervention type. Prevention and Diversion catch a small portion of households. Many who could benefit from Permanent Supportive Housing cannot access it.

**Year 3:** Peak of “surge”. Prevention and Diversion catch many more households. Outreach reaches more people on the street. Rapid Rehousing has grown significantly.

**Year 10:** Prevention and Diversion remain robust. Permanent Supportive Housing houses a much larger number of households. Fewer people enter Emergency Shelter, and they exit to housing more quickly.

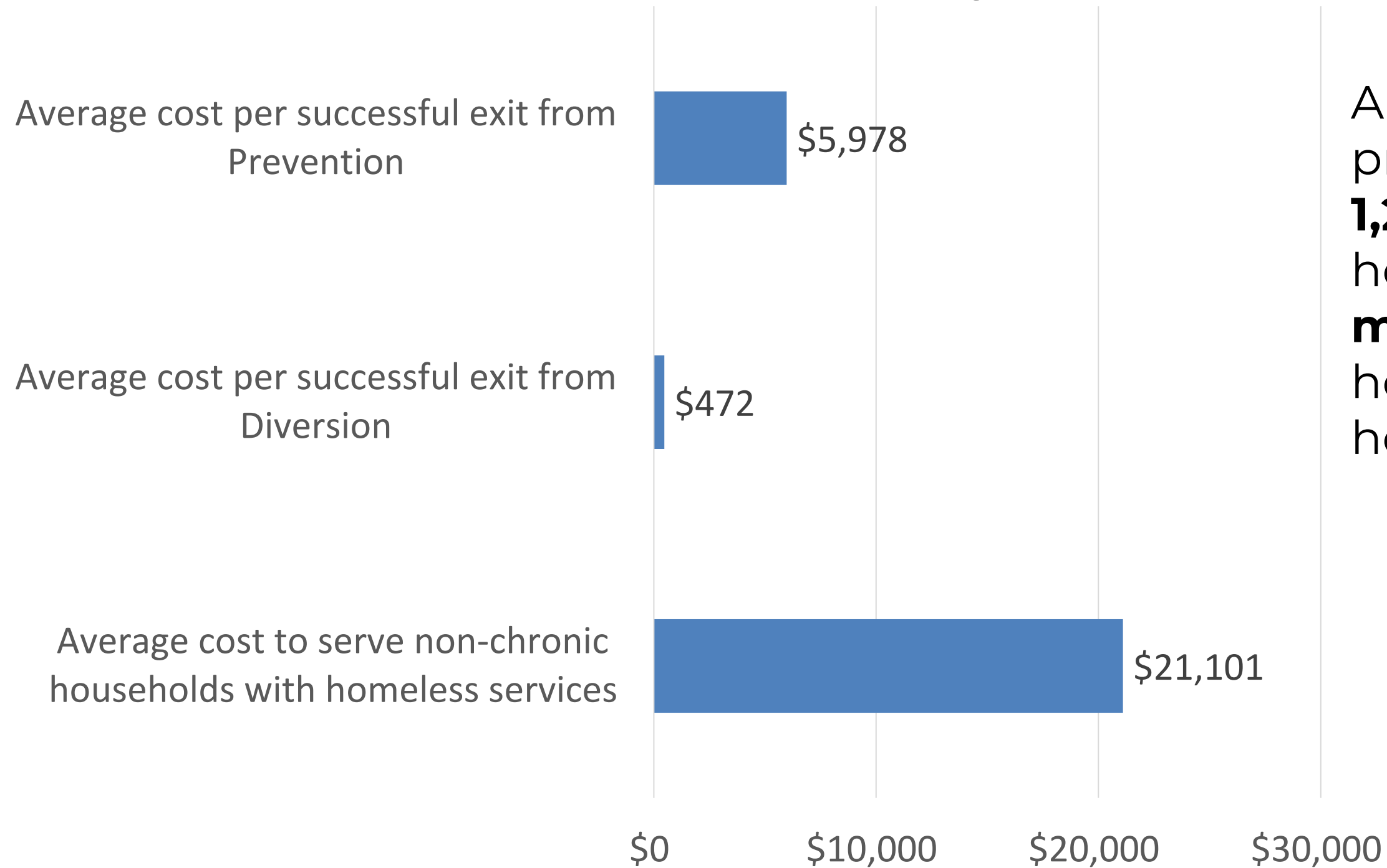


# Peak System (Year 3) Operating Cost Gap

	Households To Be Served	Full Time Equivalent (FTE) Staff			Slots/Beds/Units				Annual Operating Cost Gap
		Current/Planned	Needed	Gap	Current/Planned	Needed	Gap	Percent Growth	
<b>Prevention</b>									
Prevention	1,550	3	6	3	75 slots	130 slots	55 slots	73%	\$2,200,000
Diversion	3,100	1	4	3	3 daily clients	8 daily clients	5 daily clients	167%	\$200,000
<b>Crisis Response</b>									
Outreach	5,400	50	64	14	1,000 slots	1,300 slots	300 slots	30%	\$1,000,000
Emergency Shelter	6,200	123	128	5	2,700 beds/units	2,800 beds/units	100 beds/units	4%	\$4,800,000
Transitional Housing	800	23	27	4	550 units	680 units	130 units	24%	\$3,900,000
<b>Housing Solutions</b>									
Rapid Rehousing	3,700	60	101	41	1,200 slots	2,200 slots	1,000 slots	83%	\$29,000,000
Permanent Supportive Housing	3,500	211	211	0	3,900 units	3,900 units	0 units	0%	\$0
								<b>Total</b>	<b>\$41,100,000</b>

# Increase Prevention and Diversion Focus

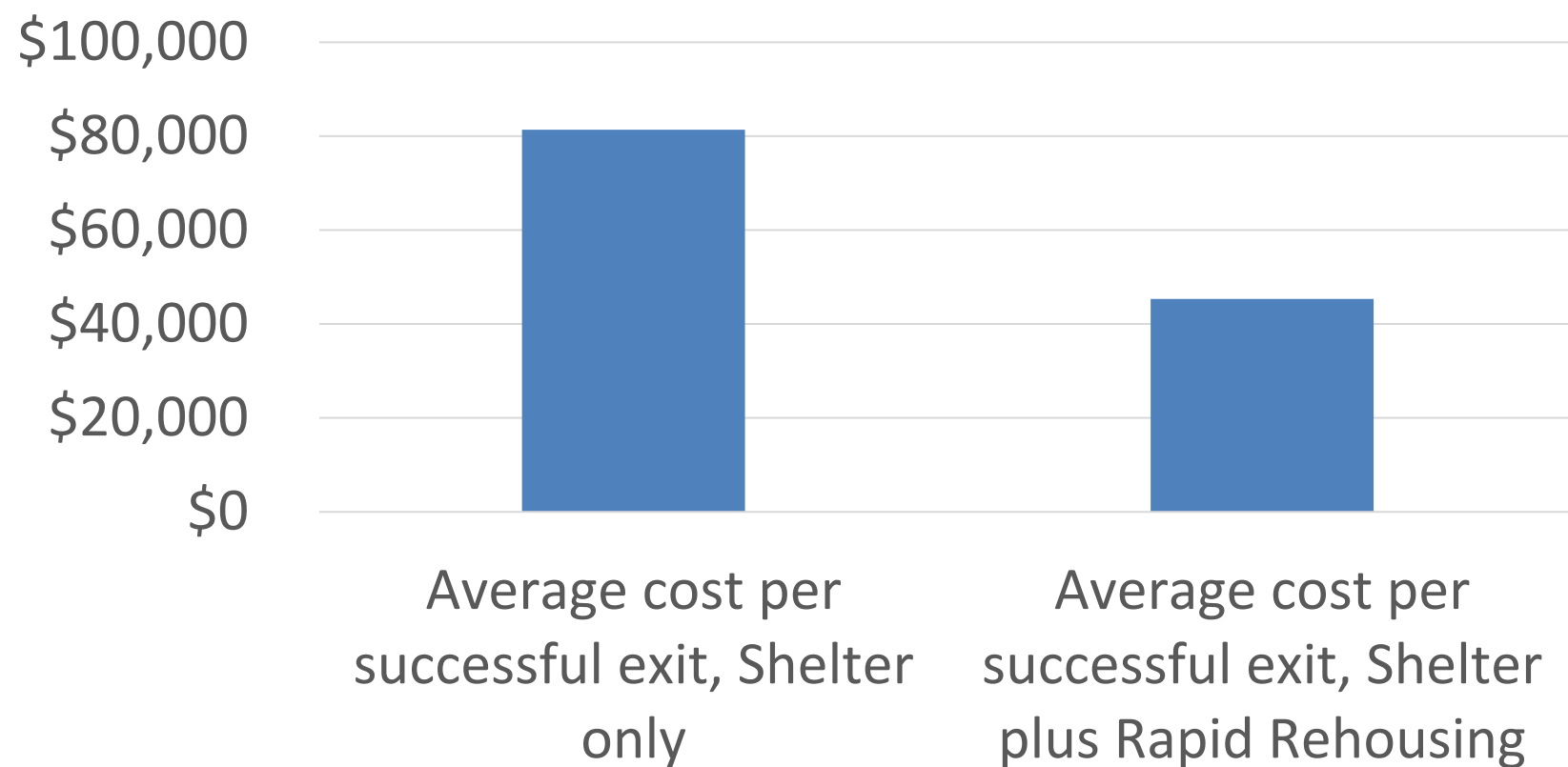
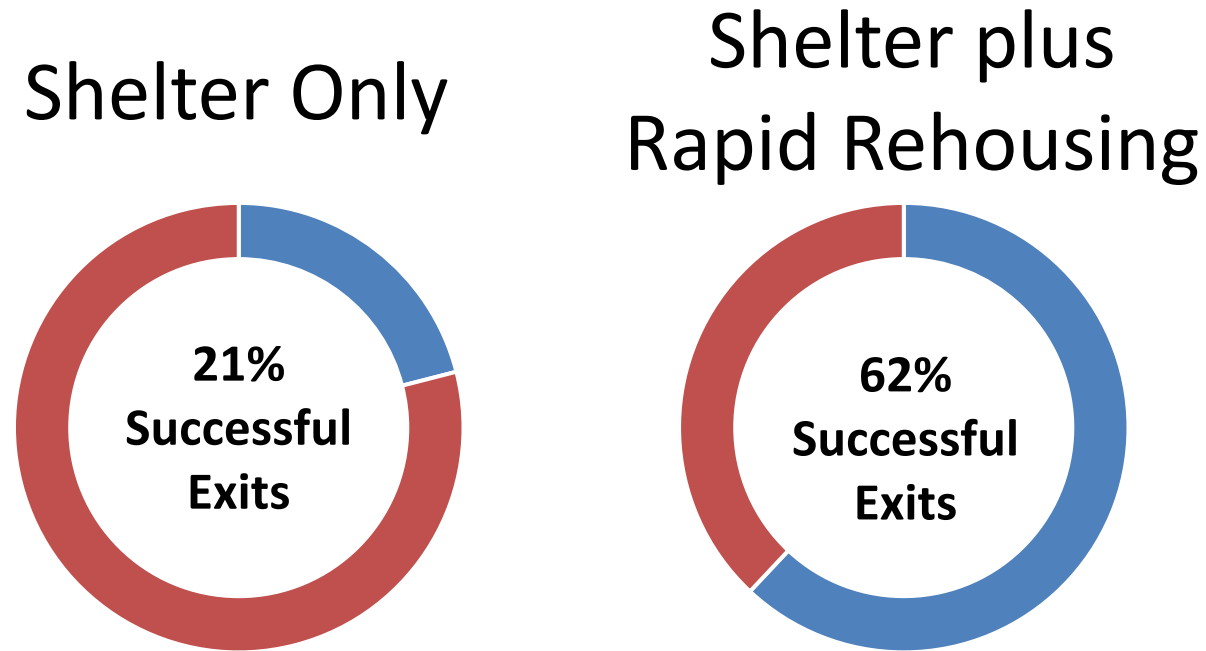
## Prevention and Diversion are financially efficient



An additional **\$3 million** for prevention and diversion could keep **1,200** households out of homelessness, saving more than **\$25 million annually** to support those households if they were to fall into homelessness.



# Increase Rapid Rehousing Focus



- Rapid Rehousing programs make shelter more effective and efficient, **making positive housing outcomes 3x more likely.**
- Rapid Rehousing (RRH) paired with shelter is more cost effective than shelter alone. **RRH reduces the average cost of each successful exit by nearly 50%.**

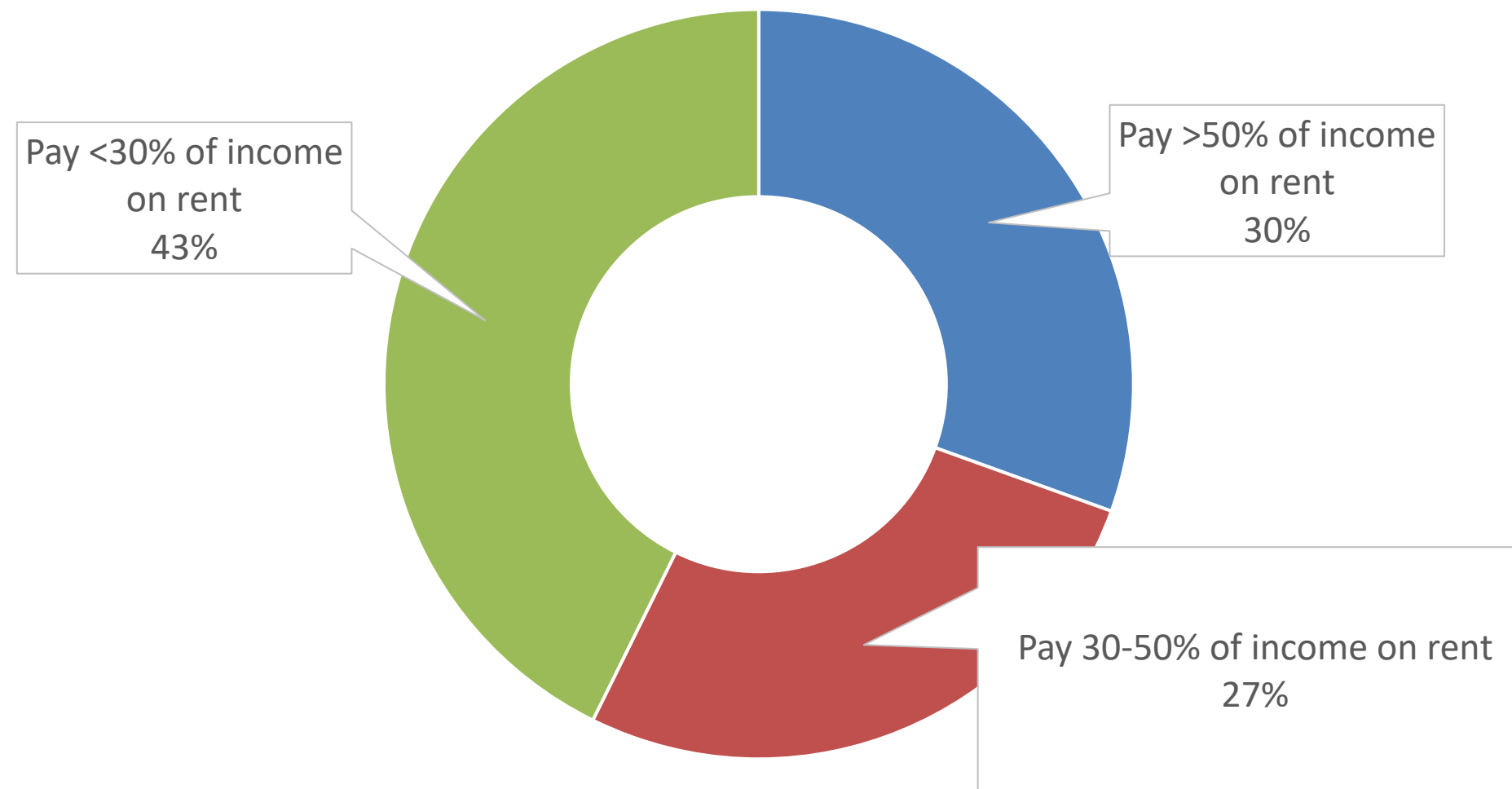
# Permanent Supportive Housing Expansion

	Units	Approximate Capital Costs	Approximate Local Contribution*
Currently Planned New PSH Units	800 units over 4 years (200 units per year)	\$260M - \$430M	\$90M - \$100M
PSH Units Built In 10 Years <u>At</u> Current Rate	2,000 units (200 units per year over 10 years)	\$660M - \$1.1B	\$220M - \$240M
PSH Units Required to Meet Modeled Need	2,500 units (250 units per year over 10 years)	\$825M - \$1.35B	\$275M - \$300M
<b>Gap Between Projected at Current Rate vs Needed Total</b>	<b>500 units (50 additional units per year)</b>	<b>\$165M - \$270M</b>	<b>\$55M - \$60M</b>

\* Assuming state and federal resources remain available to subsidize units

# More Affordable Housing

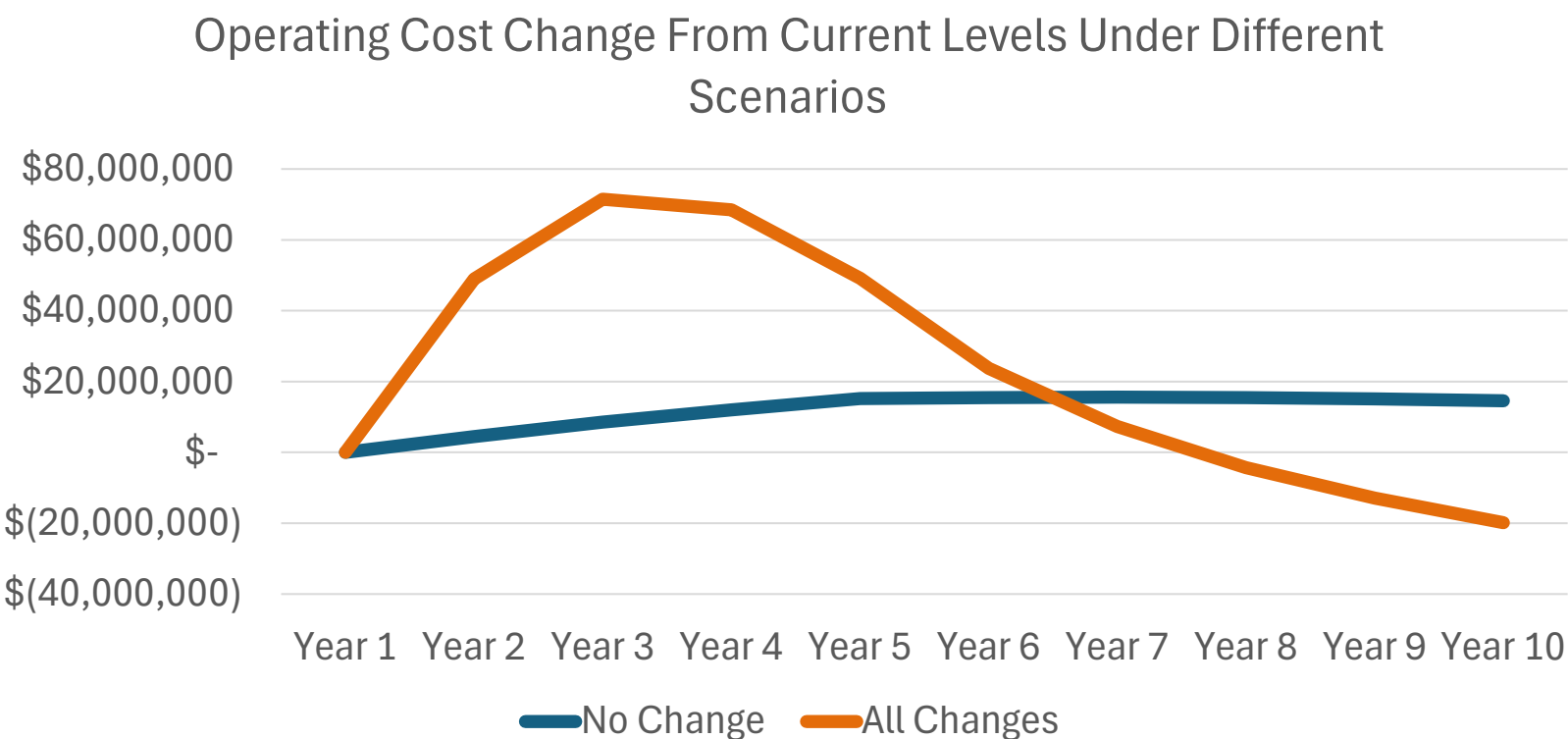
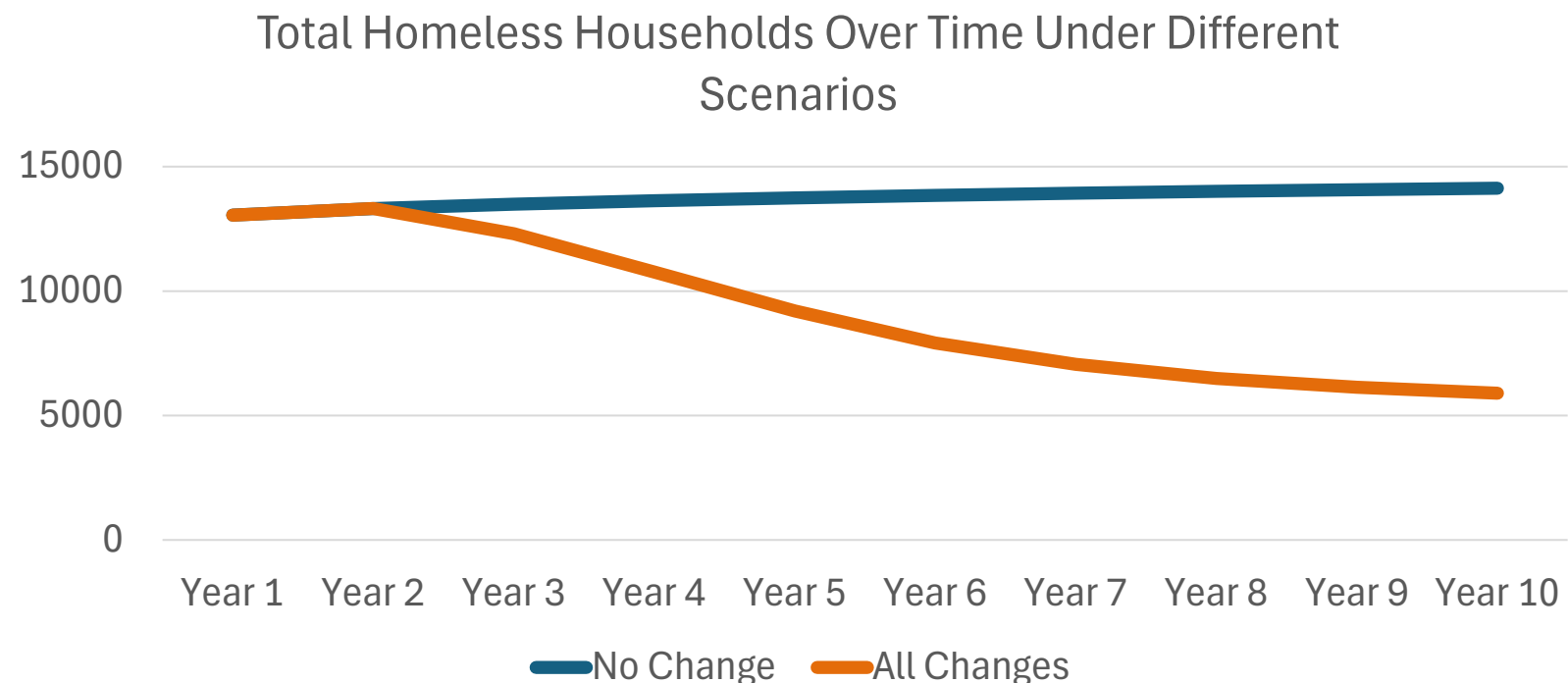
Cost Burden of Sacramento Area Renters



- 30% of Sacramento renters are severely rent burdened; spending more than half of their income on housing.
- Addressing homelessness requires Sacramento to continue to build affordable housing

**Key Takeaways and Next Steps**

# The Resulting System



- Baseline assumption (**BLUE LINES**) is that the total homeless population and cost of services would rise slowly with no system changes.
- With a transformed system (**ORANGE LINES**), the total number of homeless households could drop by more than half over the next decade. Annual costs will increase initially but drop once homelessness reduction is achieved.
- Capital costs of building additional permanent supportive and other affordable housing are not included in these numbers.

## Key Takeaways

- **Near-term investments in prevention, diversion, and rapid rehousing** would have the most impact on homelessness rates, serving to reduce inflow to homelessness and increase outflow to housing. These investments are also cost-effective, reducing the need for more expensive emergency shelter.
- To the extent that additional funding is directed toward emergency shelters, it should **prioritize developing and expanding rapid rehousing programs within those shelters**, which will improve their successful exit rates, freeing up more existing beds for new residents.
- **Sustaining and expanding efforts to produce permanent supportive housing units and other affordable housing units** will be necessary over the next decade to support additional successful exits from homelessness.
- **Additional investments in case-carrying street outreach** will support moving more households from unsheltered into sheltered homelessness, and in some cases directly into housing.

## Next Steps

- Publish summary document
- Anticipate incorporating into RCHAP presentations to City and County elected officials
- Plan for next gaps analysis

**Thank you!**