



August 26, 2018

Cindy Cavanaugh, Director of Homeless Initiatives, Sacramento County  
Emily Halcon, Homeless Services Coordinator, City of Sacramento  
Anne Moore, Interim Executive Director, Sacramento Steps Forward

I am writing on behalf of First Step Communities (FSC) to provide written comment on the HEAP & CESH joint presentation and proposals you shared on August 23, 2018. Our written comment will be in the form of positioning comments and a brief outline of a FSC proposal for funding an Interim Community and Services Program. We want to start by commending you for pursuing this funding and bringing this opportunity to Sacramento.

Regarding the use of these funds, the FAQ document provided by the California Homeless Coordinating and Finance Council states, “According to SB 850, Section 50214. (a), “program funds shall be expended on one-time uses that address homelessness... while the statute does not specifically address construction of housing, the intent is for funds to be used for urgent needs. This is further illuminated by the declaration of shelter crisis, which allows jurisdictions to relax building and safety standards to permit flexible housing solutions to be implemented quickly.” This program design allows the relaxing of processes allowing timely collaboration between governmental administrative units and FSC to construct an interim community of small sleeping cabins and a community center with full facilities and a medical clinic to support intensive case management and services within the 18-month period allowed for expenditure of the funding.

Their following statement defining emergency aid, further clarifies the issue “[t]he statute does not specifically define emergency aid...we are interpreting this to mean any urgent and immediate services which includes housing that will be provided to homeless people. Broad categories of uses include, but are not limited to, shelters, shelter beds, public toilets and shower facilities, tiny shed homes, etc.”

It is FSC’s position that to accomplish what is defined above and meet the immediate needs of an increasing homeless population within a relatively short period of time, our Interim Community and Services proposal is in accord with the intent of SB 850 and the declaration of a shelter crisis. The following community proposal is both scalable and replicable. Implementation of the FSC Community Program will provide the city, county and CoC with a cost effective model for providing immediate bed increases, intensive triage services and that critical first step for a vulnerable unsheltered population.

The following brief outline of the FSC proposal has several major components including a) housing, b) community center, c) services, and d) economics.

***The FSC Interim Community and Services Proposal – Housing Component – Sleeping Cabins***

Our proposal is to utilize sleeping cabins for singles and couples. Our cabins are designed as energy efficient private rooms, providing comfort and dignity while participants go through an intensive 6-month services program. They are off the grid and contain solar powered energy to supply lighting, temperature control solutions, and phone charging with battery storage units to allow around-the-clock power. The cabins were intentionally designed without plumbing or kitchens with both cost and program objectives in mind. Participants will all have access to these in the community center detailed below.

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The FSC cabin designs are varied. Our designs provide either a slanted roofline or gabled roof and building materials can change aesthetics. We favor a design that we can easily transport on flat bed trailers and set on the ground on skids. Built with energy efficient materials in a modular fashion, our locally constructed cabins cost approximately \$6,500-\$10,000.00. An alternate mobile version built on a chassis with wheels costs about \$1,500-\$2,000.00 more. Other alternate designs include a bathroom and on-the-grid electrical connection with concomitant increases in costs, including ground infrastructure, and longer development periods. We also have designs for full efficiency homes in the 200-550 square foot size but these are not a fit for our interim community plan. FSC has the support of Northern California Construction Training (NCCT) and Home Aid to build cabins. We have also had tentative discussions with Sacramento Regional Conservation Corps and several developers who have expressed interest in being involved.

### ***The FSC Interim Community and Services Proposal –Community Center Component***

The core of the First Step Community is the community center containing communal facilities. These will include restrooms, showers, laundry, commercial grade kitchen, storage and dining areas, as well as rooms for service provision supported through collaborative partnerships. FSC, working with Well Space Health, has designed exam rooms to meet OSHPA requirements for a healthcare facility functioning 20-plus hours per week and allowing FSC and Well Space to open the facility to serve the greater community. FSC will provide primary healthcare and mental health counseling services in the community center through a collaborative partnership with Well Space Health.

The community center building design also is adjustable for scale. Assuming a community for a 100-person (75 cabins) program, our design calls for a 5,500-6,000 square feet center and costing in the \$800,000-\$1,000,000.00 range. Home Aid, the charitable arm of the North State Building Industry Association, has pledged their desire to provide substantial in-kind support in the form of donated labor and materials for the community center.

### ***The FSC Interim Community and Services Proposal – Services Component***

The services component provides the heart of the First Step Community Program to assist with the transition to permanent housing and incomes. Through collaboration with CoC service providers and others, as well as our own skilled staff, FSC will provide intensive case management and access to services including primary healthcare and referrals, mental health counseling, acquisition of personal government documents, legal services, life skills training, housing counseling, housing services, and employment programs. Providing participants job assignments such as solar installation and maintenance, facilities maintenance, kitchen crew support, landscaping crew support, dog kennel support, etc. to help prepare them for potential employment and self-sufficient, structured lifestyles is an important component of the program.

FSC has active relationships with Well Space Health, One Community Health, Elica Health, Legal Services of Northern California, Pride Industries, Consumer Self Help, Sacramento Self Help Housing and Sacramento County's DHA and DHSS agencies. Together with these and other collaborative partners, we can provide a robust program applying intensive case management, individualized plans including exit strategies, and successful outcomes to more permanent programs and lifestyles. Tailoring the services component to target specific populations as the city and county takes aim at different geographical or demographical populations has potential benefits. Targets may include different neighborhoods within the city and county or specific populations such as encampments along the American River Parkway. Whether it is termed rehousing services, triage services or homeless services, the objective remains the same, to help those trapped in the cycle of homelessness onto a path of improved health, improved sense of self-worth and self-sufficiency. That is what our services component will do allowing other CoC service providers to collaborate and have access to the targeted populations.

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***The FSC Interim Community and Services Proposal – Economic Component***

As outlined previously, a First Step Community Program is scalable and, therefore, costs will vary by scale, as well as, site requirements. If we focus on a community that targets housing 100 individuals at a time, our construction cost components look like the following in Table 1 below.

Table 1: Estimated Costs – Low to High

Component – Based on Capacity 100 Person Community	Low End	High End
Sleeping Cabins (75) singles and doubles	\$500,000.00	\$ 750,000.00
Community Center/Medical Clinic	\$800,000.00	\$1,000,000.00
Land Acquisition	\$ 1.00	\$ 250,000.00
Civil Engineering at site	\$ 500,000.00	\$ 750,000.00
Pre-development permits, studies, etc.	\$ 90,000.00	\$ 150,000.00
<b>Total Estimated Costs</b>	<b>\$1,890,001.00</b>	<b>\$2,900,000.00</b>

Source: Estimates provided by industry specialists.

FSC is currently working on an updated line item estimate with a review of all costs. Additionally, we will work to supplement the required costs as detailed in Table 2 below.

Table 2: Projected Construction Donations.

Funding Source	Amount Estimated
Adopt-A-Cabin Program (faith-based, labor, employee)	\$300,000.00
In-kind Labor and Materials	\$375,000.00
Capital Campaign	\$500,000.00
Grants – Local Sources	TBD
<b>Total</b>	<b>\$1,175,000.00</b>

Source: FSC internal after discussions with faith-based community, state employee groups, funders.

The operating expenses are estimated at \$1.5M per year or \$125K per month. That means it will cost approximately \$1,250.00 per person per month or less than \$42 per person per day to operate the facility (see Table 3 below). It may be possible to find partial support for these operating expenses utilizing CESH funding.

Table 3: Operating Expenses Estimate (preliminary)

Expense Category	Estimate - Annual	Estimated Monthly	Monthly Per Person	Daily Per Person
Personnel with benefits	\$ 802,850.00	\$ 66,905.00		
Equipment	\$ 61,850.00	\$ 5,154.00		
Materials and Supplies	\$ 63,851.00	\$ 5,328.00		
Consultants	\$ 88,900.00	\$ 7,400.00		
Other Direct Costs	\$ 139,900.00	\$ 11,658.05		
Indirect Costs	\$ 176,881.00	\$ 14,740.00		
Services	\$ 140,500.00	\$ 11,709.00		
<b>Total Estimated Expenses</b>	<b>\$1,474,732.00</b>	<b>\$122,894.00</b>	<b>\$1,228.94</b>	<b>\$40.96</b>

Source: FSC Budget Estimates, anticipated Government Funding, Donations, Grants.

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***The FSC Interim Community and Services Proposal – Quick Implementation Options***

FSC understands the need for “quick implementation”, as called for in the city/county funding proposal outline. We also understand that the FSC proposal cannot be developed overnight. However, with approval of the proposed Community proposal, and identification and acquisition of necessary land, coupled with the benefits of the emergency shelter declaration, we believe that we can transition the community construction by utilizing small communal living tents on that land, coupled with the rental of commercial modular units to provide hygiene and cooking facilities, as well as meeting rooms (these are similar to those used on commercial construction sites, in disaster areas, etc.). Many of the service providers referred to above also utilize mobile units, which can be brought to the site for on-going services immediately. With the approval of funding, and receipt of donated and in-kind sources, we can immediately complete design review based on the site selected, submit plans to the appropriate agencies, and initiate construction of both the community center and initial sleeping cabins which, as constructed, can replace the communal tents. One purpose of the shelter crisis declaration is to encourage creativity and flexibility in meeting the shelter needs, and this transitional approach is consistent with that purpose.

***In Summary***

FSC has researched motel and hotel remodels, warehouse conversions, shipping container conversions, and other variations on the tiny home-sleeping cabin and community center model. It is our informed opinion that it is very difficult to design a more cost effective solution to providing emergency-interim housing and extensive services to this population. Enhancing that economic factor with the collaborative nature of our proposal, involving other CoC service providers and DHA and HHSS agencies, creates a program design that is hard to beat. Additionally, if we can utilize a public parcel, 2-3 acres, for the community it creates a positive scenario outcome. The result is a win-win with the public entity gaining a community center and medical clinic and the sleeping cabins being relocated to another neighborhood in need.

Locating a site is possible in a short timeframe. SHRA has identified properties for tiny home projects including one in Sacramento’s south area on Meadowview that is substantially larger than required for a 100-person community. FSC is talking with several elected officials regarding property within their districts. Commercial land is available in many of these same city and county districts.

Finally, the FSC proposal drives potential for broader system change by creating a cost effective, collaborative model interim community involving many CoC service providers. This model if extended beyond the first HEAP funded implementation could drive a decentralized approach across our region. By measuring outcomes and costs, we can evaluate the potential and prove in further sites as we stay the course towards acquiring more affordable and supportive permanent housing.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Steve Watters".

Steve Watters, Executive Director  
First Step Communities

cc: A. Jonathan Porteus, PhD, CoC Advisory Board Chair  
Bill Knowlton, Chair, First Step Communities