

STAFF REPORT

DATE: November 18, 2025
TO: City Council
FROM: Dana Bailey, Social Services & Housing Director
SUBJECT: UPDATE: Homelessness System of Care

Recommendations

1. Receive a follow up report to the September 16, 2025 presentation, to include:
 - a. An accounting and analysis of City costs associated with addressing homelessness and housing insecurity in Davis;
 - b. A program update on Davis Homeless Outreach;
 - c. A program update on the Davis Daytime Respite Center;
 - d. A review of the current landscape and trends related to homeless funding at the federal, state and county level.
2. Direct staff to:
 - a. Continue Respite Center operations at the existing location;
 - b. Pivot from a contractor model to using in-house City staff, adding two new full time equivalent (FTE) positions to operate the Center. Alternatively, should the Council prefer not to add FTE positions, direct staff to return to the Council with a recommendation and approvals necessary to select one of the three responsive proposals.

Fiscal Impact

The City's current General Fund budget directly related to homelessness services is \$1,243,153. Non-General Fund sources include the Affordable Housing Fund serving the Pacifico Housing Project (\$305,868), FY 25-26 CDBG Public Services - Homelessness (\$65,820), and the HHAP grant (\$124,238). Grant opportunities and amounts may vary year to year.

The staff recommendation to bring Respite Center operations in-house totals \$505,534 (including facility maintenance and other internal and program costs), which is supported by the current budget. If City Council provides different or additional direction on specific operational programs within this report, future actions could have fiscal impacts.

Council Goals

This item is consistent with Shoring Up the Housing Continuum and Improving Social Services for Vulnerable Populations. This review incorporates the work of the Social Services Commission Landscape Assessment – Community Navigator Initiative Subcommittee.

Background

On September 16, 2025, staff presented Council an overview of homeless services, policy and processes in the City of Davis. That report can be accessed [here](#) and the Community Navigator Subcommittee report [here](#). Council provided direction to staff to do the following:

- Continue to operate the Winter Shelter program with existing budget;
- Extend the “Safe HEART / Safe Park” pilot program permit for an additional three months;
- Detail and analyze homeless services spending;
- Continue to operate the Daytime Respite Center:
 - To ensure continuity of services: Until a permanent operator is secured, operate the Center with in-house staff (either temp part time or existing staff)
 - Release an RFP/Q for operation of Respite Center
 - Invest in site infrastructure improvements as needed
- Return to the Council with the following:
 - Results of the RFP/Q for the Respite Center
 - Costs to bring Respite Center staffing in-house
 - Information about alternative locations for siting the Respite Center

Homelessness Services Spending:

The City continues to balance immediate shelter and housing needs with long-term system improvements. The Respite Center and Pacifico represent core program investments, the former for unsheltered individuals and the latter as an extremely low-income housing option to prevent homelessness. The Winter Shelter, support of Paul’s Place year-round shelter beds, CDBG-funded services, and HHAP initiatives ensure that Davis is addressing both urgent crises and structural solutions. These expenditures demonstrate the City’s commitment to reducing homelessness and ensuring vulnerable residents have access to safe, stable, and supportive housing pathways.

The City has made targeted investments in homeless services to provide both immediate support and long-term solutions for unhoused residents. Expenditures are allocated across shelter operations, housing, outreach, and grant-supported programs. Below is summary chart of the programs, costs and outcomes, as well as summaries of current and past funding commitments/expenditures.

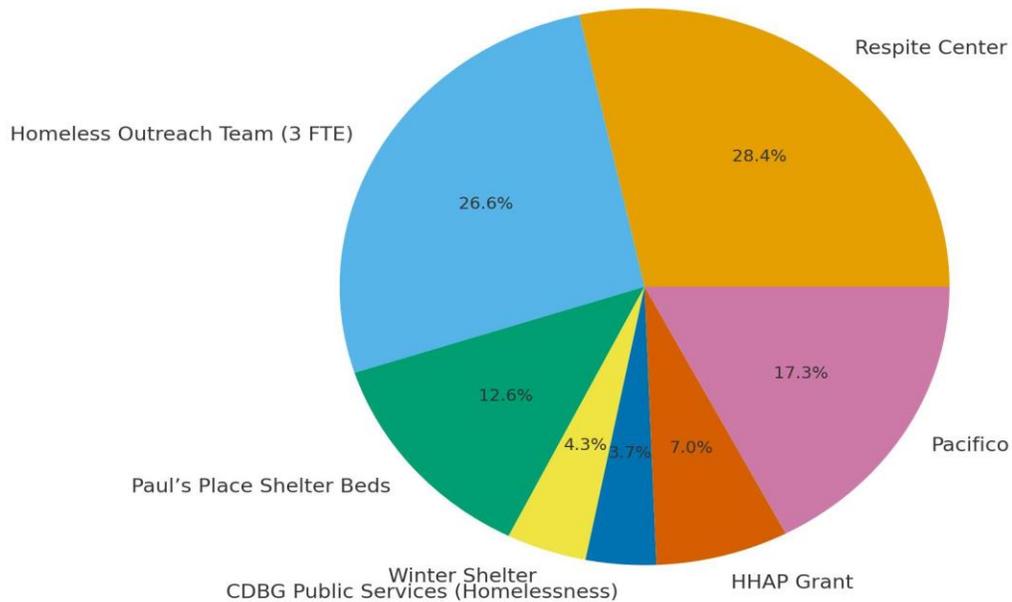
Homelessness Services Spending Summary

Service	Annual Cost	Funding Source	Services/Outcomes
Respite Center	\$501,616	General Fund	See program update below
Homeless Outreach Team (3 FTE)	\$468,537	General Fund	See program update below
Paul's Place Shelter Beds	\$223,000	General Fund	Provides funding for 8 year-round emergency shelter beds at Paul's Place. There were 20 unique individuals sheltered April through October 2025.
Winter Shelter	\$50,000	General Fund	Supports approximately 480 motel bed nights (4 rooms for 120 days) for medically vulnerable individuals between December and March. Average of 36 unique individuals served. City's Outreach Team manages.
CDBG Public Services (Homelessness)	\$65,620	CDBG	Funds the Resource Center at Paul's Place which provide cooperative case management, food, laundry, and other basic needs. Funds a portion of Davis Community Meals outreach efforts including services along F Street.
HHAP Grant	\$124,238	HHAP	Provides funding for DCMH 2 peer support navigators for homeless outreach and 10 community health navigators to work on homelessness prevention.
Pacifico	\$305,868	Affordable Housing Fund	Extremely low income housing (homelessness prevention). Currently 11 residents. Project under review due to recent changes with County partnership.
TOTAL GF	\$1,243,153	General Fund	
TOTAL Non-GF	\$495,726	Misc	

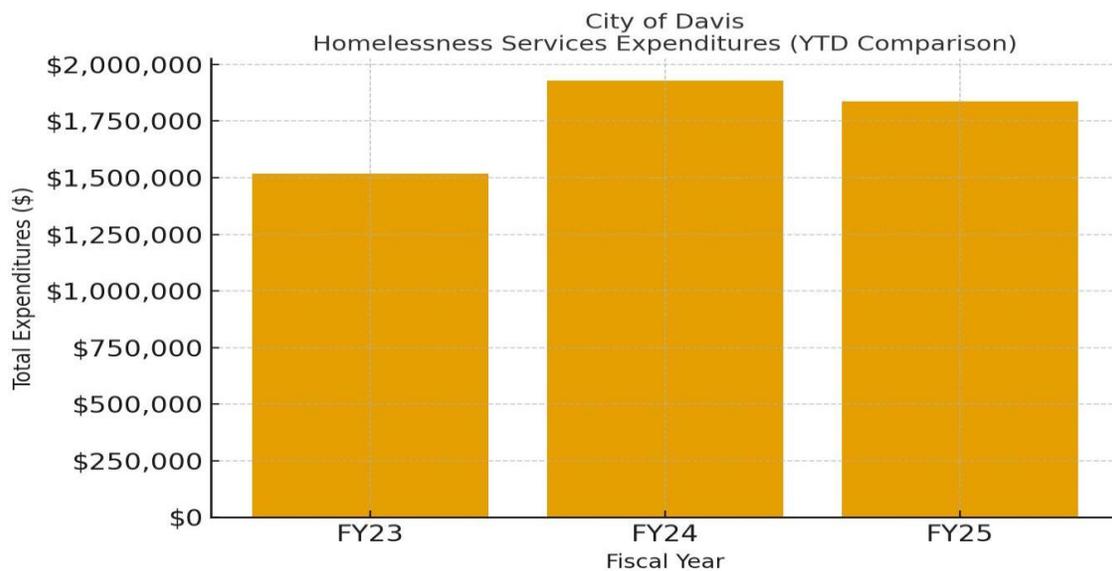
In addition to the above direct costs, the City's budget also includes Social Services and Housing staff who spend portions of their time on issues related to homelessness or affordable housing. These positions include the Social Services and Housing Director, the Affordable Housing Manager, a Management Analyst, and an Administrative Specialist. Staff across departments also spend time on matters tied to homelessness, although that

time is not tracked. The City budget further includes \$100,000 intended for encampment cleanup, which is a General Fund cost.

City of Davis FY26 Spending by Homeless Service Category



The City's annual investment averages approximately \$1.75M in direct expenditures on homeless services, as shown in the two charts. These funds are strategically allocated to maintain shelter, address housing insecurity, provide supportive housing, fund community partners, and participate in regional initiatives.



Davis Homeless Outreach Team Program Update

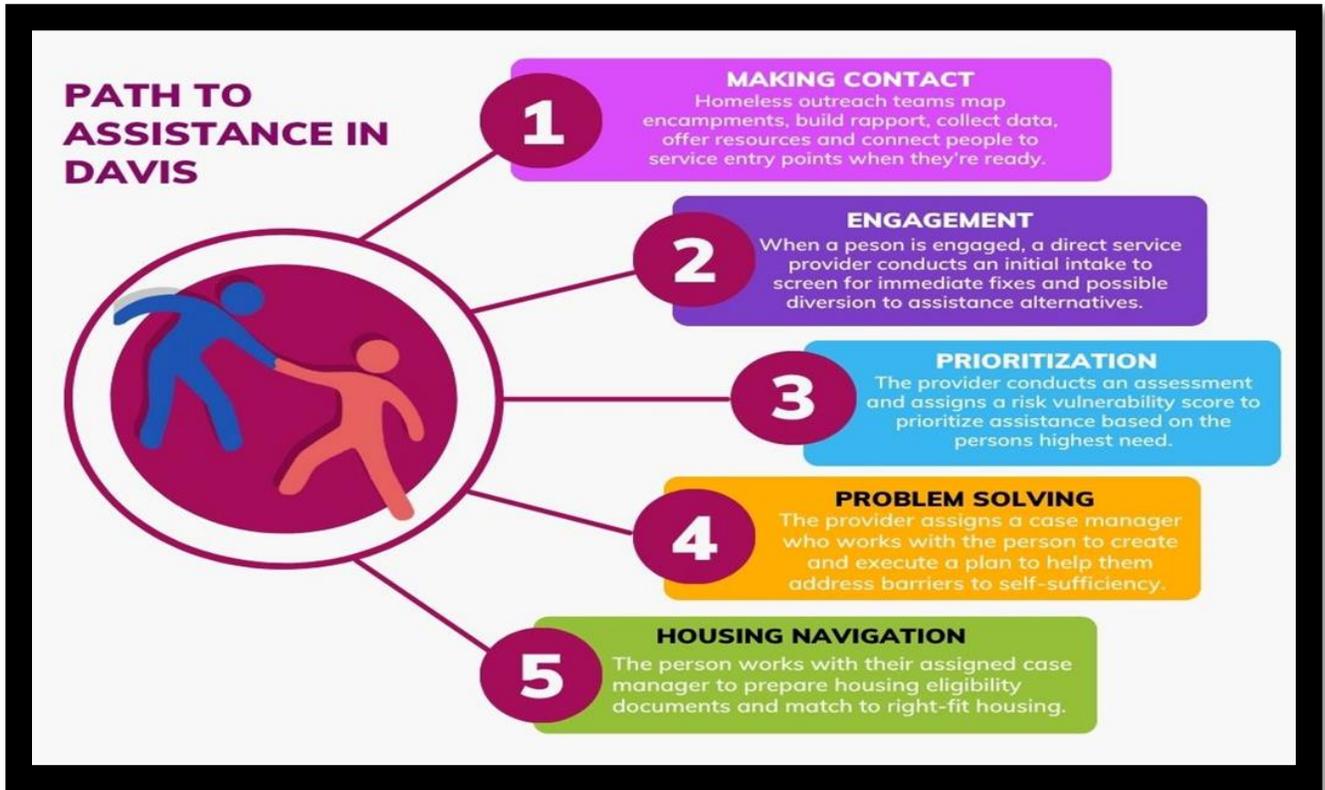
The City employs three full-time staff who comprise the Homeless Outreach Team: one Homeless Outreach Coordinator and two Public Safety Specialists. The primary role of homeless outreach is connecting people to vital resources and support to help them on their path to self-sufficiency. On average, it takes at least eight to ten field contacts before outreach workers garner enough of a person's trust for them to be willing to accept services. Davis is fortunate to have established mutual collaboration among local nonprofits, faith-based/service organizations and local authorities to enhance outreach efforts. Current partners providing homeless outreach in Davis include Davis Community Meals and Housing; Turning Point Community Programs; St. Vincent de Paul; CommuniCare+Ole; County Mobile Medicine, and County Homeless Outreach.

Homeless Outreach spends at least 65% of their time making in the field contacts with encampment dwellers and individuals throughout the city. They proactively work to maintain contact with individuals in order to connect them quickly with services to meet their immediate needs when they are ready to accept help. They also respond to calls sent to them from emergency dispatch and to requests/complaints from community members. For reference, see the September and October Homeless Outreach Team monthly reports (Attachment1). The Davis Homeless Outreach Team enters its contacts into the Homeless Management Information System (HMIS), the database used by local, state, and federally funded organizations to collect and manage data about individuals and families experiencing homelessness. These contact entries contain basic demographic details and serve as a resource for direct service provider partners to locate individuals they are trying to reach. The team also updates outreached locations to a live GIS map to track contacts throughout the city.

When a person experiencing homelessness informs Homeless Outreach they are ready to accept help, they are considered engaged and are referred to the next step in the process. Engagement is the point at which individuals are connected to a case manager. Case managers conduct an in-depth interview to make an assessment of the individuals immediate and long-term needs and the urgency of delivery. At the outset, case management may follow an empowerment model, providing supportive, collaborative guidance as the individual creates a plan for their own self-sufficiency. There is an important distinction between this cooperative case management approach and intensive case management. Cooperative case management typically provides lower-intensity support, focusing on referrals and coordination for individuals with less complex, often primarily housing-related needs. In contrast, intensive case management—usually offered by Enhanced Care Management providers—delivers high-level, ongoing, and comprehensive services, often addressing substance use disorders, severe mental health needs, and other complex challenges. Both approaches require long-range commitments to accompanying people as they work at their individualized pace and begin to take ownership of opportunities. Paul's Place and the Respite Center are the two primary physical entry points (with the exception of Sutter Davis) introducing unhoused Davis residents to access to cooperative case management.

The path to assistance is structured to respond to unsheltered individuals without initially needing to involve law enforcement. Without the Homeless Outreach Team, law

enforcement personnel would be the initial response to calls for service and the City would lose an opportunity to take a less enforcement-driven approach.



Recently, the Homeless Outreach Team responded to a call from an individual who had run out of funds to pay for their temporary housing at a local hotel and were imminently homeless. Upon arrival, the team noted the individual was a frail elder with mobility issues and unaddressed medical needs. With permission, the team quickly contacted the Mobile Medicine team to arrange an onsite medical evaluation and determine if additional connections were available through Enhanced Care Management services. The team also connected the elder to St. Vincent de Paul who paid for two additional hotel days while longer term housing arrangements were made and whom dispatched a volunteer to provide emotional and stabilization support (food, clothing, etc.). Davis' PD embedded clinician was also consulted to assess the elder's mental health as they reported depression and feeling isolated. Though the team and local partners mobilized quickly and efficiently to stabilize the elder's housing in a new location, upon a follow up visit just one day later, the elder had left the housing and was unreachable. The process worked seamlessly but individual behavior and responses remain unpredictable, showing that even with coordination, this arena is often not linear.

Davis Daytime Respite Center Program Update

On August 29, 2025, Downtown Streets Team (DST) provided its Respite Center operations staff a Notice of Plant Closure/Termination letter outlining its intention to cease operations at the Daytime Respite Center in Davis. Downtown Streets Team ceased operations at the Davis Daytime Respite Center on October 17, 2025, two weeks earlier

than anticipated. In addition to basic needs, DST has provided case management, housing navigation, work readiness, and referrals to other social services to unhoused individuals at the 530 L Street location. This unforeseen development created an immediate need for the City to determine how continuity of services would or should take place at the Respite Center.

On September 16, 2025, Council directed staff to take the following actions:

A. Temporary Part Time Staff to ensure continuity of operations:

Council directed staff to keep the site open and make offers of temporary employment to former DST staff responsible for the day-to-day operations of the Daytime Respite Center. The former DST Program Manager and a Caseworker accepted temporary positions and are currently operating the site (with temporary support from a City staff member). Hours of operation and available services remain unchanged while next steps are being reviewed.

Alternatively, some councilmembers have suggested shifting the staff of the current Homeless Outreach Team to oversight of the Respite Center. While the cost for the three FTEs would remain the same (resulting in no net new personnel cost and reducing expenditures by eliminating the external operator contract), this approach would have significant drawbacks to the current homeless response system.

Reassigning the current outreach staff to a fixed-site role would substantially reduce the City's capacity to respond to community-based homelessness-related service calls. Instead of an "outreach-first" response that prioritizes timely connections to services and basic needs, calls for service would default back to a public safety officer response, increasing the likelihood of enforcement-based outcomes or, at minimum, causing substantial delays in encampment noticing and cleanup. Outreach capacity would be largely restricted to the Respite Center, leaving minimal ability for staff to work offsite or in the field, and shifting the City's focus away from encampment engagement toward onsite facility management.

Additionally, the current Homeless Outreach Team does not provide case management—an essential function at the Respite Center since its inception. Center operators have historically delivered ongoing 1:1 case management, with staff trained in social work or as clinicians, as the primary pathway to long-term stability and self-sufficiency. Homeless Outreach staff, by contrast, are trained to make warm handoffs to specialized case management providers, not to deliver case management themselves. Reassigning them to this role would therefore compromise service quality and continuity for individuals relying on the Respite Center for deeper, sustained support.

B. Request for Proposal (RFP) posting and alternative option to staff in-house

Staff issued a Request for Proposal (RFP) on October 10, 2025 seeking an entity to operate the Daytime Respite Center. The application period closed October 31, 2025 and four applications were received. One application did not meet the submission criteria but the remaining three applications are currently under review. The review team consists of the Director of Social Services and Housing, the Director of Davis Community Meals and

Housing, and the Director of Fourth and Hope. If needed, staff will return to the Council with a recommendation and approvals necessary to select one of the three responsive proposals pending direction following this presentation.

See below for the preliminary proposal review components (budgets propose operational costs only and do not include facility maintenance or other internal city costs):

Daytime Respite Center – Proposal Summary Comparison

<u>Organization</u>	<u>ECM Provider?</u>	<u>Staffing Proposal</u>	<u>Budget Proposal</u>
The Gathering Inn (TGI)	Yes – Contracted ECM & Community Supports provider	4.3 FTE Total: <ul style="list-style-type: none"> • 3 Case Managers (3.0 FTE) • Site Manager (1.0 FTE) • Sr. Director of Continuous Quality Improvement (0.2 FTE) • Sr. Director of Programs (0.1 FTE) 	\$792,642 total (20 months): <ul style="list-style-type: none"> • Period 1: \$323,327 (8 mos) • Period 2: \$469,315 (12 mos)
Volunteers of America (VOA-NCNN)	No	6 FTE: <ul style="list-style-type: none"> • Program Director • Site Supervisor • Intake/Data Manager • Case Manager • Employment Specialist • Outreach Peer Navigator 	\$367,786 (Year 1)
Royal Respite (requirements not met)	No	No defined FTE staffing. AI-driven/contractor model; no case management included.	Budget not provided
Yolo County Children’s Alliance (YCCA)	Yes – State-certified ECM provider	4.0 FTE: <ul style="list-style-type: none"> • Program Manager (1.0 FTE) • 3 Housing Navigators/Lead Care Managers (3.0 FTE) 	\$879,455 total (20 months): <ul style="list-style-type: none"> • Period 1: \$435,865 (8 mos) • Period 2: \$443,590 (12 mos)

Period 1 = Nov – June 30, 2026
 Period 2 = FY 2026-27

At Council direction, staff conducted a full alternative analysis evaluating the operational, fiscal, and service-delivery impacts of operating the Daytime Respite Center exclusively with City staff. Based on this assessment, staff recommends creating two positions (Program Technician and Program Coordinator) to reside in the Social Services and Housing Department and provide case management support to homelessness

programming. The positions would be funded with already appropriated funds from the voided DST contract and be stationed at the Daytime Respite Center or alternatively placed pending Council direction. This model not only achieves cost savings but also strengthens the City’s direct service capacity, enhances continuity of care for clients, and increases flexibility as the City adapts its homelessness response system over time.

The estimated costs are below:

Proposed Budget for City	Estimated Yearly Cost
Staffing	\$ 317,368.00
Homeless Outreach Coordinator	\$ 166,199.00
Public Safety Specialist	\$ 151,169.00
Operations (including Contracted Svs)	\$ 43,050.00
Building Maint/Internal Services	\$ 145,116.00
TOTAL	\$ 505,534.00

*Based on 7/1/25 - 9/30/25 actuals using existing staff costs

*Includes facility maintenance and other internal city costs

The in-house (including city costs) model is the lowest-cost option evaluated that provides the same level of services as currently exist. These savings are achieved while maintaining experienced staff and meeting all operational needs for the Center, including food, supplies, janitorial, utilities, pest control, and essential maintenance. In a constrained fiscal environment and with increasing homelessness-related service demands, shifting to an in-house approach represents an efficient and sustainable use of City resources including but not limited to:

1. Continuity of Services

Bringing the staffing in-house allows for maximum flexibility for the City to ensure continuity of services and to provide consistency in program culture, expectations and client engagement practices. This continuity is critical in a low-barrier, trauma-informed environment where stability and predictable staffing significantly improve service outcomes.

2. Adds Case Management Capacity Directly to the City’s Homelessness Portfolio

A major advantage of the in-house model is the addition of direct case management capability as a permanent City function.

Case management is fundamental to Respite Center programming. It:

- Supports individuals in developing personalized housing and stability plans
- Addresses root causes of homelessness, including behavioral health, income insecurity, physical health, and system involvement
- Improves long-term outcomes, including housing retention and reduction in service calls
- Reduces reliance on external providers for core, ongoing client engagement

Building this internal capacity strengthens the City's long-term ability to respond to homelessness and aligns with Council's strategic priority to expand coordinated, individualized service delivery.

3. Enhances Collaboration With ECM Providers and Community Partners

Though the in-house option does not add Enhanced Care Management (ECM) capacity, the program is free to participate robustly in multidisciplinary service networks, including:

- Attracting multiple Enhanced Care Management (ECM) and Community Supports (CS) providers to serve clients
- Siting self-help partners such as AA, NA, and Al-Anon
- Serving as a connection point for public safety partners, including probation, APS, and law enforcement
- Encouraging local non-profit, service or faith-based organization collaborations.

City-led staffing ensures greater consistency in communication, more effective care coordination, and the ability to expand partnerships without having to renegotiate contracted scopes of work or staffing models.

4. Strengthens Recruitment and Retention in a Challenging Labor Market

Homeless services remain one of the most difficult fields to recruit and retain talent. City employment offers advantages that external providers often cannot match:

- Stable positions with competitive benefits and step increases
- Greater job security
- Employee protections and consistent oversight
- A professional pathway within the City organization

These factors support long-term retention, reduce turnover costs, and create a more experienced and stable workforce serving the City's most vulnerable residents.

5. Offers Maximum Operational Flexibility

Bringing services in-house allows the City to adapt more quickly to changing needs, including:

- Incorporating new service components
- Adjusting staffing to meet changing needs
- Exploring alternative locations or expanded service footprints
- Integrating Respite Center operations with the Homeless Outreach Team and other City programs (COPPS, embedded clinician, etc.)

Contracted models lack this agility and often require formal amendments, cost escalations, or re-bidding.

C. Minor infrastructure repairs to 530 L Street

Minor repairs to maintain minimum levels of service (restroom, shower and ADA ramp repairs) are complete. There are also larger infrastructure projects needed at the site, including a new ADA ramp, water line enhancements, and improvements to some of the interior spaces that staff believes are important for the site to operate optimally. Funds have been allocated from the City's CDBG dollars to pay for these upgrades, but this work will not go forward unless the City determines to continue Respite Center operations at this location.

D. Alternative location proposals

The City Council directed staff to research alternative locations for the Respite Center.

In 2019, when the City was initially planning for the Respite Center and researching site options, staff reviewed multiple locations. The criteria used at that time are still relevant to today’s discussion of siting the Respite Center:

- ▶ **Size** – Should have necessary square footage to include interior and exterior space for guests, and work space for staff, and exterior space for portable showers/bathrooms.
- ▶ **Centrally located** – should be accessible to transit and easily walkable /bikeable from the Core Area
- ▶ **Residential Buffer** – should possess some buffer to residences to mitigate neighborhood impacts
- ▶ **Utility availability** – should have access to electricity and water
- ▶ **Building infrastructure** – should have existing building infrastructure that can be configured to meet the operational needs of the Center
- ▶ **Impacts to Existing Programs** – The site should not adversely impact existing City programming

The chart below outlines several of the sites owned or under the control of the City:

Property	Size	Location near services	Residential Buffer	Existing Building	No Impacts-Existing Programs	Utility availability
530 L Street (Existing Location)	✓	✓		✓	✓	✓
1813 Fifth St (Community Gardens)	✓	✓	✓			
City Hall Gym (interior space only)	✓	✓	✓	✓		✓
1101 H St/809 11 th St		✓		✓		✓
504/510/512 Fifth St	✓	✓			✓	✓
3559 Second Street (Under Dave Pelz Crossing)	✓		✓		✓	

Staff also considered other properties owned by the City, including the eastern section of the 1717 Corporation Yard, 3rd and B, the former landfill property on County Road 102, Senior Center, Veterans’ Memorial Center, Redwood Building, Boy Scout Cabin, 1425 Wake Forest Drive, Pacifico and Howat Ranch. Each of these properties has significant deficiencies or conflicts to site a Respite Center and further review was not pursued.

Staff acknowledges that the existing site has shortcomings. It was not purpose-built for the current use, and the facility is old and needs continued maintenance; this is not unusual for many City facilities. The current facility is also located near residential neighbors to the

north. However, the other site options all provide equal or greater constraints and trade-offs. If the City Council wants to continue funding the Respite Center, staff recommends continuing to provide services at the existing location.

Challenges Ahead:

The City is facing persistent challenges as the landscape of homeless and housing services is in flux. Anticipated reductions in funding and resources at the federal, state and local levels will have significant repercussions on the services available to address homelessness in Davis. Here are key areas of impact:

A. Federal policy uncertainty:

- Reduction in available Continuum of Care (CoC) funding including shifts from permanent housing to transitional housing with some work or service requirements. Delays in CoC funding distribution are expected.
- Proposed fiscal year 2026 budget changes to HUD programs include converting the Section 8 Housing Choice Voucher (HCV) program into a block grant program administered by states, and implementing a two-year limit on assistance for non-elderly/disabled recipients.

B. Anticipated State and County Policy shifts related to Prop 1:

- Yolo county is required to formally shift their priorities to spend more of their BHSA (formerly MHSA) money on housing and personalized support services, such as employment assistance and education. This means less funding will be available for some existing general mental health services.
- With a 5% reduction in local prevention dollars from the State, the County faces a \$4M fiscal deficit that reduces funding to community organizations, county behavioral health programming.
- The scope of the funding will more explicitly focus on treatment for substance use disorders and severe mental illness.

Conclusion

This report outlines the steps in place and planned to address homelessness in Davis. The concerted efforts of our local government, community organizations, and citizens are fundamental to creating a supportive environment for those in need. Staff specifically seeks Council direction on the following:

- A. Continue Respite Center operations at the existing location;
- B. Pivot from a contractor model to using in-house City staff, adding two new full time equivalent (FTE) positions to operate the Center. Alternatively, should the Council prefer not to add FTE positions, direct staff to return to the Council with a recommendation and approvals necessary to select one of the three responsive proposals.

Attachments

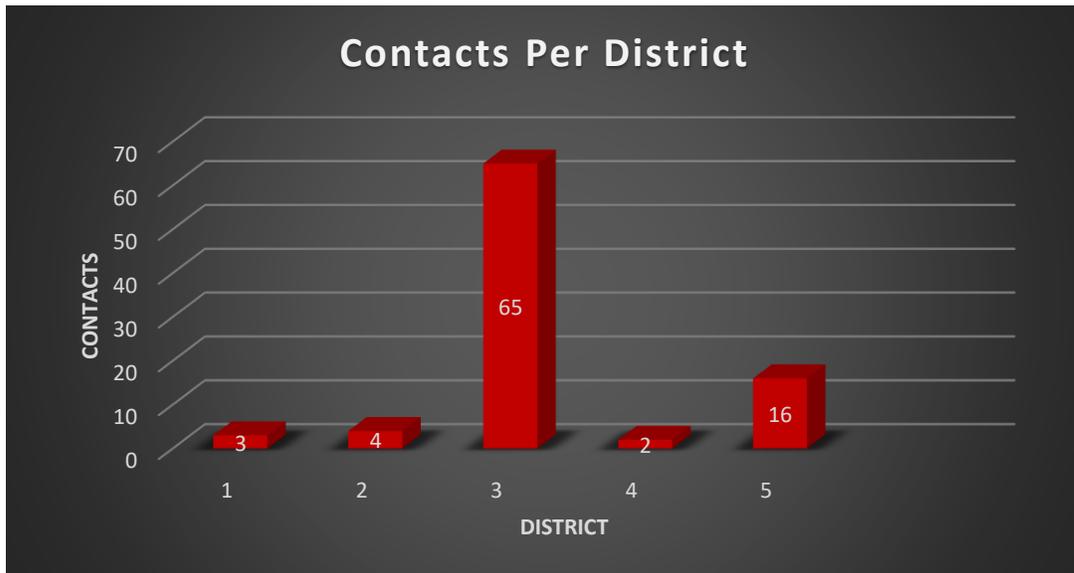
1. September Homeless Outreach Team Report
2. October Homeless Outreach Team Report



City of Davis Outreach Summary Report

Month September 2025
Agencies Participating City of Davis, Davis PD, Yolo County, DCMH, Respite, Streets Team, SVDP, Union Pacific PD
Location Davis, CA
Districts 1-5

Total Number of Contacts 90



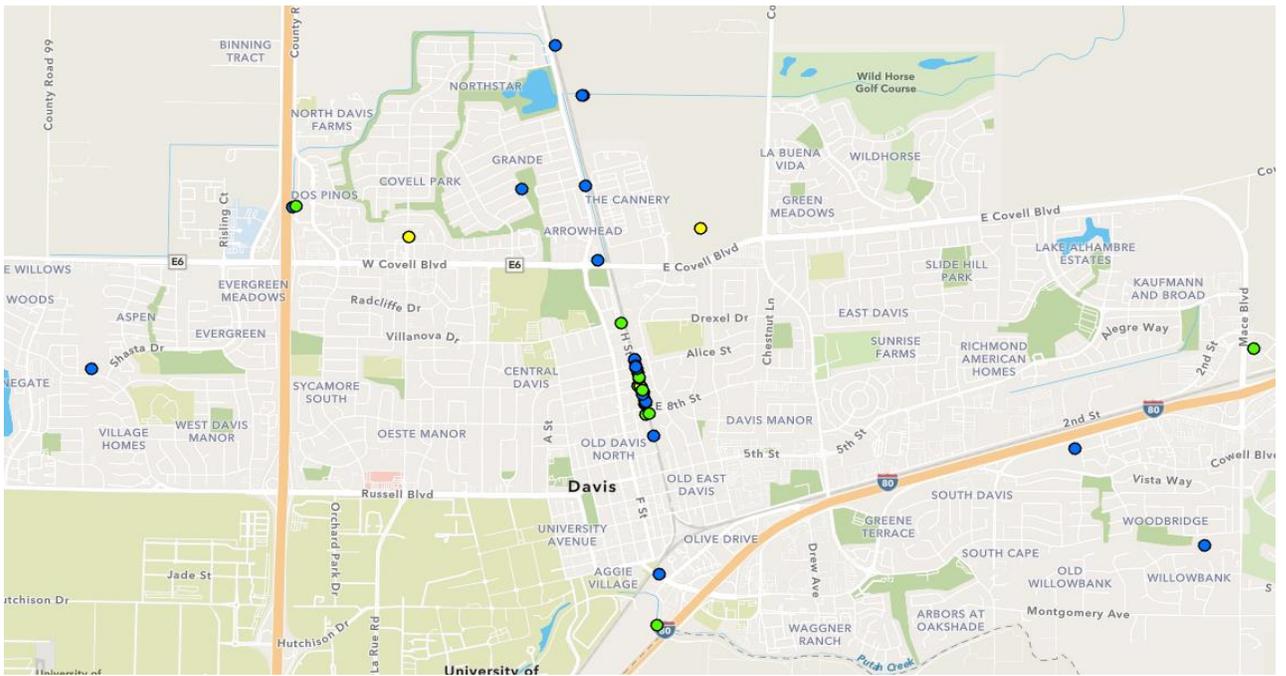
Outreach Updates

- Early this month, outreach received news that a senior homeless person who had been in the city winter shelter for the previous two years and had been working with a variety of resource agencies to obtain housing was finally able to be placed in a senior living apartment in Woodland.

- The Davis Police Department requested Outreach assistance with securing travel for an unhoused individual. The man was recently released from a rehabilitation center and wanted to return to Battleground, Washington, to reconnect with his support system and avoid unwanted influences in the community. Outreach met with them and learned that their mother would be allowing them to live with her and that their father-in-law had a job waiting for them when they arrive. Outreach was able to purchase them an Amtrak ticket to Portland, where their mother came to meet and pick them up.

Encampments:

- ❖ All homeless individuals contacted were offered services for shelter, housing, employment, mental health, drug abuse treatment, medical care, and public benefits support. Including referrals to DCMH, Respite Center, and 4th and Hope. All homeless individuals contacted received resource flyers, business cards, and other various resources, including those who were not interested in accepting services at this time.



H St on RR Tracks





















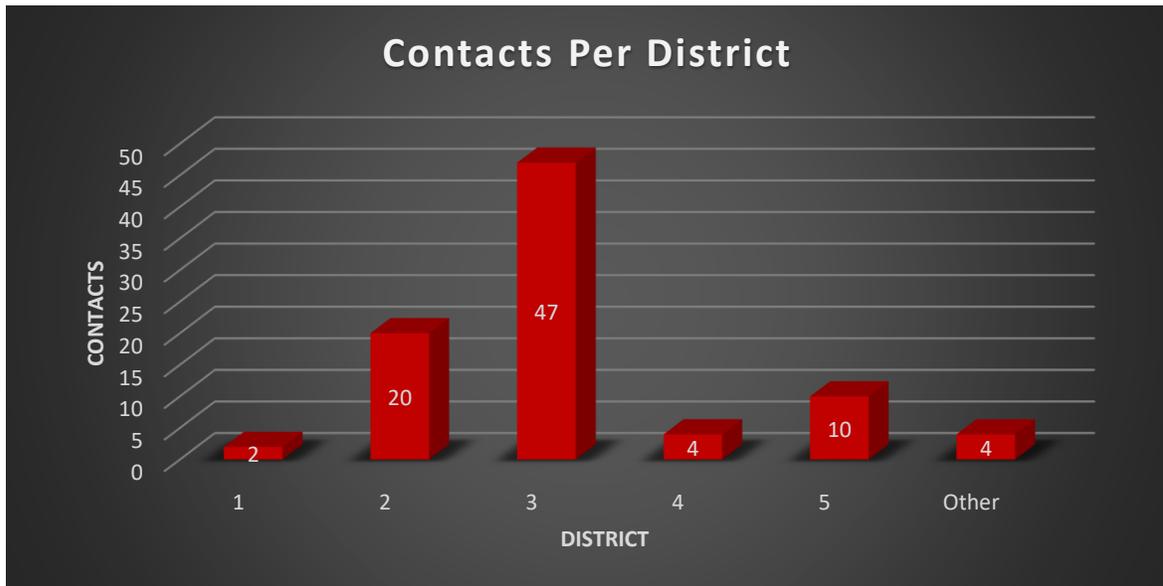




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Agencies Participating City of Davis, Davis PD, Yolo County, DCMH, Respite, Streets Team, SVDP, Union Pacific PD
Location Davis, CA
Districts 1-5

Total Number of Contacts 87



Outreach Updates

- Homeless Outreach collaborated with Davis PD COPPS officers and code enforcement to provide services and move individuals camping along the H St railroad tracks prior to Cal Northern Railroad's cleanup of the area between the tracks and the apartments along H St down to the little league field.

Encampments:

- ❖ All homeless individuals contacted were offered services for shelter, housing, employment, mental health, drug abuse treatment, medical care, and public benefits support. Including referrals to DCMH, Respite Center, and 4th and Hope. All homeless individuals contacted received resource flyers, business cards, and other various resources, including those who were not interested in accepting services at this time.



H St Railroad Tracks





Olive Dr Bike Path (West)

