

# City and County of San Francisco OFFICE OF THE CONTROLLER

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## **HOMELESS SERVICES:**

The City Lacks Commonly Accepted Goals and an  
Effective Plan for Its Homeless Services

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Edward Harrington  
Controller

May 15, 2002

Tom Ammiano, President  
Board of Supervisors  
City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, California 94102

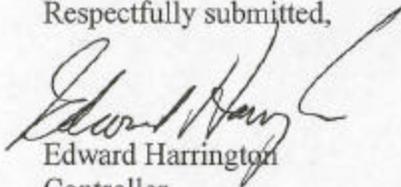
Dear President Ammiano:

The Controller's Audits Division presents its report concerning the performance audit of the homeless services of the City and County of San Francisco (City).

The Board of Supervisors requested that the Office of the Controller conduct a management (performance) audit of the City's system for delivering services to the homeless. The performance audit was to follow the December 2001 report of the Board of Supervisors' Budget Analyst on the City's cost of direct services provided to San Francisco's homeless population. This report covers the findings from our performance audit, which took place during January through April 2002. This audit was not intended to determine how to solve homelessness in San Francisco. Rather, this report recommends how the City can improve its system for planning, delivering, and evaluating homeless services in San Francisco. Recommendations follow each chapter, and a complete list of recommendations may be found in Appendix A.

We conducted this audit according to generally accepted government auditing standards. The Controller's Audits Division will work with the parties to whom the report's recommendations are directed to follow up on the status of those recommendations.

Respectfully submitted,

  
Edward Harrington  
Controller



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## ***EXECUTIVE SUMMARY***

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### ***Results in Brief***

Although the City and County of San Francisco (City) makes available a wide spectrum of well-delivered services for its diverse homeless population, the City has not yet developed an effective, unified strategy for dealing with the issues related to homelessness in San Francisco. Homelessness is a major problem in San Francisco: The homeless population is large, many citizens feel that the problems connected to homelessness have gotten worse, and political strife about the best ways to deal with homelessness hinder the ability of the City to manage these issues effectively. Over the years, the City has spent millions of dollars to address homelessness; however, the City has not been able to ensure that this money has gone where most needed. Additionally, the City's methods for working with the homeless population have been inconsistent because different elected officials have favored different approaches to assisting the homeless. As administrations have changed, the City has not maintained policies or planning information related to homelessness. Moreover, unlike some other major United States cities, the City has not worked with nearby jurisdictions to approach homeless-related issues regionally.

***In the six months from September 2001 through February 2002, members of the Board of Supervisors introduced 31 pieces of legislation, made 17 requests of the City Attorney for legislation, and made 41 additional requests of city departments related to homelessness.***

If the City is to establish an effective system of services for homeless individuals, the City will need to ensure that the system contains three elements that inform and reinforce one another: **policies** that include overarching, shared goals and a strategic plan for accomplishing these goals, **services** tailored to different types of clients and their varying needs, and **data** that describes the clients who use particular services, the resources used to provide those services, how well the services work, and the needs that remain unmet. Ideally, to serve clients well and to avoid wasting resources, the City should supply the right amounts of the right services. In a good system, these elements strengthen each other and provide the means to assess the system's effectiveness. Specifically, the City's policies for the system should determine the services provided and the types of data collected. Data gathered about the system and its clients should allow the City to evaluate its services and to determine or reevaluate its policies.

However, the City’s current policies provoke much disagreement among decision makers, and its Continuum of Care Plan for the homeless is not useful as a strategic plan. This plan cannot guide the City’s delivery of homeless services because it lacks the support of key stakeholders as well as specific, measurable steps and outcomes. Because stakeholders do not have common goals for the City’s homeless services, nor do they agree on a useful plan to implement the services, the City cannot measure its effectiveness in assisting homeless individuals. The current structure for delivering services has fragmented among city departments and various parts of the Mayor’s Office the authority, responsibility, and information for the system. No department or agency is accountable for the system as a whole.

The City also lacks an effective means to collect data related to homelessness. Currently, the City does not collect and track data in a manner that provides comprehensive statistics about services, assessments of service quality, or data on service funding. Some of the reasons that data collection and analysis is difficult in San Francisco are that the City has a decentralized system for accepting and tracking individuals who request services and that no coordination exists among the various service providers, which must collect and report data to the City. This absence of coordination creates an administrative burden for provider organizations, makes extremely difficult any citywide analysis of service delivery and provider performance, and does not serve clients well.

*The Mayor’s Office on Homelessness estimates that 15 to 20 percent of San Francisco’s shelter clients are seniors, and, according to the City’s Continuum of Care Plan, 25 to 30 percent of homeless people in San Francisco are families.*

Thus, the City’s homeless services lack support from good policies—which specify goals—and good data—which shows needs. In addition, according to the information we gathered, the City’s homeless have more unmet needs for some services than for others. More specifically, the City currently funds enough overnight shelter beds to accommodate all single adults who seek them, but the City lacks sufficient shelters or shelter beds for homeless families. Families typically wait three to six months for space in a full-service shelter. Further, the City does not fund enough mental health or substance abuse services to meet the demand, which comes both from San Franciscans who are homeless and those who have permanent housing. Finally, a shortage of transitional and long-term housing exists for all segments of the homeless population, and few of the homeless can afford “affordable” housing. For those

whose incomes are sufficient for affordable housing, there is not much to be found. For the past three years, San Francisco has created an average of 1,333 fewer units of affordable housing per year than its population needs.

To determine the needs of different types of homeless people, we looked at the services available for families, seniors, veterans, youth, and undocumented immigrants. We found that the City funds a wide range of services that appear to be delivered well by highly dedicated city employees and staffs of non-profit provider organizations. These services form a continuum of care, from emergency or front-end services that help those in crisis or immediate need to transitional services that stabilize homeless people to long-term services, which include permanent housing. Services vary in duration and intensity, allowing the City to make available services with different outcome expectations that are appropriate for different populations of homeless people. However, there are people who may choose never to participate in the City's range of services. Policymakers should realize that it will remain an ongoing challenge to decide how best to respond to these individuals.

The key policy body in the City's response to homelessness should be the Local Homeless Coordinating Board. However, to be more effective and efficient, the Local Homeless Coordinating Board needs to have fewer members, and needs to be empowered and staffed to play a central role. The City's key implementation agency for homeless services should be the Department of Human Services.

Finally, city departments generally have procedures in place to ensure that the programs they fund are functioning adequately and in accordance with their contracts. The City includes in its contracts with providers many contract monitoring tools, such as performance measures and extensive requirements for progress reports, but the extent to which city departments actually use the data they receive is unclear. Moreover, the City could more widely use tools that ensure the efficiency of homeless services, such as performance measures focused on efficiency as well as contract provisions to pay providers based on a cost per unit of service delivered. The City also cannot ensure that it is purchasing the most efficient services because a lack of competition among providers for many services to

the homeless causes city departments to award many contracts without receiving competitive bids.

## **Key Recommendations**

This audit was not intended to determine how to solve homelessness in San Francisco. Rather, this report recommends how the City can improve its system for planning, delivering, and evaluating homeless services in San Francisco. The City should act on all of the recommendations presented in this report, including the key recommendations outlined below. A complete list of recommendations may be found in Appendix A.

### ***To improve delivery of services to homeless people, the Board of Supervisors and the Mayor's Office should:***

- Reduce the size of, empower, adequately staff, and comply with the advice of the Local Homeless Coordinating Board. Increase the staff of the Local Homeless Coordinating Board from the current one position to three full-time positions: a policy and data analyst, a grant writer, and an administrative assistant.
- Designate the Local Homeless Coordinating Board as the lead body for policy advice and oversight of homeless issues in San Francisco, and designate the Department of Human Services—which is represented on the Local Homeless Coordinating Board and has a Division of Housing & Homeless Programs—as the lead agency for implementation of that policy in the delivery of homeless services.
- Submit all proposed legislation, budget actions, and ballot initiatives related to homelessness to the Local Homeless Coordinating Board for review and comment before adoption of any new measures. Except in extraordinary circumstances, policymakers should abide by any measures they approve for at least the next budget year.
- Decide how best to allocate the increasingly limited funds the City uses for homeless services, based on prioritized and realistic goals developed by the Local Homeless Coordinating Board. San Francisco has not had, and likely will not have soon, enough money to provide sufficient shelter and housing to meet the needs of San Francisco's homeless.

- Formalize and sustain a relationship with policymakers in other Bay Area governments to see how San Francisco can participate more actively in a regional approach to homelessness.

***To improve its effectiveness as a policy advisory body, the Local Homeless Coordinating Board should:***

- Advise the Board of Supervisors and the Mayor's Office about whether to redirect or further restrict the City's cash aid to homeless people, and whether the City should strive to fund more services to provide homeless people with money management and representative payee services, where clients have their rent and other bills paid for them.
- Investigate if there are means, including grants, to get more non-City funds that the City could use to add capacity in family shelters, full-service residential treatment programs for families, and mental health and substance abuse treatment programs.
- In collaboration with the Mayor's Office of Housing, set realistic numerical goals for the creation of housing units affordable to low- and very-low income people in San Francisco, and specify which city departments are responsible for seeing that specified numbers of units are created by specified dates.
- Compile and analyze the data collected from service providers by city departments.

***Finally, the city departments that contract with homeless service providers should:***

- Coordinate with one another to ensure that contracts for the same or similar services include standardized service statistics, units of service, and performance measures, including measures of service outcomes.
- Work to implement promptly the federally required Homeless Management Information System that will link all service providers and track client data.

We conducted this audit according to generally accepted government auditing standards.



# INTRODUCTION

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According to the estimate the City and County of San Francisco (City) submits to the federal government, the homeless population in San Francisco numbers around 12,500. This figure is higher than the numbers for homeless individuals living in other Bay Area cities, and there is widespread agreement by policymakers, business owners, homeless advocates, and citizens that the City does not assist the homeless effectively.

Prompted in part by constituents' concerns and the media's recent focus on homelessness, the Board of Supervisors requested that the Office of the Controller conduct a management (performance) audit of the City's system for delivering services to the homeless. The performance audit was to follow the December 2001 report of the Board of Supervisors' Budget Analyst (Budget Analyst) on the City's cost of direct services provided to San Francisco's homeless population. This report covers the findings from our performance audit, which took place during January through April 2002. This audit was not intended to determine how to solve homelessness in San Francisco. Rather, this report recommends how the City can improve its system for planning, delivering, and evaluating homeless services in San Francisco.

## **THE SIZE OF SAN FRANCISCO'S HOMELESS POPULATION IS DIFFICULT TO DETERMINE**

Counting homeless individuals is difficult, and counts should consider both a definition of the term *homeless* and an estimate of people who may not have been counted. The City's official definition of *homelessness* covers people who lack fixed, regular, and adequate nighttime residences and who have their primary nighttime residences in one or more of the following categories: shelters, streets, vehicles, make-shift housing, doubled-up housing, and transitional housing. The federal Department of Housing and Urban Development (HUD) also identifies individuals as *homeless* when they live in transitional and permanent supportive housing programs, which include some of San Francisco's single-room occupancy hotels, or when the individuals are about to be evicted or released from institutions and who have no viable alternative residences.

The City's current plan for services to the homeless estimates that the homeless population in San Francisco ranges from 8,500 to 15,000 people. In November 2001, the Mayor's Office of Homelessness conducted a count and reported 7,305 homeless people in San Francisco, but this number is also an estimate due to the necessity of guessing how many people might be living in a particular car or how many members of an observed group fit the definition of *homeless*. The City's "official" estimate of the homeless population—the one it submits to HUD in its application for McKinney-Vento Homeless Assistance Act (McKinney Act) funds—is 12,500 people.

## **FUNDING AND CATEGORIES OF HOMELESS SERVICES**

HUD awards homeless assistance funding through both competitive and noncompetitive processes. To receive competitively awarded funds, authorized by the McKinney Act, a jurisdiction must develop a “Continuum of Care” plan, showing how the community has identified the needs of homeless people and what system will address those needs. This approach is based on the understanding that homelessness is not caused simply by a lack of shelter, but can involve a range of underlying, unmet needs: economic, social, psychological, and physical. The Continuum of Care is an integrated system of services to homeless individuals and families designed to assist people in moving from homelessness to stable or permanent housing and in addressing their various needs. HUD developed guidelines for jurisdictions to report on their services to the homeless, including categorizing services into three broad types. In preparing its report on the City’s cost of direct services to the homeless, the Budget Analyst followed these guidelines and grouped homeless services into the following categories:

- **Emergency and front-end services** provide immediate responses to homelessness through crisis intervention counseling, information and referrals, emergency shelter, and eviction prevention services.
- **Transitional services** encompass residential substance abuse and mental health programs designed to assist individuals with systemic or personal obstacles to securing permanent housing.
- **Long-term stabilization services** help to ensure that individuals have permanent housing and the support systems and/or employment status necessary for achieving and maintaining self-sufficiency.

The report further divided these categories into specific services delivered by numerous local nonprofit organizations and city departments, and it itemized the direct costs of those services. In addition to discussing direct services, the report covered capital improvement costs for the homeless and administrative costs for City personnel who oversee direct services and capital improvement projects. The report described the costs of those services and concluded that the total expenditures in fiscal year 2001-2002 were \$104,288,056 to serve 94,215 clients (this high client count reflects the fact that many clients receive multiple services).

## **FEDERAL AND STATE POLICIES HAVE REDUCED SERVICES TO THE HOMELESS AND TO THE MENTALLY ILL**

The decisions around the country to close many state-run mental hospitals decades ago have exacerbated the nation’s homeless problem. According to a study based on Census Bureau surveys in 1995 and 1996, 39 percent of homeless people nationwide showed signs of mental illness.

Beginning about 40 years ago, legislation enabled federal programs to give money directly to mental health patients and provided financial incentives to states and counties to close many of their mental hospitals. Concerns about the quality of care in state mental hospitals and similar institutions, combined with widespread recognition that new anti-psychotic drugs could effectively treat the mentally ill, led President Kennedy to sign the 1963 Mental Retardation Facilities and Community Mental Health Centers Construction Act. This law proposed building

2,000 community health centers for the mentally ill to receive medical care and support services and thus to avoid long-term hospitalization. Due to budget constraints, however, only about 800 of the centers were funded. In 1981, Congress passed the Federal Omnibus Budget Reconciliation Act, which combined all substance abuse and mental health programs into one fund and cut total funding by 25 percent. In addition, President Reagan cut HUD funding from \$32 billion in the first year of his administration to \$8 billion by his final year. According to HomeBase, a public policy law firm specializing in homelessness, such policy changes resulted in the total number of mental health patients in state-run institutions in the U.S. dropping from 588,922 in 1955 to 118,647 in 1984.

In addition, California’s Proposition 13, which in 1978 put strict limits on property tax increases for individuals who already owned homes, prevented governments from raising the necessary funds to address more adequately housing and homelessness issues. Meanwhile, market-rate housing prices were rising significantly in the San Francisco Bay Area, enough to push some low wage earners over the edge and into homelessness.

**FEDERAL FUNDING FOR SAN FRANCISCO’S HOMELESS PROGRAMS HAS DECREASED IN RECENT YEARS**

During the last 25 years, the City has relied on federal funds—including in more recent years funds received under the McKinney Act—to support many of its programs for the homeless. Recognizing that the number of homeless people nationwide was increasing, Congress in 1987 enacted this law, which authorized funds for federal homeless assistance programs, including four administered by HUD. Congress lately has appropriated less money for these programs, however, and San Francisco has received decreasing amounts of McKinney Act funds in recent years. For example, in 1996, San Francisco received \$18.7 million in McKinney Act funding, but in 2001 funding had declined by almost half to \$9.5 million. Exhibit 1 shows total McKinney Act funds awarded to the City and to individual contractors in San Francisco from 1996 through 2001.



Note: Funding decreases were generally due to increasing competition for McKinney dollars as more jurisdictions around the country applied for funds for the first time. In 1999, HUD changed its allocation method to a formula that granted funds to jurisdictions on a pro-rata share basis while taking into account the cost of renewal programs. The increase in 2000 occurred when the City was able to obtain funds above and beyond the cost of renewal programs in addition to its pro-rata share. However, by 2001 HUD limited funding to the pro-rata share and any additional cost of renewal programs. Consequently, funding to San Francisco has fallen to its current level.

### ***The City's Practices for Dealing With the Homeless —Through 1987***

In the early 1980s, Mayor Dianne Feinstein attempted to manage the increasing number of homeless people in San Francisco by increasing the amount of short-term emergency shelter. Feinstein created a hotline hotel system, whereby homeless people could stay for free in low-rent residential hotel rooms for up to seven nights. In 1986, in an effort to get the estimated 5,000 homeless people into the City's \$8 million network of homeless shelters and hotels, Feinstein launched a program in which social workers and police approached homeless people sleeping on the streets to inform them of available shelters. Despite Feinstein's efforts, San Francisco reportedly lost an estimated 43 percent of its low-rent single-room occupancy housing units between 1975 and 1988, and by the end of the Feinstein administration, homelessness was still on the rise. Beginning in 1987, homeless people had begun camping in Civic Center Plaza, just opposite City Hall.

### ***The City's Practices—1988–1991***

According to the *San Francisco Chronicle*, San Francisco had an estimated homeless population of 6,000 people in 1989. Soon after taking office in 1988, Mayor Art Agnos signed legislation calling for a long-range comprehensive plan to deal with homelessness. The 150-page plan, released in August 1989, outlined broad strategies to reduce or end homelessness, including developing new housing, increasing the stock of residential hotel rooms, directing homeless people to entitlement programs, and providing additional emergency shelter. Housing services were to be provided to 3,667 additional people. The plan set up a modified payment system for discounted rates and negotiated tenancy for clients of the single-room occupancy hotels. Mayor Agnos spearheaded the opening of two large City-owned multi-service centers to provide shelter, counseling, and aid to the homeless population. In 1990, the multi-service center at Fifth and Bryant streets opened and Mayor Agnos broke up the Civic Center encampment, at which time an estimated 150 to 300 homeless people were living there.

### ***The City's Practices—1992–1995***

After a campaign featuring the homeless problem as a key issue, former Police Chief Frank Jordan became Mayor in 1992. With the backing of the business community, Jordan launched his "Matrix" program in 1993. The program directed police to enforce "quality of life" laws, such as those against littering, obstructing sidewalks, and sleeping in parks. The program resulted in approximately 30,000 arrests and citations of homeless people. Critical of the plan, the Board of Supervisors passed a resolution in March 1995 criticizing Matrix for being costly and portraying the homeless as "criminals and second-class citizens." According to the *San Francisco Chronicle*, the City's homeless population was again estimated to be at least 6,000 in late 1995. Although the number of homeless apparently had not dropped during Mayor Jordan's tenure, that number was not increasing as rapidly as it had in the late 1980s. (It should be noted that we could not determine the basis of these 1989 and 1995 estimates, and it is likely that these estimates are not comparable to the City's current estimate of 12,500 homeless people used in the City's application for McKinney Act funds.)

## *The City's Practices—1996–Present*

In January 1996, Mayor Willie Brown ended the Matrix program but vowed to continue enforcing the laws it covered. In 1997, San Francisco formed a Local Homeless Coordinating Board (Local Board) to create a unified, comprehensive strategy on homelessness and to manage the City's application for McKinney Act funds. The 34-member body, which includes representatives from a wide range of groups, is responsible for overseeing the integrated health, housing, employment, and social service system that serves homeless people and is charged with advising the Board of Supervisors and the Mayor on how to address homelessness. Although the 2001 Continuum of Care Plan crafted by the Local Board was adopted as the City's official policy, no one yet knows to what extent the City will implement the plan.

### **SCOPE AND METHODOLOGY**

The purpose of this audit was to assess the City's services to the homeless, including the City's goals for the services and its success in achieving those goals. In October 2001, the Board of Supervisors requested that the Office of the Controller perform this audit. In doing so, the Controller's Audits Division assessed the City's system for planning and implementing services to those at risk of homelessness, those who are homeless, and those leaving homelessness. Limitations in the data the City has prevented us from performing a service gaps analysis, which is a quantitative comparison between the need for and the availability of services. However, we conducted research, and this report does describe representative kinds of homeless people, the services that they use, and the services to which these individuals appear to need greater access.

Rather than attempting to determine the efficiency or effectiveness of individual homeless service providers or programs that the City funds, we followed the recommendation for this audit made by the Board of Supervisors' Budget Analyst in its December 2001 report on the direct costs of homeless services. In other words, we assessed the contract-monitoring tools that city departments use to determine whether providers are delivering services effectively and efficiently. Contract-monitoring tools can include provisions to pay providers for the quantity of service they actually deliver, and performance measures and performance reports for providers.

In addition to examining the City's contract monitoring, we also pursued the other two issues that the Budget Analyst's report recommended that we include in our audit :

- A review of any data and needs assessments that departments that fund homeless services might have, and an evaluation of the most effective allocation of funds for homeless services.
- An analysis of the potential for improved consistency among departments and for collaboration with other funding providers, such as foundations and charitable organizations, to develop uniform units of service (number of hours of service provided, for example) and performance measures.

Although we were unable to determine the most effective allocation of funds among categories of service due to the lack of data and needs assessments, this report does evaluate the potential for improved interdepartmental consistency and collaboration with other funding providers.

The purpose of this audit was also to assess the effects of the City's homeless policies on the general population. These effects include the costs incurred by the City that are indirectly related to the fact that people are homeless. Therefore, we estimated or obtained estimates of the Sheriff's Department's costs to jail homeless people and the Department of Public Works' costs to clean up the public places where homeless people spend time.

To complete our audit, we conducted or participated in numerous meetings. Specifically, we met with department heads or their representatives from the departments that deal with homelessness, including the Mayor's Office on Homelessness; the Department of Public Health; the Department of Human Services; the Mayor's Office of Community Development; the Department of Public Works; the Department on the Status of Women; the Department of Children, Youth and Their Families; the Mayor's Criminal Justice Council; and the Department of Aging & Adult Services. We also met with representatives of 11 service providers that participate in the Human Services Network, an organization of social service providers in San Francisco. In addition, we visited 13 homeless service providers to see their facilities, interview their staff and clients, and review case files. We attended meetings of the Local Board and some of its committees as well as the City's summit on homelessness on March 7, 2002. To understand the perspectives of those who help to develop policy on homelessness, we met with several members of the Board of Supervisors and their aides, and we interviewed advocates for San Francisco's homeless several times and members of community organizations. Further, we visited shelters for single adults, a drop-in center, and a transportation and outreach service during evening hours to see how those services work and whether shelter was available to those who needed it. Finally, we collected data on homelessness from seven other cities and counties around the nation.

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## CHAPTER 1

### THE CITY'S SERVICES FOR THE HOMELESS LACK AN EFFECTIVE STRATEGIC PLAN, UNIFIED OVERSIGHT, AND A COHERENT SYSTEM FOR PLANNING THE SERVICES

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#### CHAPTER SUMMARY

**A**lthough the City and County of San Francisco (City) has spent many millions of dollars over the last several decades to assist its homeless people, the City's homeless population remains large, the general citizenry feels that the problems connected to homelessness have gotten worse, and issues related to homelessness are more politically contentious than ever. Additionally, over the years, the City's methods for working with the homeless population have been inconsistent because different elected officials have favored different approaches to homelessness. To assist the homeless, the City will spend an estimated \$104 million in fiscal year 2001-02. However, the City cannot be sure that this money goes where it is most needed because the City's five-year strategic plan for homeless services, the Continuum of Care Plan, is not as useful as it should be in guiding the City's delivery of homeless services. Specifically, this plan lacks the support of key stakeholders as well as specific, measurable steps and expected outcomes. Without common goals or a strategic plan that it can implement, the City cannot measure its effectiveness in addressing homelessness.

In addition, the Continuum of Care Plan has not yet resulted in improved services to the homeless because the City has no management structure to coordinate the services that the plan outlines. The current structure divides among several city departments and the Mayor the authority and responsibility for and any information about the City's homeless services. For this reason, little accountability exists for the system as a whole. The fragmentation of responsibility has also led to frequent cases in which stakeholders oppose one another or remain ignorant about other stakeholders' work. Such situations prevent the City from achieving consensus on the goals necessary for an effective strategic plan.

A third factor that undermines the City's efforts to provide appropriate services to the homeless is the absence of a well-coordinated, well-informed oversight and advisory body that approaches the Continuum of Care Plan consistently. San Francisco's Local Homeless Coordinating Board could be such a body if it possessed adequate staffing, analyzed and reported citywide data regarding homelessness and homeless services, maintained historical records of homelessness issues, and reviewed and issued its opinion on all proposed legislation associated with homelessness. In addition, some of the other jurisdictions we contacted manage their system of homeless services effectively by assigning to a lead agency the responsibility for overseeing the system. We do not believe that all homeless services in San Francisco should be delivered through one department. However, we do recommend that the Department of Human Services be responsible for providing or funding any homeless services that may be found necessary in the future if no other department is providing them.

**PROBLEMS RELATED TO HOMELESSNESS  
FRUSTRATE MANY CITIZENS**

Homelessness received a great deal of media and political attention in the last part of 2001 and in the early part of 2002, and citizens generally expressed dissatisfaction with the City’s policies on the homeless. Local media have frequently covered issues of homelessness, and members of the Board of Supervisors have been actively involved as well. In a survey of city residents conducted by the San Francisco Chamber of Commerce in October 2001, homelessness ranked as the second most serious problem facing San Francisco. The lack of affordable housing ranked first, with 27 percent of respondents citing this problem as the most serious, and 26 percent citing homelessness. This survey also found that 74 percent of respondents felt homelessness had gotten worse, with 49 percent of the total respondents saying the situation seems “much worse.”

**THE CITY’S COSTS FOR HOMELESS SERVICES ARE  
HIGH AND DIFFICULT TO GAUGE ACCURATELY**

The City spends millions on services that assist the homeless, but its costs for these services are difficult to determine for many reasons. The Board of Supervisors’ Budget Analyst reported that the City will spend in fiscal year 2001-02 an estimated \$104 million to assist the homeless, of which \$73 million will be for direct services to the homeless. However, by necessity, these are only estimates. For example, some city departments and service providers are not equipped to quantify reliably the cost of services that actually serve homeless people. Because many programs that assist the homeless also serve clients who are not homeless, any determination of the percentage of clients who are homeless may be only a rough estimate. Different city departments may also differ in the methodologies they use to calculate staff workload, and methodologies within the same department may vary over time. Further, as we discuss in Chapter 4, units of service, which are needed to calculate unit costs, are often inconsistent among providers of similar services. In short, any quantification of the costs of services must rely on both estimations and judgments as to what and how to calculate.

The costs that the City incurs as an indirect result of homelessness are even more difficult to estimate. Any estimates of these incurred costs need to include the Office of the Sheriff’s costs for jailing homeless people for minor offenses and the Department of Public Works’ costs for cleaning public spaces because of activities by the homeless and its cost to collect shopping carts and belongings of homeless people. We were unable to estimate the costs incurred by the Police Department due to homelessness because the department does not keep records on whether people it cites and arrests are homeless.

*Figures/Facts Related to the  
Estimated Yearly Cost of Jailing  
People Who Are Homeless in  
San Francisco  
Fiscal Year 2001–02*

Estimated number of homeless people in the City’s jails nightly  
**959\***

The estimated number of beds (counted as one per night) used by homeless people in the City’s jails annually  
**350,035**

The estimated cost per bed for each night that a person spends in jail in San Francisco  
**\$88**

Estimate of the total annual cost of jailing homeless people in San Francisco  
**\$30,803,080**

\*Number of people in jail who identified themselves as homeless on the night of October 25, 2001.

The Department of Public Works estimates that it spends \$2,948,110 per year for services that are the result of homelessness in San Francisco. This total includes the cost of retrieving shopping carts (\$650,000); the cost of cleaning United Nations Plaza (\$545,969); part of the cost of the Sheriff's Work Alternative Program (\$204,198 for two supervisors); and the cost of night-shift cleaning of Hallidie Plaza, Mechanics Plaza, and alleys in the South of Market neighborhood (\$514,950).

Together the Sheriff's and Department of Public Works' estimated costs total \$33,751,190 per year. This indirect cost is in addition to (and represents 47 percent of) the estimated \$73 million that the City will spend on direct services to the homeless this fiscal year.

### **THE CITY LACKS A CONSISTENT, SHARED SET OF GOALS OR A POLICY THAT COULD SET THE CITY'S PRIORITIES FOR HOMELESS SERVICES**

Both policymakers and average citizens want to know whether the City is spending effectively the money designated for homeless services, and much of the discussion of homelessness in San Francisco involves this question. However, the City has no shared vision of what results it is trying to achieve, and the issue is so politically charged that its officials and administrators cannot agree on what the City is trying to do. Each new mayor changes the City's approach to homeless issues, and in many cases the supervisors weigh in as well. Without common goals or a policy for homeless services, the City cannot evaluate the effectiveness of the services it buys.

#### ***The City's Approach to Homeless Services Veers From Therapeutic to Punitive and Back***

As the introduction to this report explains, homelessness has often been an issue in local elections, and newly elected officials want to put their own stamps on this issue. Over the years, San Francisco's approach to homeless services has ranged from the therapeutic, emphasizing counseling and assistance, to the punitive, emphasizing law enforcement. This debate continues to inform actions taken by supervisors, with competing legislative initiatives and dialogues held in public forums, such as the homelessness summit or a televised town meeting. The issue continues to be politically charged and contentious.

*The City Lacks a Consensus  
on a Set of Goals for  
Its Homeless Services*

To determine whether stakeholders share any goals for San Francisco’s homeless services, we reviewed various city and departmental policies and the Continuum of Care Plan to create a list of proposed goals that might be considered “commonly agreed-upon.” (This list appears in Appendix B.) We generated a list of proposed goals and distributed the list to various stakeholders, including some members of the Board of Supervisors, city department staff, advocates for the homeless, and service providers. Only four of those we contacted responded, but even this limited response indicates that San Francisco lacks a set of commonly agreed-upon goals for homeless services. Stakeholders disagree even on items that we expected to be points of agreement. The responses reflect very different priorities and reflect the current debate about homelessness in San Francisco.

No respondent said that San Francisco already has goals for its homeless service system. Three respondents said that the City should have a unified plan; one of these said the Continuum of Care Plan is the one citywide plan but that not everyone agrees on this plan. Another respondent, a member of a community organization, expressed the following perspective:

One city plan—that’s the most important thing we can do. Right now, there’s no vision as to how we should relate to homeless. Not everyone will agree on what this vision is, but that’s to be expected. The reason everything is so political and charged right now is because we have no vision to guide us—we argue every point.

Respondents disagreed about whether eliminating homelessness is a viable goal. Two of four respondents said elimination is probably not possible, one said we can and should be working toward this goal, and the fourth did not include this as a goal in her response. Respondents agreed that we should have no deaths on the street due to homelessness, but one respondent cautioned that achieving this goal would “require a lot of discussion” about what to do.

Further, respondents did not agree on whether the City should provide more or less emergency shelter, substance abuse treatment, or mental health treatment on demand, although the City is explicitly trying to provide a shelter bed to anyone who needs one. Substance abuse treatment on demand is a policy of the Department of Public Health, but two respondents indicated that this policy might be too expensive to be a viable goal. The same two respondents also expressed reservations about mental health treatment on demand: one because he feels housing should be the first priority for stabilizing people, and the other raised the issue of forcing treatment on people. (As we discuss in Chapter 2, many homeless people in San Francisco must wait for substance abuse and mental health treatment.)

Respondents to our questions about goals agreed that the City needs more affordable housing, but their responses included comments about the political will necessary to achieve this goal, the lengthiness of the housing development process, and the need for different forms of housing for different types of residents.

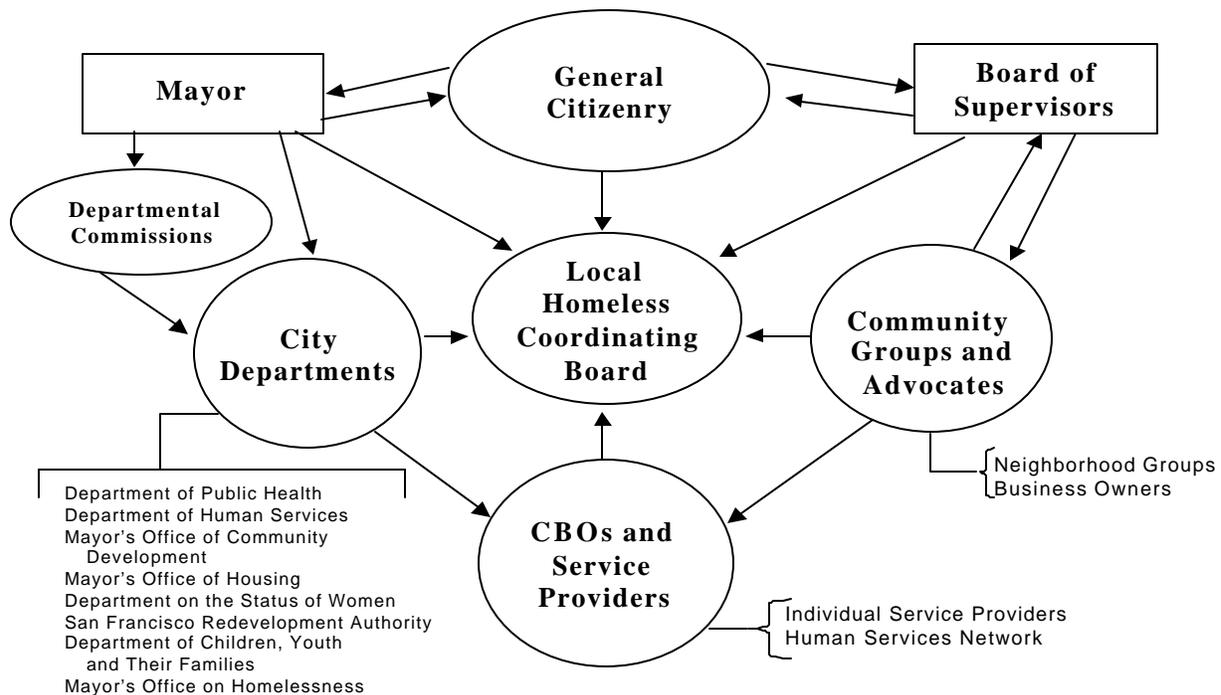
Finally, the proposed goal of a coordinated system of care incorporating a management information system and a central information system for clients to use was also controversial. One respondent said we need a system to track homeless people, while another stated her unequivocal opposition to tracking clients.

**THE CITY LACKS AN EFFICIENT, WELL-ORDERED  
STRUCTURE FOR DETERMINING THE QUANTITIES  
AND SOURCES OF HOMELESS SERVICES**

The Office of the Mayor (Mayor's Office), the Board of Supervisors, and some department personnel shape San Francisco's homeless policy, with advocates, service providers, and community groups also exerting influence through lobbying and participation in various working groups. However, decision making and oversight is divided among different entities, and no one appears to know all that the City does, much less who coordinates these efforts. Without a clear policy and effective oversight of homeless services, some decisions are made without reviews or recommendations by elected officials or their designated representatives.

Exhibit 11 shows the people, offices, and agencies that influence the planning and management of the City's homeless services.

**Exhibit 2  
People and Agencies That Influence Policies Related to the Homeless**



➤ **Office of the Mayor**

*Role:* Can make and influence homeless policy by directing departmental commissions and department heads and by determining departmental budgets. Coordinates some homeless policy through the Mayor's Office on Homelessness. Appoints 15 members to the Local Homeless Coordinating Board.

➤ **Board of Supervisors**

*Role:* Can make and influence homeless policy by creating legislation, overseeing the budget, and persuading the public via the media and the election process. Appoints 11 members to the Local Homeless Coordinating Board.

➤ **General Citizenry**

*Role:* Influences homeless policy by lobbying elected officials and voting. Neighborhood organizations often coordinate citizen involvement, usually in response to a specific proposal or legislation. The City must notify neighbors when a new facility of seven or more beds is planned, and neighborhood groups frequently voice opposition to such projects.

➤ **Local Homeless Coordinating Board**

*Role:* Although it cannot manage the provision of services, the Local Homeless Coordinating Board (Local Board) coordinates the Continuum of Care Plan's strategy and implementation so that the City is eligible for funding from the federal Department of Housing and Urban Development (HUD). The Local Board is to "ensure a unified homeless strategy" supported by all key players. However, support for the plan has been limited, and apparently neither elected officials nor department staff consults the Local Board when formulating policy.

*Membership:* 34 members. City government representatives appointed by their department heads (8 seats), neighborhoods (5 seats), homeless and formerly homeless people (4 seats), service providers (4 seats), homeless advocates (4 seats), business and labor community (4 seats), education and training organizations (3 seats), non-profit housing providers (1 seat), and foundations (1 seat). The term of

service is two years. The Local Board currently has one full-time staff. (Appendix C shows which seats are appointed by the Mayor and which are appointed by the Board of Supervisors.)

➤ **Mayor's Office on Homelessness**

*Role:* Coordinates and distributes the information on homeless services among city departments and between the Mayor's Office and departments. Provides some oversight of services, conducts the annual homeless census, participates in Local Board activities, and provides administrative support to the Local Board. Does not provide direct services regularly.

➤ **Community Groups and Advocates**

*Role:* Influence homeless policy by lobbying elected officials and city department staff and by participating in any dialogue on homeless issues.

*Examples:* Coalition on Homelessness, San Francisco Planning and Urban Research, neighborhood groups.

➤ **Service Providers**

*Role:* Provide most of the direct homeless services in San Francisco. Influence homeless policy through collective lobbying via the Human Services Network.

*Examples:* Community Awareness and Treatment Services, Hamilton Family Center, Swords to Plowshares.

➤ **Department Commissions**

*Role:* Can influence homeless policy by directing departments on policy and budget initiatives.

➤ **Department of Human Services (Human Services)**

*Role:* Oversees bulk of City's homeless services by contracting with more than 25 nonprofit service providers.

*Services:* Homelessness prevention, rental assistance, drop-in resource centers, emergency shelter, transitional housing, permanent supportive housing, follow-up and support services.

➤ **Department of Public Health (Public Health)**

*Role:* Oversees health activities for the entire community of San Francisco and provides health care to individuals who seek care at Public Health facilities.

*Services (both directly provided and contracted):* Urgent care, outreach, shelters, inpatient and outpatient health care, emergency housing, residential treatment, transitional housing, permanent supportive housing, outpatient mental health and substance abuse programs, and housing services.

➤ **Department of Children, Youth and Their Families (DCYF)**

*Role:* Funds agencies through the City's Children's Fund that serve homeless children, youth, and families.

*Examples of Agencies Funded:* Home Away From Homelessness, Huckleberry House, Homeless Children's Network.

➤ **Mayor's Office of Community Development**

*Role:* Administers the Community Development Block Grant and Community Services Block Grant programs that serve the homeless and that are eligible under HUD guidelines. Also administers the Emergency Shelter Grant Program, part of the federal McKinney Act funds.

*Examples of agencies funded:* St. Peter's Housing Committee, Tenderloin Housing Clinic, Compass Community Services.

➤ **Mayor's Office of Housing**

*Role:* Coordinates efforts to maximize affordable housing opportunities for low-income residents through financing housing development and first-time homebuyer programs.

➤ **Department on the Status of Women**

*Role:* Administers grants for emergency and transitional housing programs that serve homeless women and families leaving domestic violence.

*Examples of agencies funded:* La Casa de Las Madres, St. Vincent de Paul/Rosalie House, Asian Women's Shelter.

*Scattered Responsibilities for Decision Making  
and Oversight Eliminate True Accountability  
for Homeless Programs*

As Exhibit 2 illustrates, much overlap exists among various groups' responsibilities for decision making about and oversight for homeless services. The duplication of responsibility often causes disagreements, inaction, or poorly managed responses to issues of homelessness. As the City's elected policymakers, the Mayor and the Board of Supervisors can make policy as they see fit. The City has recently seen a flurry of legislative initiatives concerning homelessness. In the six months from September 2001 through February 2002, members of the Board of Supervisors introduced 31 pieces of legislation, made 17 requests of the City Attorney for legislation, and made 41 additional requests of city departments related to homelessness. Individual supervisors may or may not have the support of their colleagues for these initiatives and may make requests that oppose another supervisor's legislation, which detracts from rather than adds to policy consensus. In addition, city policymakers may not be consulting the advisory body that appears at the center of Exhibit 2.

In 1997, city legislation created the Local Board to serve as a citywide advisory body on issues of homelessness. The Local Board consists of representatives from various stakeholders, so we placed it at the center of Exhibit 2. However, the Local Board does not appear to be central to the City's decision-making process, and it does not collect or disseminate data related to homeless services. Legislators clearly are not consulting the Local Board or its members when drafting homeless-related legislation, so it is questionable as to whom the Local Board advises. A member of the Local Board's policy committee volunteered in February 2002 to track and analyze new legislation so that the Local Board can decide what to support. Members told us that the Local Board was not involved in the planning of the Homeless Summit held on March 7, 2002, and express concern that their five-year plan is fast becoming obsolete. In addition, attendance at Local Board meetings is sometimes too low for the group to reach a quorum, and we were told that some members of the Local Board have not attended a meeting in at least a year. The Local Board might be more important to policymakers if it had increased responsibility and the staff to produce and analyze data that policymakers would find useful. The Local Board's playing this role might also relieve department staff of some policymakers' requests for information.

Department commissions can also establish policy—subject to override by the Mayor or Board of Supervisors—and the departments can set priorities, if not actual policy, through their contracting processes and oversight of service providers. Departments also can deploy personnel and other resources to emphasize particular priorities or de-emphasize others. Finally, community groups and individual citizens can influence both policies and processes by lobbying and voting. San Francisco citizens participate actively in decisions affecting their quality of life, and individuals and groups can stop or slow many city initiatives.

With authority and responsibility fragmented among various bodies, San Francisco's system for providing homeless services lacks real accountability: Indeed, no one has to answer for failed programs. No single body has information about the entire system, including information about either policies or data, such as unduplicated counts of clients or the actual costs of homeless-related services. Without this "big-picture" perspective to guide the system, departments are left to plan their own programs and communicate with other departments to the extent they choose.

*City Departments That Fund Homeless Services Could Coordinate Their Efforts More Systematically*

The departments listed above, those most involved with homeless issues, coordinate their efforts, but this coordination is not systematic. The departments of Public Health and Human Services together will spend 83 percent of the estimated \$73 million cost of direct services to the homeless in fiscal year 2001-02. These two departments are working more closely with each other than they have previously, but this collaboration is recent and notable enough that department staff mentioned it to us. The departments work together on specific projects and cross-department standing meetings, which facilitate communication among department staff, but these efforts involve program implementation rather than policy work. The better coordinated city departments are in both policy and implementation, the better clients can be served.

The City's management structure for homeless services does not suffer from too little effort. In fact, the opposite may be true. For example, the staff for the Department of Human Services' Division of Housing & Homeless Programs participates in 18 different committees, boards, and work groups, most of which meet monthly. These groups include the Family Emergency Services Workgroup, the Family Shelter Program Directors Workgroup, the Homeless Services Providers group, and the SRO [Single-Room Occupancy] Hotel Taskforce. Some groups involve community members and service providers, and some include department staff only. In addition, community groups hold meetings, such as the Homeless Death Prevention Community Advisory Board, that some city department staff attends as well. While we were unable to determine exactly who attends which standing meetings, anecdotal evidence and observation suggests that the same group of staff and community members does the bulk of this work. To prevent duplication of effort, the Local Homeless Coordinating Board should look into whether some of these committees, boards, and work groups may be consolidated.

In the absence of a commonly agreed-upon city policy or strong departmental coordination, departments can operate according to their own priorities. For example, the Police Department (Police), working in conjunction with the Office of the District Attorney (District Attorney) and the Office of the Sheriff (Sheriff), recently simplified its procedure for arresting people inebriated in public, some of whom are homeless. This change will allow the police to compile a larger body of evidence against a repeat offender, which should enable the District Attorney to win more convictions for these offenses. The Police Commission does not need to approve such a procedural change. Although this change may be agreeable to some of the City's policymakers, the Police, District Attorney, and Sheriff are able to make at the staff level what is really a policy change—to arrest and convict more people for public inebriation—without taking into account the views or comments of other elected officials or the public. Further, police costs to cite and arrest for this type of offense are not recorded or reported, so elected officials or the public cannot track the added costs or savings associated with this change.

*The City Needs a Capable, Respected  
Oversight and Advisory Body, but a  
Department of Homelessness Is Not the Solution*

The City needs a strong oversight and advisory body, but we do not believe that San Francisco needs a department dedicated to homelessness. City legislators intended the Local Board to serve in an oversight and advisory capacity. However, rival political agendas have largely nullified its advisory function. The role of the Mayor's Office on Homelessness is unclear and appears largely to duplicate the role of the Local Board and the departments. As noted above, the Mayor's Office on Homelessness conducts the annual count of homeless people in San Francisco. Its additional duties, as described by the office, consist of conveying information and coordinating the work of other parties, much of which is done in conjunction with other departments. The office provides few direct services and does not furnish any direct services that another body does not provide. Further, the Mayor's Office on Homelessness could—but does not—maintain homeless policy or planning information from one administration to the next. The City has tried many different approaches to address homelessness, and historical information could be useful to policymakers, but the City's only institutional memory resides with department staff (many of whom have long experience with different mayoral administrations' approaches), service providers, and some community groups.

Although San Francisco's system is not well coordinated, a department dedicated to homelessness is not the solution. Some jurisdictions, notably New York City, have departments or divisions specifically designated to oversee homeless services. New York City's Department of Homeless Services is charged with providing temporary emergency and transitional housing and services to the homeless. The Department of Homeless Services is a permanent, independent mayoral agency that develops the New York City Continuum of Care in collaboration with a 21-member steering committee that includes nonprofit service providers, consumer representatives and community members. While New York's steering committee appears analogous to San Francisco's Local Homeless Coordinating Board, we believe that providing homeless services through a single department in San Francisco would not be a more effective or efficient way for the City to deliver these services. Moving programs and personnel who serve homeless clients from one department to another does not appear likely to improve the quality of these programs, many of which also serve clients who are not homeless. For example, the City provides mental health care to many people; separating services to homeless clients from other types of health care would be unwieldy, inefficient, and pointless. An all-inclusive homeless department in San Francisco would presumably have to transfer its clients who have ongoing mental health needs to the Department of Public Health when those clients were no longer homeless, thus disrupting case management and continuity of services. Further, such a restructuring of services may compromise the City's ability to leverage state and federal funding.

**THE CITY HAS NO VIABLE PLAN FOR HOMELESS SERVICES**

San Francisco's Continuum of Care Plan is not useful as a strategic plan to guide the City's delivery of homeless services because it lacks the support of key stakeholders as well as specific, measurable steps and outcomes. Because the City lacks consensus as to what its goals and approach should be, no plan can possibly satisfy the stakeholders. In late 1999, the Local Homeless Coordinating Board began creating the City's current Continuum of Care Plan, which

is for 2001 through 2006. Although the Mayor appointed 15 members and the Board of Supervisors appointed 11, the Mayor and at least some of the supervisors were dissatisfied with the plan's final draft. The Mayor did not sign the plan, and the supervisors voted to approve it but have since largely disregarded it. Since the supervisors approved the Continuum of Care Plan, individual supervisors have introduced additional legislation that only partially relates to elements of the plan.

***The City's Continuum of Care  
Plan Does Not Fulfill Criteria  
for an Effective Strategic Plan***

The City's Continuum of Care Plan fails to meet the basic requirements for a strong strategic plan that can guide the City's decisions about services to the homeless. According to such authoritative literature as the State of Louisiana's *Manageware: A Practical Guide to Managing Results*, "strategic planning is a future-oriented process of diagnosis, objective setting, and strategy building; it emphasizes deployment of resources to achieve meaningful results." The strategic planning process grows out of a shared vision of the future that includes core values and a broad statement of purpose. It should also identify goals, defined as the general end purposes toward which effort is directed, and objectives, defined as specific and measurable targets for accomplishment. A strategic plan should also describe methods to accomplish goals and objectives, with detailed descriptions of how these methods will be implemented on an operational basis and what resources will be needed. Finally, a strategic plan should include accountability so that results can be measured.

The City's various officials and agencies lack a shared vision of the future as it relates to homelessness, and this absence severely impedes the strategic planning process. We tried to determine whether San Francisco's Municipal Codes contain any overarching goals for the City's homeless programs, but we found only a few general statements, such as preserving housing for low-income people. Nor, as described above, did we find agreement among stakeholders when we circulated a list of proposed goals drawn from various sources. Without general agreement as to what San Francisco wants its homeless services to accomplish, no plan can satisfy all stakeholders.

Some parts of the Continuum of Care Plan are extremely specific, some parts are idealistic statements of values, and other parts are somewhere in between. Very few parts of the plan list specific deadlines or performance outcomes by which results can be measured. No budget accompanies the steps or goals, and many elements do not assign responsibility for ensuring that tasks are completed. One member of the Local Board told us that it decided not to include in the plan the costs for implementing the plan because there were already competing political agendas for the plan. The City's plan does include values statements that encompass guiding principles, such as the City's establishing a unified plan with consistent policies supported by the Mayor, the Board of Supervisors, and other stakeholders; providing accessible services with multiple points of entry; and an honoring of diversity in clientele and staffing.

The plan is divided into sections addressing different areas of need, such as housing or family shelters, and the sections are then divided into goals and action steps. For example, in the chapter on housing, one goal is to "acquire, build or lease permanent, affordable housing," and this goal includes the number of units to be developed and breaks that number into types of units for

different clients as a way to measure performance. In another, more typical, example, the goal is to ensure veterans receive needed services, and the action step simply says that if the Veterans Administration cannot meet homeless veterans' needs, community health and human services will be available, without describing who will provide what services by when. Both these goals include time frames described only as "short-term" and assign program responsibility to several city departments and service organizations. The housing goal also identifies a long list of potential funding sources, while the veterans' goal identifies none.

### ***Stakeholders Believe That the Continuum of Care Plan Has Flaws***

Although the Mayor appointed 15 of the 34 members on the Local Board and had direct access to the Continuum of Care planning process via the Mayor's Office on Homelessness, the resulting plan was something he chose not to endorse. In a letter dated eight months after the Board of Supervisors approved the Continuum of Care Plan and the Mayor's decision not to sign it, the director of the Mayor's Office on Homelessness explained why he had advised the Mayor not to approve the plan. Although several of the director's points are sound—the plan does not prioritize action steps, and it lacks regional impact statements—the fact that the plan went so far without assurance of the Mayor's support indicates an ineffective planning process.

Further, the Continuum of Care Plan's gaps in information and specificity mean that city policymakers, departments, and other personnel cannot follow the plan as written. One member of the Board of Supervisors told us that the plan is irrelevant because it lacks specificity and that the City's plan could belong to any other city. Members of the Local Board are currently writing more detailed implementation steps. For the goals that need further development, Local Board members are assigning departments, budgets, and time frames to tasks, and this process is time-consuming. Members have expressed concern that their work is becoming obsolete because the plan covers the five-year period from 2001 to 2006, and the Local Board had not finished the implementation steps as of early 2002. If the Continuum of Care Plan were a workable, complete strategic plan, this additional time and effort by the Local Board would not be required.

### **SOME OTHER JURISDICTIONS HAVE REGIONAL COORDINATION AND LEAD AGENCIES**

Unlike the City and County of San Francisco, some cities have realized the regional impact of homelessness and decided to look for coordinated regional solutions to improve services. Five of the seven jurisdictions we reviewed do some level of regional coordination in their planning and/or provision of homeless services. San Francisco has no regional planning for addressing homeless issues, and because it is both a city and a county, it has not had to coordinate services or funding with any other cities. Some other jurisdictions also designate a lead agency to coordinate services and to ensure that all parties are accountable for accomplishing their assigned tasks. (See Appendix D for a summary of the characteristics of the homeless service systems in the other jurisdictions we contacted.)

### ***Most Other Jurisdictions Focus on Homelessness As a Regional Issue***

We looked at seven other local governments, both counties and cities, and found that five coordinate services and collaborate on applications for federal and state funding. Although large urban centers often see the greatest concentration of visible homeless people, homelessness exists outside the borders of cities and in neighboring communities. Homeless client populations are also mobile and move from one city to another.

The Metro Denver Homeless Initiative (Denver Initiative) is an example of extensive regional planning. Through the Denver Initiative, Denver has been able to coordinate with surrounding counties and jurisdictions to plan and fund homeless services. The Denver Initiative is a nonprofit corporation with an active governance board and a close relationship to the Colorado Department of Human Services. Membership includes six counties, 28 municipalities, and state representation. The Denver Initiative applies for federal funding as a region rather than as individual jurisdictions, and, according to those associated with Denver Initiative whom we contacted, the region gets more funding than it would if each jurisdiction were to file separately. While Denver itself may not get as much federal funding, the region as a whole does. The Denver Initiative also manages data collection and analysis through a 13-member committee that meets monthly to plan and conduct research and data collection projects necessary for determining the system's needs.

Other cities we reviewed do regional planning on a smaller scale. For example, Chicago participates in the Illinois Regional Continuum of Care Roundtable, which is a consortium of representatives responsible for coordination of continuum of care plans in the metropolitan Chicago area. The roundtable has been meeting monthly since 1999 to coordinate continuum of care issues across jurisdictional boundaries.

We found the following advantages to regional coordination of homeless issues and services:

- A group of jurisdictions can apply collectively for more federal funding (and possibly more state funding) than if each jurisdiction applied separately.
- Regional coordination distributes services more widely than would a single jurisdiction, allowing families and individuals access to services in their original communities.
- Coordinating services allows jurisdictions to share resources (such as shelter beds and housing), giving jurisdictions more service options overall.
- Spreading services out over a region may reduce the migration of homeless clients from areas with few services to areas with more services.

These advantages can represent real improvements in the way in which homeless people experience services.

### ***Some Other Cities Designate Lead Agencies to Manage Homeless Issues***

In addition to regional coordination, some other cities designate specific agencies to lead the cities' work on homelessness. In some cases, the lead agency for a city's homeless services is one department within the city's government. While New York City is the only jurisdiction we

contacted that has created a specialized city department only for homeless services, Denver and Chicago each have designated an existing department to act as the lead agency on homeless issues. Other departments in these cities may provide homeless services; however, one department centrally coordinates the main efforts in each city.

Other cities such as Boston have different departments as lead agencies for different services that homeless people need. In Boston, the Department of Neighborhood Development is the lead agency for homeless housing services, while an Emergency Shelter Commission is the lead entity for emergency or front-end services. Boston also has an 18-member Homeless Planning Committee, similar to San Francisco's Local Homeless Coordinating Board, that is responsible for Boston's continuum of care planning and for identifying innovative strategies to address homelessness in Boston. The lead agencies assist the policy group, enlisting support for its recommendations from community leaders and city officials. Staff from these departments also works with the Homeless Planning Committee to follow up recommendations to ensure that responsible parties are accomplishing the action steps in Boston's plan for homeless services. In this model, coordination is centralized with the policy group, and responsibility for implementing policy decisions and recommendations is clear.

## RECOMMENDATIONS

To improve delivery of services to homeless people, the **Board of Supervisors** and the **Mayor** of the City and County of San Francisco should reduce the size of, empower, adequately staff, and comply with the advice of the Local Homeless Coordinating Board.

The **Local Homeless Coordinating Board** should ensure that the City has the following:

- A widely accepted policy or statement of purpose on homeless services that remains consistent over time.
- Prioritized goals that flow logically from that policy and that are financially realistic in light of the City's budget.
- A viable strategic plan that the City can implement to achieve the goals.
- Adherence to the plan by city departments that fund homeless services.

To improve its effectiveness as a policy advisory body, the Local Homeless Coordinating Board should also consider changing its committee structure, rules of procedure, and request the Board of Supervisors and Mayor approve any necessary legislation to formalize these changes. We suggest that a smaller Local Homeless Coordinating Board would be more effective.

To strengthen and work with the Local Homeless Coordinating Board, the **Board of Supervisors and Mayor** should take these actions:

- Submit all proposed legislation, budget actions, and ballot initiatives related to homelessness to the Local Homeless Coordinating Board for review and comment before adoption of any new measures. Ideally, the City's budget process would allow the Local Homeless Coordinating Board to prioritize spending on homeless services.
- Following the Local Homeless Coordinating Board's comments and recommendations and the City's approval of policies related to the homeless, the Board of Supervisors, Mayor, and Local Homeless Coordinating Board should abide by the outcome of the

Board of Supervisors' votes for the next budget year, unless reversed by a supermajority vote of the Board of Supervisors. Although individual policymakers may be dissatisfied with the outcome of some votes, policies should not change until the next budget year except in extraordinary circumstances.

- Increase the staff of the Local Homeless Coordinating Board from the current one position to three full-time positions: a policy and data analyst, a grant writer, and an administrative assistant. The Mayor's Office on Homelessness could fund some portion of these positions from its existing budget. These positions should be in the Department of Human Services but be permanently assigned to the Local Homeless Coordinating Board.
- Ensure that all departments working on programs or issues related to homelessness will report to the Local Homeless Coordinating Board on the status of their work as it pertains to the City's plan for homeless services.
- Seek to consolidate some of the City's existing task forces and working groups related to homelessness according to advice from the Local Homeless Coordinating Board. The Local Homeless Coordinating Board should handle policy issues, while working groups could continue under the auspices of the departments.
- Determine whether these changes to the Local Homeless Coordinating Board improve the City's planning and delivery of services to the homeless. Only if these changes fail should policymakers consider the possible creation of a new department of homeless services.
- Formalize and sustain a relationship with policymakers in other Bay Area governments to see how San Francisco can participate more actively in a regional approach to homelessness.
- Designate the Local Homeless Coordinating Board as the lead body for policy advice and oversight of homeless issues in San Francisco, and designate the Department of Human Services—which is represented on the Local Homeless Coordinating Board and has a Division of Housing & Homeless Programs—as the lead agency for implementation of that policy in the delivery of homeless services.

To improve delivery of services to homeless people, **all of the City's elected officials and employees who are involved in the City's homeless services** (and, ideally, all other stakeholders) should compromise to support goals and one plan that the City can implement. These individuals should then communicate these goals and plan to obtain wide support and participation from the community.



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## CHAPTER 2

### SAN FRANCISCO'S HOMELESS POPULATION NEEDS ADDITIONAL TRANSITIONAL AND LONG-TERM HOUSING AND MORE AFFORDABLE PERMANENT HOUSING

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#### CHAPTER SUMMARY

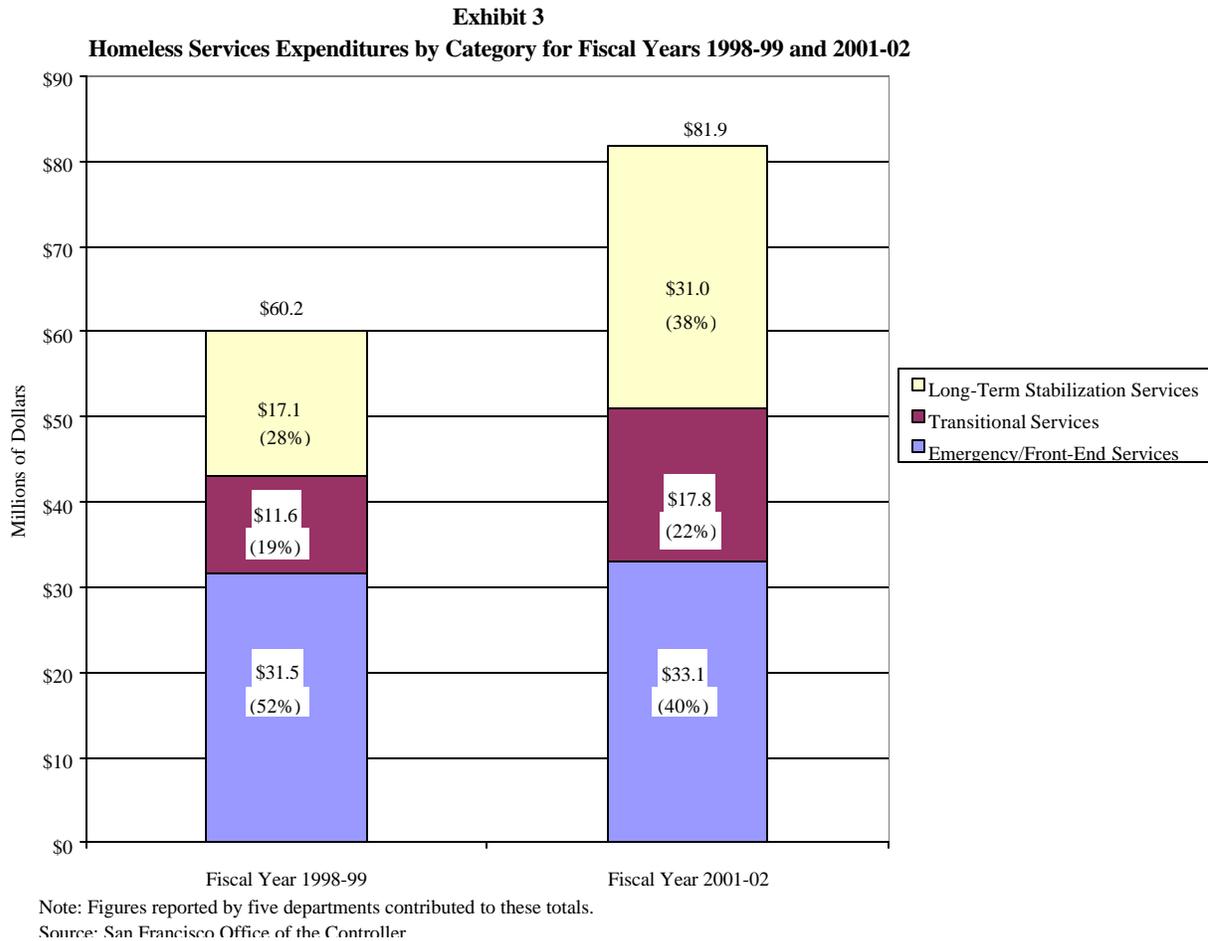
The City and County of San Francisco (City) makes available a continuum of care for homeless people. Mostly by funding nonprofit agencies located in the central part of San Francisco, the City has helped to create an impressive array of services for the homeless, but the City appears to meet some needs better than others. Although we were unable to obtain data that would allow us to determine systematically whether the City is allocating its resources to best meet the needs of homeless San Franciscans, we did determine that there appear to be more unmet needs for some services than for others. In particular, the City currently funds enough overnight shelter beds to accommodate all single adults who seek them. However, a shortage of transitional and long-term housing exists for all segments of the homeless population, and the homeless cannot afford “affordable” housing.

#### THE CITY PROVIDES A CONTINUUM OF CARE, WITH A RECENT EMPHASIS ON LONG-TERM SERVICES

Because the City does not collect, combine, or analyze reliable data on the needs of the homeless or on the services that it funds or directly delivers to the homeless, we could not determine systematically whether the City is allocating its resources optimally to provide the mix and quantities of services that homeless San Franciscans need. Such data should include unduplicated counts of homeless clients served by every program, the number of people on waiting lists, and the number of people turned away from each service. (Chapter 4 discusses the City’s need to collect and analyze such data.) Nonetheless, our audit revealed that the City makes available a wide range of services that form a continuum of care, from emergency or front-end services that help those in crisis or immediate need to transitional services that stabilize homeless people so that they can begin to leave homelessness to long-term services, including permanent housing. The City’s spending patterns show that it has recently emphasized long-term services to the homeless.

The City primarily provides long-term services for homeless people by funding nonprofit agencies that actually deliver most homeless services in San Francisco. The Board of Supervisor’s Budget Analyst has reported that the City will spend approximately \$73 million on direct services to homeless people in fiscal year 2001-02. These City funds cover some, but not all, of the costs community-based organizations incur to provide services, as many agencies have funding sources other than the City. Service delivery models vary in duration and intensity, including short-term, “bare bones” shelters to medium-term and permanent housing with on-site supportive services. These options allow the City to make available services with different intensity levels and different outcome expectations that are appropriate for different populations of homeless people and for people at different stages in their journeys toward permanent housing.

Although we could not identify the optimal allocation of city resources, our analysis did show that the City is spending more on long-term services as a percentage of total expenditures for direct services to the homeless than it did a few years ago, as Exhibit 3 indicates:



According to figures from the Controller’s Office for fiscal years 1998-99 and 2001-02, the City’s overall spending on direct services to the homeless rose from \$60.2 million to \$81.9 million, an increase of \$21.7 million, or 36 percent over three years. The bulk of the increase, \$13.9 million or 64 percent of total spending, came from services categorized as providing long-term stabilization assistance. Of each of the three service categories (emergency/front-end services, transitional services, and long-term stabilization services), spending on long-term stabilization services increased the most, or 81 percent over the three-year period. Spending on transitional services rose 53 percent, while spending on emergency/front-end services rose only 5 percent.

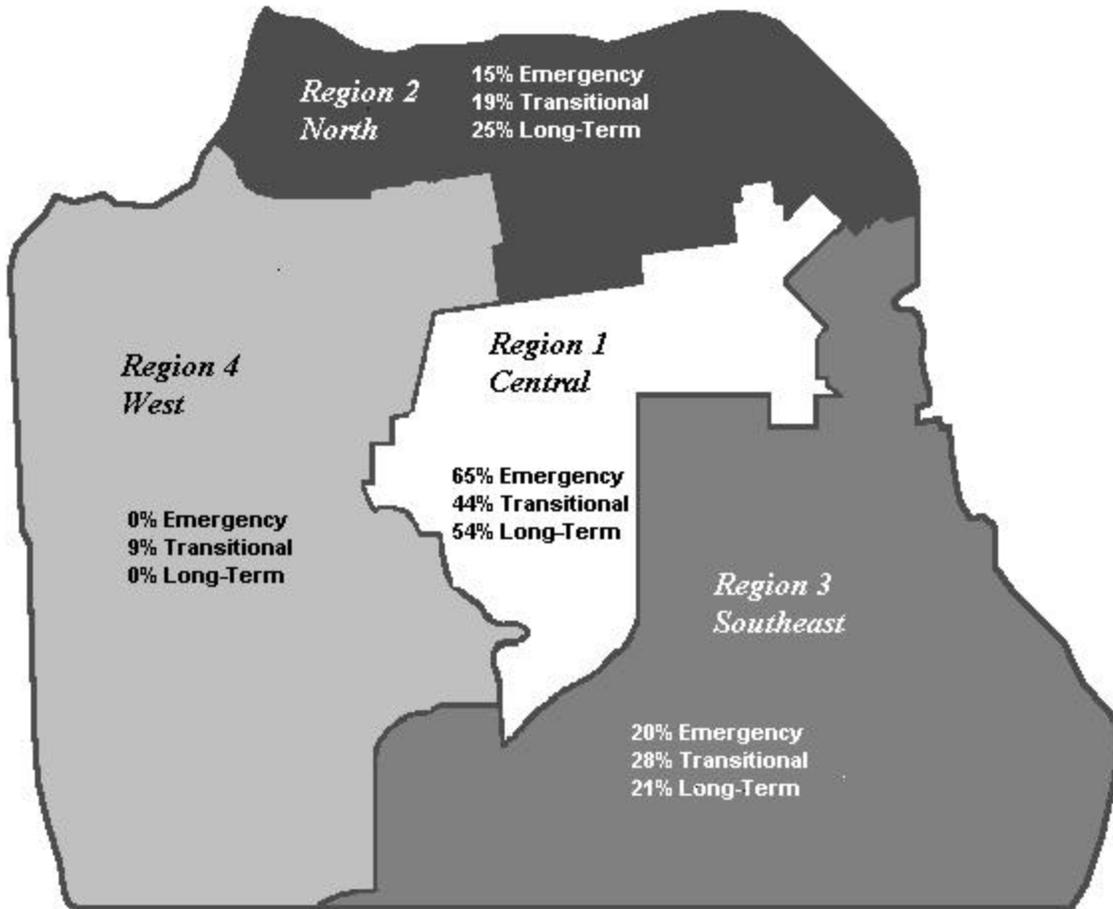
The amounts for fiscal year 2001-02 reported by the Office of the Controller for total direct services to the homeless represents a total of \$8.9 million more than that reported by the Board of Supervisors’ Budget Analyst because the Budget Analyst used a different reporting methodology. That methodology included a lower cost estimate for one Department of Public Health program and the inclusion of the Redevelopment Agency and Mayor’s Office of Housing in its analysis.

**THE HOMELESS CAN OBTAIN MOST SERVICES IN CENTRAL SAN FRANCISCO ONLY, BUT THE CITY AND PROVIDERS HAVE DIFFICULTY ESTABLISHING SERVICE LOCATIONS ELSEWHERE**

Homeless people who live in outlying areas of the City have less access to services than those who live in the central part of San Francisco, which has the majority of city-funded providers of services to the homeless and receives the majority of city expenditures for direct homeless services. However, the greatest concentration of homeless individuals who live on the street live in the central area. We could not determine whether a cause or effect relationship exists to explain why most of the homeless street population lives near most of the homeless service providers.

Exhibit 4 is a map of San Francisco that shows the percentage of city-funded homeless service providers in each main category of service by region of the City.

**Exhibit 4**  
**Geographic Distribution of Providers of Homeless Services in San Francisco**



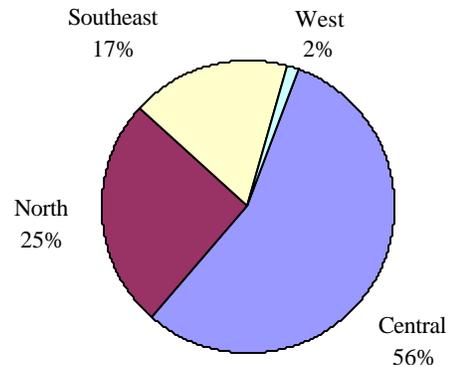
Notes: Percentages represent the proportion of all city-funded providers (not sites) within the region indicated. Percentages are used because the data is based on a representative sample of providers, not all providers. Percentages are not weighted based on the number of clients served by each provider. Regions are those used in the Office of the Controller's annual citizen survey.

For the 155 homeless service providers we analyzed, over half are located in the central region of the City. For each category of service, the central part of San Francisco has the highest number of providers. Together, the central and southeast regions of San Francisco have the vast majority of the homeless service providers. The concentration of homeless service providers in these two regions is consistent with the location of homeless people who live on the street. The 2001 homeless count performed by the Mayor's Office on Homelessness found that 1,891 (60 percent) of the homeless street population of 3,156 lived in supervisorial districts 6 and 10, which encompass the Civic Center, South of Market, Bayview, and Hunters Point neighborhoods.

We also found that homeless service providers in the central region receive the greatest amount of city funding, as depicted in Exhibit 5:

Although we did not attempt to determine whether homeless services in San Francisco are optimally located to meet the needs of homeless San Franciscans, we do know that it can be difficult to relocate or establish homeless services in San Francisco. Despite the view of many San Francisco residents that homelessness and the lack of affordable housing are serious problems (as discussed in Chapter 1), many San Franciscans are opposed to providing new homeless services in their neighborhoods. According to staff of the Department of Human Services' Division of Housing & Homeless Programs, San Francisco residents are frequently against having a new social service program enter their neighborhood. According to this staff, residents of the southeast sector may be less likely to be opposed to new programs than are other city residents, so the southeast may be one of the few parts of San Francisco in which new programs could be located.

**Exhibit 5**  
**Funding of Homeless Service Providers for**  
**Fiscal Year 2001-2002**  
**by Region of San Francisco**



In an effort to expand services and affordable housing opportunities for homeless people, while also addressing neighborhood concerns, the Department of Human Services has opened two new resource centers, one in South Beach and one in the Bayview district, and developed a new master leasing program. The resource centers are nonresidential neighborhood-based facilities where homeless people can access lockers, showers, mailboxes, counseling, and referrals to other services. A third resource center, a joint partnership between the Department of Human Services and the Department of Public Health, will be opening in May 2002 in the Mission district. The centers are sited in neighborhoods with a high proportion of people living on the streets or households who are at risk of homelessness. In addition, the master leasing of single-room occupancy residential hotels has allowed the City, in partnership with non-profit organizations, to renovate and improve the facades and interiors of the buildings and provide a higher standard of maintenance and security at the buildings. Department of Human Services staff reports that these improvements have been welcomed by the residents and merchants near the hotels and have helped to improve the blocks on which the hotels are situated.

**OVERNIGHT SHELTER FOR SINGLE ADULTS IS AVAILABLE AND ACCESSIBLE**

Single adults in San Francisco have many ways to find overnight shelter, and, at least since November 2001, the City has enough overnight spots in shelters for all the single adults seeking them. The City will pay more than \$12 million in fiscal year 2001-02 to nonprofit service providers to operate all types of shelters in San Francisco, or 16 percent of the \$73 million it will spend for direct services to the homeless. Of the total of 2,520 shelter beds available in San Francisco at the end of March 2002, including 93 beds not funded by the City, 1,885 (75 percent) of these beds were for single adults (see Appendix E for the number of shelter beds by type). Of these 1,885 beds, 591 (31 percent) were winter beds that were intended to be open only four months per year, from December through March. In order to keep more beds available

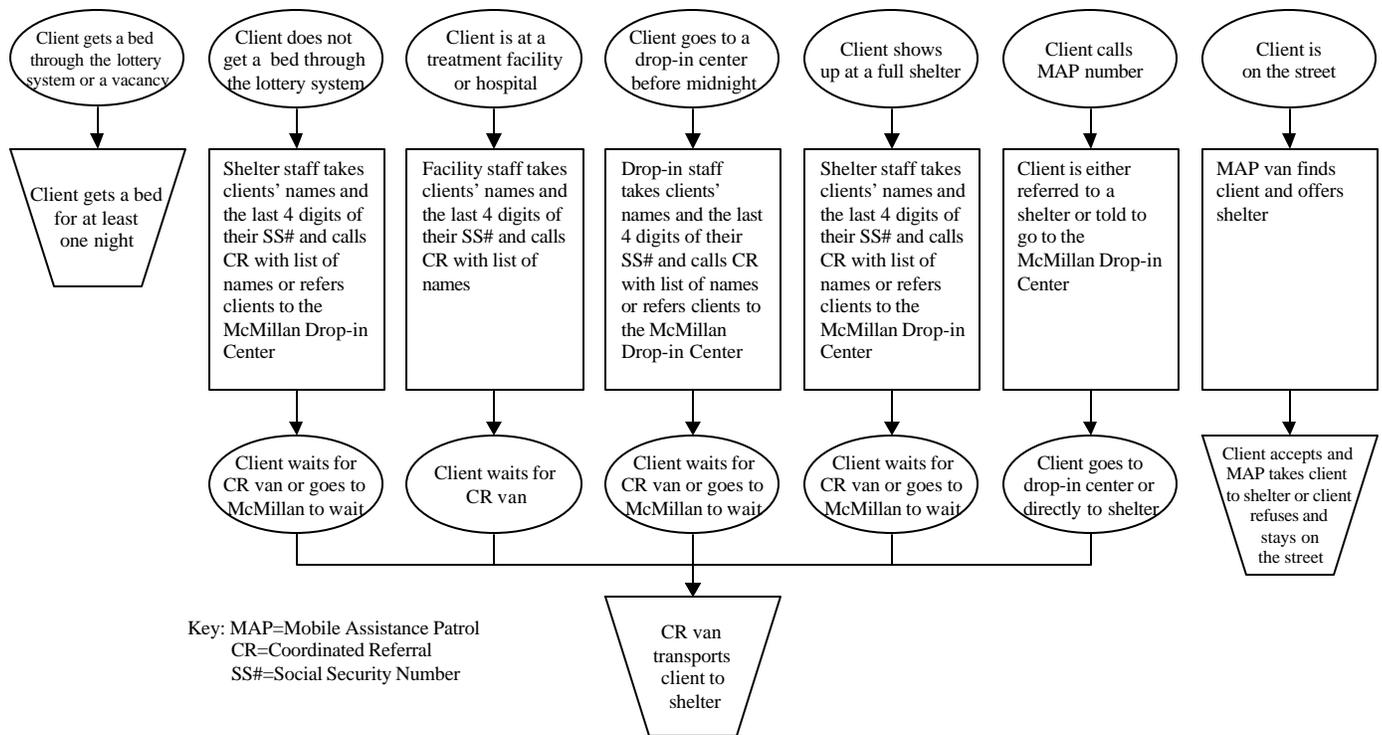
throughout the year, the Department of Human Services is using money saved on other contracts to extend contracts it has with three of the winter emergency shelters through June 2002.

Not every adult can qualify for overnight shelter because some shelters will not accept people who appear to be under the influence of alcohol or drugs. Detoxification beds are reportedly in short supply, although we found no data to confirm this. In addition, some homeless people will not seek or accept shelter. Nonetheless, based on our review, the shelter system for single adults in San Francisco is working reasonably well, particularly with the addition of winter shelter beds.

***Homeless Adults Can Find a Short-Term Shelter  
Bed in Many Ways, Including Coordinated Referral***

Homeless adults in San Francisco have several points of entry into the system that will lead to a shelter bed, as shown below in Exhibit 6.

**Exhibit 6  
Process for Finding a Shelter for a Single Homeless Adult in San Francisco**



The most direct way a homeless adult may look for a shelter bed is to go to a shelter and request a bed. However, because some shelters fill more quickly and frequently than others, many shelter beds are not assigned on a first-come, first-served basis. Instead, many of the large shelters conduct lotteries for shelter beds and mats, especially for men. If a client wins the lottery, he or she is awarded a bed for at least one night, though most lottery-awarded beds are for more than one night.

The current system for referring and transporting homeless adults to shelter is effective, although it causes people to wait for up to several hours to receive a bed. Coordinated Referral, operated for the City under contract by the Mobile Assistance Patrol program of Community Awareness & Treatment Services, Inc., acts as an intermediary in many cases by finding out where there are shelter vacancies and then transporting the people who need shelter to those spots. Thus, if clients do not get a bed through the lottery system, they can give their name and the last four digits of their Social Security number to the shelter staff and then be placed on the shelter pick-up list maintained by the Coordinated Referral program. Once the shelter staff collects the information for each person who did not get a bed, it will call Coordinated Referral with the number of clients they have who are seeking shelter. A Coordinated Referral van will pick up these clients and take them to a shelter that does have vacancies.

***Food Programs for Homeless People***

At least 20 organizations in San Francisco, including churches and other religious, charitable and nonprofit organizations, operate food programs in several neighborhoods. Most of the programs offer one or two meals a few times a week, some offer one or more meals every day, and other programs offer meals only on weekends. Glide Memorial Church has the most extensive food program, offering two meals (breakfast and lunch) every day, and all three meals Monday through Friday. St. Anthony Dining Room serves lunch seven days a week and the Missionaries of Charity serve dinner six days a week. Among the programs, an individual can obtain three meals a day every day of the week.

Some food programs serve only cold food such as sandwiches, while others offer full courses of hot food. Most food programs are free and open to anyone. While many homeless people take advantage of the food programs, others who are not homeless also use them.

Clients who originate at hospitals, treatment facilities, drop-in centers, or other homeless service sites can also sign up for shelter through the Coordinated Referral process. Clients can either wait at their service facility for a Coordinated Referral van to pick them up or go to the McMillan Drop-in Center at 39 Fell Street which is next door to the dispatch office for Coordinated Referral and Mobile Assistance Patrol and has regular van pick ups. A client that calls the Mobile Assistance Patrol's Coordinated Referral line will be instructed either to go to the McMillan Drop-in Center and sign in there for Coordinated Referral or go directly to a shelter where there are vacancies. Based on our visit to the McMillan Drop-in Center, a person seeking a bed there may have to wait for several hours before a van takes him or her to a shelter, usually between 8 PM and 11 PM.

A client that is on the street may be approached and offered shelter by a Mobile Assistance Patrol response team. If the client wants shelter, and is not under the influence of drugs or alcohol, the Mobile Assistance Patrol van will bring him or her to a shelter. If the client is under the influence of drugs or alcohol, the van can take the client to the McMillan Drop-in Center where there are a small number of detoxification beds available. If the client refuses shelter or a detox bed, he or she will likely stay on the street.

As long as Coordinated Referral is able to keep current on all of the available shelter beds in San Francisco, it should be able to find shelter for clients who want it. If there are beds at facilities that Coordinated Referral is not contacting, it has no way of getting clients to those facilities. According to the program director of the Mobile Assistance Patrol, since

November 2001 Coordinated Referral has been able to place every single adult seeking shelter in a shelter bed. In fact, not all of the emergency shelters were full during the winter of 2001-02. For example, according to the director of the Mayor's Office on Homelessness, there were an

average of 78 vacancies for men and 50 for women among all shelters in San Francisco in January 2002.

***Homeless Adult Men May Have to Wait for a Bed at a Longer-Term Shelter***

The City could use additional capacity for single adult men in longer-term shelters. Homeless men must often wait for an adult shelter that offer beds for more than one night or one week and that has a more comprehensive services. The City funds such a shelter for adults, the second-largest shelter in San Francisco. It is the Next Door program, operated in the former Multi-service Center North by Episcopal Community Services. Next Door has 280 spaces (or slots): 150 regular slots for men, 100 regular slots for women, 20 respite slots for men, and 10 respite slots for women. To be eligible for a slot at Next Door, clients must be homeless, over 18 years of age, capable of self-care, and willing to participate in case management. Because Next Door has these requirements, some homeless adults are not interested in staying there, reportedly preferring a basic shelter without case management. Clients can “self-refer” to Next Door or can be referred from other types of programs. Next Door has a specific number of slots open for each program from which it gets referrals. The City-owned, short-term shelter operated by the St. Vincent de Paul Society at the Multi-Service Center South often refers clients to Next Door. (That shelter is the largest in San Francisco, with 380 slots.)

As of February 2002, Next Door had no waiting list for women, but it had a list of more than 300 men who were waiting for beds. The waiting list is for self-referred men only. Men on the waiting list may be able to get into the program faster through a referring program. Staff of Next Door estimated in February 2002 that the average time it takes to make it to the top of the waiting list is three to four months.

**CLIENTS MUST WAIT FOR SUCH KEY SERVICES AS FAMILY SHELTER, MENTAL HEALTH SERVICES, AND SUBSTANCE ABUSE TREATMENT**

The supply of many services to San Francisco’s homeless does not meet the demand. In particular, San Francisco does not have enough shelters or shelter beds for homeless families, nor does the City fund enough mental health or substance abuse services to meet the demand, which comes from San Franciscans who are homeless and those who have permanent housing. As a result, the homeless individuals who need these services may be less able to leave homelessness than they might be if they had access to assistance.

***Homeless Families Experience Long Waits for Full-Service Shelter Because Current Shelter Residents Have No Appropriate Places to Go***

Because there are more homeless families in San Francisco seeking shelter than there are appropriate shelter placements available, waits for placement are inevitable. Waits of three to six months for full-service family shelter in San Francisco are common, and many families move in and out of a short-term, emergency shelter or are doubled up with relatives or friends while they wait. In fact, spots at family shelters turn over relatively slowly because families who are already

in a full-service shelter are often unable to find appropriate housing. The stress on these families—both those waiting for a shelter placement and those facing the day they must leave the shelter—can be extreme.

Connecting Point is a city-funded service operated by Compass Community Services that makes full-service shelter placements for homeless or nearly homeless families, including one- or two-parent families, expectant couples and pregnant women in their third trimester (with proof), and same sex couples. This program, the centralized intake point for all full-service, City-funded, family shelters, reports that it served 1,060 families (3,282 people) in fiscal year 2000-01. In March 2002, Connecting Point's waiting list had 130 families on it, which, according to the program director, was typical for recent months.

Long waits for family shelter occur because families who get into the shelters often have nowhere to go. According to the director of the Department of Human Services' Division of Housing & Homeless Programs, 60 to 70 percent of the housing placements for families leaving San Francisco's shelters are outside San Francisco and, increasingly, outside the San Francisco Bay Area. She told us that the shelter system is experiencing a greater prevalence of chronically homeless families with long histories of substance use and mental health problems who have "burned their bridges" and will not be able to compete in the Bay Area housing market without rental subsidies. Such families are not likely to get their needs met in shelters. Instead, they need residential treatment programs that treat the whole family and, according to the director, the City does not provide enough of such programs.

### ***Clients Must Wait for Mental Health and Substance Abuse Services***

Key city-funded programs, such as mental health and substance abuse treatment programs, are not readily available to all of the homeless people who need them. These services can be critical in stabilizing homeless people so that they can begin to deal with the conditions that have led to their homelessness or can decrease the likelihood that those at risk of homelessness will lose their housing.

### **Outpatient Mental Health Services**

The City does not have enough slots to meet the demand for outpatient mental health treatment, and waiting lists exist for these services, 70 percent of which are provided by community-based organizations, with the remainder delivered through the City's 22 clinics. Although waiting lists exist, the Department of Public Health has mandated that all providers assess clients immediately so that program staff can determine a course of treatment. The department also requires providers to see the client within five to ten days of assessment. In the assessment process, program staff decides which clients are in most critical need and tries to get those people into treatment as soon as possible. This mental health triage process results in people on the waiting list sometimes being "jumped" by those in more severe condition. Some mental health outpatients, however, may need to wait longer than 5 to 10 days to have their needs met. If clients need to have medication prescribed, they may have to wait up to a month to see a physician.

### **Inpatient Mental Health Services**

The City provides residential mental health treatment exclusively by contracting with providers who can assist high-risk individuals with serious mental health problems and without support systems, such as friends or family. Because the Department of Public Health authorizes more homeless people for treatment than there are beds available, waiting lists exist. The only people who are turned away from residential programs are those who are found not to meet the state definition for medical necessity.

Some residential clients come from hospitals, usually San Francisco General Hospital. However, if there is no program slot available, they may end up staying in the hospital longer than they need to. The Department of Public Health is working on a pilot program to manage the client flow so that people who no longer need hospital beds do not continue to occupy them. However, the current availability level of services makes waits inevitable and there is no place other than a hospital for some of these patients to stay while they are waiting.

### **Substance Abuse Services**

According to staff at the Department of Public Health, each site that provides substance abuse services in San Francisco has a waiting list, and some waiting lists include hundreds of names. The City does not have reliable data on the total number of people waiting for substance abuse treatment or how long they have been waiting.

The length of the wait depends on the client's diagnosis, the type of service being sought, and whether the client has medical insurance. The Department of Public Health estimates that for one of its residential substance abuse treatment programs, the Treatment Access Program, clients must wait from 21 to over 60 days for service, depending on their diagnosis. People with multiple diagnoses or more severe problems may have to wait longer for treatment. People who are insured through Medi-Cal often can get into treatment right away, but people ineligible for Medi-Cal and not otherwise insured are placed on a waiting list. Programs sometimes turn away individuals, but providers will either follow up with those people when space becomes available, or they may require the client to return or call periodically to see whether a space has opened. Management of waiting lists is up to the provider.

The department and the providers are trying to develop a uniform method of maintaining waiting lists and to computerize the process. With a computerized system, a person on more than one waiting list could be identified and providers and the City would be able to remedy the situation.

### **SAN FRANCISCO HAS A SHORTAGE OF AFFORDABLE HOUSING AND LONG WAITS FOR THE UNITS THAT ARE AVAILABLE**

Some homeless and formerly homeless people—statistics are unavailable to tell us how many—can pay for “affordable” housing in San Francisco, especially if they receive rental subsidies. However, affordable housing is in short supply. Affordable housing, as it is formally defined, is rented or owned at prices that households with low to moderate incomes can afford. The federal Department of Housing and Urban Development (HUD) has defined a low-income unit as one that is affordable to those at or below 80 percent of the area's median income. Moderate-income

units are for those at or below 120 percent of the median. As of 2000, a one-person household had to make \$40,800 or less to qualify as low-income.

San Francisco has an affordable housing shortage, and current construction of affordable units is not keeping up with the need. As Exhibit 7 shows, data compiled by the Association of Bay Area Governments indicates that San Francisco needed to build 5,205 new units of affordable housing for the years 1999-2001 to keep up with the City's growing population. However, the City completed only 1,207 affordable housing units during this time, leaving a construction deficit of 3,998 units for three years, or an average of 1,333 per year.

**Exhibit 7**  
**Affordable Housing Units in San Francisco: Need Versus Reality**

<i>Year</i>	<i>Number of New Affordable Housing Units Needed Each Year</i>	<i>Number of Affordable Housing Units Completed</i>	<i>Difference Between New Units Needed and New Units Completed</i>	<i>Yearly Average Deficit</i>
1999	1,735	240	1,495	Not Applicable
2000	1,735	145	1,590	Not Applicable
2001*	1,735	822	913	Not Applicable
<b>Total</b>	<b>5,205</b>	<b>1,207</b>	<b>3,998</b>	<b>1,333</b>

Note: Because 822 affordable units were substantially complete or under construction at the end of 2000, this analysis assumes that these units were completed in 2001. (The Planning Department had not yet issued the 2001 figures at the time of this audit.)

This deficit does not take into account the number of units that are lost to fire, demolition, or other reasons each year or the number of units that have been rehabilitated. In addition, since the Planning Department had not yet completed the 2001 Housing Inventory at the time of this audit, the 822 housing units used in Exhibit 7 for 2001 is an estimate based on the number of units under construction at the end of 2000. The actual deficit is larger than 3,998 if not all of those 822 units were completed in 2001. In addition, this analysis only shows the deficit between new affordable housing needed and the population growth estimate. It does not take into account the need that existed before 1999. Therefore, this analysis shows only the *rate* at which the City is meeting, or not meeting, the need for affordable housing.

In addition to the affordable units included in Exhibit 7, the Hope VI public housing projects that have been built and that are under construction in San Francisco contribute to the stock of housing that is intended for low- and very low-income people, including the homeless. According to the San Francisco Housing Authority, by replacing older developments in San Francisco, the Hope VI projects, funded by federal grants, have caused San Francisco to lose 25 public housing units (1,253 to 1,228). However, the number of bedrooms that exist has increased by 287, from 2,254 to 2,541. In other words, the average number of bedrooms per unit has increased. The Housing Authority completed three Hope VI projects in San Francisco between 1999 and 2001. There are two more Hope VI projects expected to be complete in 2005 that will provide an additional 650 units for families, seniors and adults.

According to the Mayor's Office of Housing, the City has 50,000 households with housing needs that are not being met. Some of this need can be met with the construction of new affordable units. Rent subsidies and rehabilitation of existing units are other options for meeting these

housing needs. However, it seems unlikely that the City will be able to meet the need for affordable housing anytime soon.

**MANY HOMELESS PEOPLE CANNOT AFFORD “AFFORDABLE” HOUSING AND NEED BOTH TRANSITIONAL AND PERMANENT HOUSING WITH SUPPORT SERVICES**

San Francisco has a shortage of long-term housing affordable to homeless and recently homeless people, most of whom have very low incomes. Homeless people are often at a disadvantage in obtaining the little housing that exists that is affordable to them. All segments of the homeless population face challenges in obtaining permanent housing due not only to their often very low incomes but also to their often poor rental histories and the need of many homeless for support services near or where they live to keep them physically, mentally, and financially stable. For chronically homeless families, for example, permanent supportive housing provides “wraparound” services that are necessary to support the transition from shelter to housing.

Because most people who are homeless have very low incomes, they do not qualify for projects considered affordable for low-income people. As explained above, “affordable” housing is for households with low to moderate incomes. However, many homeless and recently homeless people are in households that have very low incomes (at or below 50 percent of median area income, according to HUD) or extremely low incomes (at or below 25 to 35 percent of median). Very low income is \$26,200 per year for a one-person household. In contrast to HUD, San Francisco’s Continuum of Care Plan for 2001-06 defines affordable housing for the homeless to be housing that is affordable to people whose income is 25 percent or less of the area median—or \$13,100 for a one-person household. To put that amount in perspective, those working for an organization that must comply with the San Francisco Minimum Compensation Ordinance (“living wage law”) would earn at least \$9 per hour, or \$18,720 per year. A person working full time for the California minimum wage of \$6.75 per hour would earn \$14,040 per year.

***Public Housing and Rental Assistance Programs Are Limited***

The rental market is not supplying housing affordable to very low-income households in San Francisco, and this situation has added families to the homeless population and perpetuated the homelessness of others. According to the City’s 2000 Consolidated Plan—issued by the Mayor’s Office of Community Development and the Mayor’s

***Treasure Island Homeless Development Initiative***

The Treasure Island Homeless Development Initiative (TIHDI) is a coalition of 20 member agencies that provide housing and work on Treasure Island to homeless families and single adults. In fiscal year 2001-02, TIHDI is receiving over \$388,000 from the Department of Human Services.

Using property formerly owned by the U.S. Navy, TIHDI member organizations offer permanent, supportive housing to families and transitional housing to single adults recovering from substance abuse. As of March 2002, 122 housing units were occupied: 65 by families and 57 by single adults. 96 additional units will become available to families in 2002. TIHDI units are mixed with the market-rate housing and a private property management firm oversees all units.

To promote long-term employment opportunities for the working poor and homeless, TIHDI manages a job-broker system. TIHDI posts job listings for all employers on Treasure Island, certifies the income eligibility of job applicants, screens and refers applicants to employers, and provides technical assistance to employers. Under TIHDI’s agreement with the Treasure Island Development Authority, developers, tenants and other users of Treasure Island are required to make good faith efforts to fill 50 percent of new jobs with qualified San Francisco residents, including qualified homeless or economically disadvantaged San Franciscans.

Office of Housing, and the most recent available—very low-income households can afford rents of, at most, \$634 for household of one to \$1,050 to a household of six. With market rents in 2000 averaging \$1,300 (for a studio) and up, almost every unit on the market is beyond the reach of even the households at the top of this income group. Thus, subsidized market-rate housing or below-market-rate housing is necessary to house very low-income households in San Francisco. Without it, they will have to leave San Francisco or become or remain homeless. Public housing, for which displaced or homeless families are given preference, is in short supply. In the last two years, there were almost 15,000 households on the waiting list for 6,252 units. The Housing Authority has an occupancy rate of 98 percent for these units.

HUD's Section 8 program, administered in San Francisco by the Housing Authority, offers rental subsidies to households who generally have to pay only 30 percent of their gross income toward rent to a property owner. However, this program in San Francisco typically has a waiting list with thousands of households on it. As of September 2001, 30,334 families were on the Section 8 waiting list. According to Housing Authority estimates, the 6,000<sup>th</sup> family on the list should expect to wait two years to reach the top of the list. Family number 30,000 could wait 26 years. Thus, multi-year waits to even participate in the program, let alone find subsidized housing in San Francisco, are the norm. Thus, the number of households actually receiving rent subsidies through the Section 8 program in San Francisco is far below the need that currently exists.

*The City Has Been Unable to Find or Create Enough Supportive Housing for San Francisco's Homeless*

Finding transitional or permanent supportive housing in San Francisco that is affordable to households with very low incomes is daunting. In the 25 months from July 1, 1999, through August 1, 2001, only 14 long-term and transitional housing developments that serve the homeless were completed in San Francisco. This figure includes developments that received funds from the City and where housing was rehabilitated, acquired, constructed, or preserved. These projects ranged from a four-unit building at 403 Monterey Street in the City's Sunnyside district to the Veterans' Academy, a 100-unit single-room occupancy building in the Presidio. Twelve of these 14 projects were supportive housing for persons other than those living with HIV or AIDS. These developments created 398 units of housing affordable to heads of households making less than 30 percent of the area median income.

Although the creation of 398 units of housing to serve the homeless is significant, one should understand this number in the context of a homeless population that the City estimates to be somewhere between 8,500 and 15,000. Moreover, the City's Continuum of Care Plan for 2001-2006 calls for the creation of 2,438 new, long-term housing units and 1,144 new transitional housing units over five years. Based on the recent pace at which housing to serve the homeless has been created, the City will be hard pressed to create a total of 3,582 housing units by 2006.

**THE COSTS OF SHELTER AND HOUSING ARE HIGH,  
SO CITY POLICYMAKERS MUST MAKE DIFFICULT  
ALLOCATION DECISIONS**

The City strives to provide funding so that short-term shelter, transitional housing, and permanent housing are available to meet the needs of the homeless. However, the City clearly

has not had, and likely will not have, enough money to provide sufficient shelter and housing to meet the needs of San Francisco's homeless. In fiscal year 2001-02, the City is projected to pay \$12.0 million for shelters, \$6.8 million for transitional housing, and \$5.2 million for long-term housing (including care for homeless people that are HIV-positive or living with AIDS). The City will also spend \$15.1 million for direct services linked to permanent housing that help current and formerly homeless people work toward self-sufficiency. City policymakers and program managers must have reliable needs analyses to help them decide how best to allocate the increasingly limited funds the City receives and makes available for all homeless services, including shelter and housing. In addition to needs analyses, the relative costs to the City of shelter and housing can be another piece of information that aids in these allocation decisions.

***The City Does Not Fund the Full Cost of Shelter or Housing for Homeless People***

The City does not operate homeless shelters or housing directly. Rather, it usually contracts with a number of provider agencies that offer shelter, transitional housing, and permanent housing to homeless and formerly homeless people. Because many of these providers have funding sources in addition to the City, the City does not pay for the full cost of providing the beds or other services that homeless people receive. Further, we did not attempt to calculate the total operating cost to provide a bed or the operating cost to provide meals or supportive services that are commonly offered along with beds as part of shelter and housing programs because these costs are difficult to separate from one another and are not tracked by the City. Finally, the intensity and scope of support services that are offered by various programs vary widely, and these variations contribute to the wide range in the City's costs per bed. Thus, the average costs we are able to calculate are based on what the City pays its contractual providers to offer services to the homeless.

***The City Contributes Different Amounts for Different Types of Shelter and Housing***

According to our review, in terms of the City's average cost per bed, emergency shelter for adults is the least costly service offered to the homeless, and transitional housing for special needs populations is the most costly. These results are not surprising, given that adult shelters often offer less intense services than do other types of shelters, whereas transitional housing for special needs populations is likely to offer many services in a home-like setting.

Exhibit 8 compares the City's contribution toward providing various kinds of shelter and housing programs per bed:

**Exhibit 8**

**City Contributions Toward Operating Costs of Shelter and Housing for Homeless Individuals  
(Based on selected homeless services funded by the City and County of San Francisco in Fiscal Year 2001-02)**

<i>Shelter or Housing Type</i>	<i>Number of Beds in Sample</i>	<i>Range for the City's Annual Costs Per Bed</i>	<i>The City's Average Annual Cost Per Bed</i>	<i>Range for the City's Daily Costs Per Bed</i>	<i>The City's Average Daily Cost Per Bed</i>
<b>Emergency Shelter</b>					
Single Adult*	1,720	\$3,131-9,333	\$4,027	\$9-26	\$11
Family	345	7,496-11,712	9,561	21-32	26
Young Adult	40	12,703	12,703	35	35
<b>Transitional Housing</b>					
Adult and Youth	42	11,794-21,878	14,206	19-60	39
Family	186	5,502-14,404	10,482	15-39	29
Special Needs**	208	4,869-47,080	19,720	13-129	54
<b>Permanent Supportive Housing</b>	395	6,538-27,043	10,754	18-74	29

Notes: Average costs are weighted averages.

\* Includes winter shelter beds, the cost of which are calculated as if they are year-round beds.

\*\* Includes housing for HIV-positive people with substance abuse and mental health problems, women leaving prostitution, survivors of domestic violence, and mentally disabled adults.

Source: Based on data collected by the Board of Supervisors' Budget Analyst in 2001.

***The City's Cost to Rehabilitate Group Housing for the Homeless Makes It an Attractive Option***

The City's capital costs for rehabilitated group housing is less per bed than the cost of acquired housing, and is comparable per bed to the City's cost for providing a shelter bed for a year. As one would expect, rehabilitated housing is less expensive per unit than newly constructed housing. The average capital costs to build, acquire, and rehabilitate supportive housing developments—housing with accompanying services that may be offered on the site—to serve homeless people appear in Exhibit 9 below.

**Exhibit 9  
The City's Capital Costs for Supportive Housing Projects  
Completed July 1, 1999, Through October 1, 2000**

<i>Housing Development Type</i>	<i>Type of Buildings and Units</i>	<i>Number of Projects</i>	<i>Number of Units</i>	<i>Number of Beds</i>	<i>Average City Cost Per Unit</i>	<i>Average City Cost Per Bed</i>	<i>Average Total Cost Per Unit</i>	<i>Average Total Cost Per Bed</i>
Rehabilitated	Single-Room Occupancy and 1- to 2-Bedroom Units	4	214	NA	\$26,544		\$52,094	
Rehabilitated	Group Housing	4	NA	168		\$10,672		\$14,861
Acquired	Group Housing	2	NA	22		42,432		83,807
Newly Constructed	Studios and units with 1-3+ Bedrooms	2	74	NA	101,328		250,635	

Note: Includes both transitional and permanent housing but, for analysis purposes, excludes the one project that serves AIDS clients that was included in the source data.

Average costs are weighted averages.

NA = Not applicable

Source: Based on data provided by Mayor's Office of Housing.

The projects that are the basis of the data in Exhibit 9 were completed in 1999 and 2000, and were planned and bid years before that. Thus, according to the Mayor's Office of Housing, current capital costs probably would be 10 to 20 percent higher than the average costs shown. Comparing data from the two exhibits above, we note that the City's average capital cost to provide one bed of rehabilitated, supportive, group housing (\$10,672) is in the same range as the average cost the City pays annually to provide one shelter bed (\$4,027-\$12,703).

## RECOMMENDATIONS

To improve the provision of homeless services in San Francisco, the **Board of Supervisors** and the **Mayor** should take these steps:

- Ensure that the Department of Human Services is adequately budgeted in fiscal year 2002-03 and future years so it can continue to fund enough overnight shelter year-round to accommodate all the single adults who seek shelter in San Francisco. This may require the extended, year-round operation of some of the emergency "winter" shelters to accommodate single adults. (The estimated cost of the winter shelter program for fiscal year 2001-02 is \$579,227.)
- Direct the Department of Human Services, the primary funding department for single adult shelters, to investigate an automated system that would speed the referral of single adults to emergency shelters. Such a system could link shelters, clients, and the Coordinated Referral program that currently checks on shelter bed availability by telephone and transports clients to shelters.
- Make the difficult funding allocation decisions among shelter, transitional housing, and permanent supportive housing based on advice to be provided by the Local Homeless Coordinating Board.

To improve the provision of homeless services in San Francisco, the **Local Homeless Coordinating Board** should take the following steps:

- Investigate if there are means, including grants, to get more non-City funds that the City could use to add capacity in family shelters, full-service residential treatment programs for families, and mental health and substance abuse treatment programs.
- In collaboration with the Mayor's Office of Housing, set realistic numerical goals for the creation of housing units affordable to low- and very-low income people in San Francisco, and specify which city departments are responsible for seeing that specified numbers of units are created by specified dates.
- To the extent possible, emphasize rehabilitated group housing in plans to increase the stock of transitional and permanent housing for homeless people.

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## **CHAPTER 3**

### **THE CITY NEEDS TO CONTINUE FUNDING AN ARRAY OF SERVICES FOR ITS DIVERSE HOMELESS POPULATION**

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#### **CHAPTER SUMMARY**

The wide array of services offered to the homeless in San Francisco reflects the fact that many different kinds of homeless people live here. As this report's introduction explains, San Francisco's homeless population numbers in the thousands, and that population is unlikely to decrease because of the current economic climate and because state and federal actions have closed or reduced the size of many mental health institutions that formerly served individuals at risk for homelessness. The City's homeless fall into many overlapping categories: single adults; families with children; adolescents, teenagers, and young adults; seniors; gay, lesbian, and transgender people; veterans; women leaving domestic violence, and undocumented immigrants, to name a few. On their roads to finding permanent housing, these homeless individuals may need short-term services like crisis intervention, urgent medical care, and detoxification; such transitional services as case management, education, financial management, and job training; and, eventually, medium- to long-term treatment for their mental health or substance abuse issues. Because the demand for services to the homeless is so great, and because the needs are so diverse, the City needs to continue funding and providing a spectrum of services to its homeless population.

During our audit, we examined a broad sample of homeless services that the City funds, and found city employees and non-profit provider agency staff committed to their clients and providing what appeared to be high-quality services. This chapter profiles those services and some of the types of homeless people who receive those services in San Francisco: families, seniors, veterans, youth, and undocumented immigrants. This chapter concludes that it is likely that some of San Francisco's most visible homeless people will remain on the streets regardless of the availability of services.

#### **THE SEVERE SHORTAGE OF AFFORDABLE HOUSING PREVENTS FAMILIES FROM MOVING BEYOND THE SYSTEM**

San Francisco provides a range of appropriate services to help families make the transition from homelessness to permanent housing, but the continuum of care has a bottleneck because so many families cannot find permanent housing. There are two main categories of families in the system—those who experience homelessness as a limited-duration crisis and those who are chronically homeless—and San Francisco has some services for all their needs, just not enough in many cases. For both categories, the need for affordable housing options overwhelms all other needs.

### ***Homeless Families Constitute at Least 25 Percent of the Homeless Population***

The City's Continuum of Care Plan finds that families make up an estimated 25 to 30 percent of the homeless population in San Francisco, higher than the national estimate of 15 percent from a 1999 nationwide study. These families require services that target their specific needs. Some families become homeless for the first time through a worsening of an already tenuous situation, while others have heads of households who themselves were raised in families that moved in and out of homelessness. Families headed by undocumented immigrants typically share space with other families, often in residential hotels or illegal apartments, and these arrangements can be particularly unstable. When such tenuous arrangements fall apart, homelessness can result. Families leaving domestic violence face the same challenges as other homeless families, but with the added burdens of having to avoid the abuser and handle law enforcement and medical issues. In addition, these families may have left home quickly without crucial documents, such as identification.

Homeless families are largely invisible to the general population of San Francisco, because these families usually are not on the streets as are many homeless single adults. According to client data for all families in San Francisco seeking shelter in 2001, of the 575 families seeking shelter, many (33 percent, or 189 families) were currently staying in other shelters. The second most common situation, for 31 percent of families, was living with family or friends before seeking shelter, and 19 percent of families said they had been living in a hotel or single-room occupancy residential hotel. Only 9 families (2 percent) said they had been living on the street or in a car.

### ***Finding Full-Service Shelter for a Homeless Family Can Take Time***

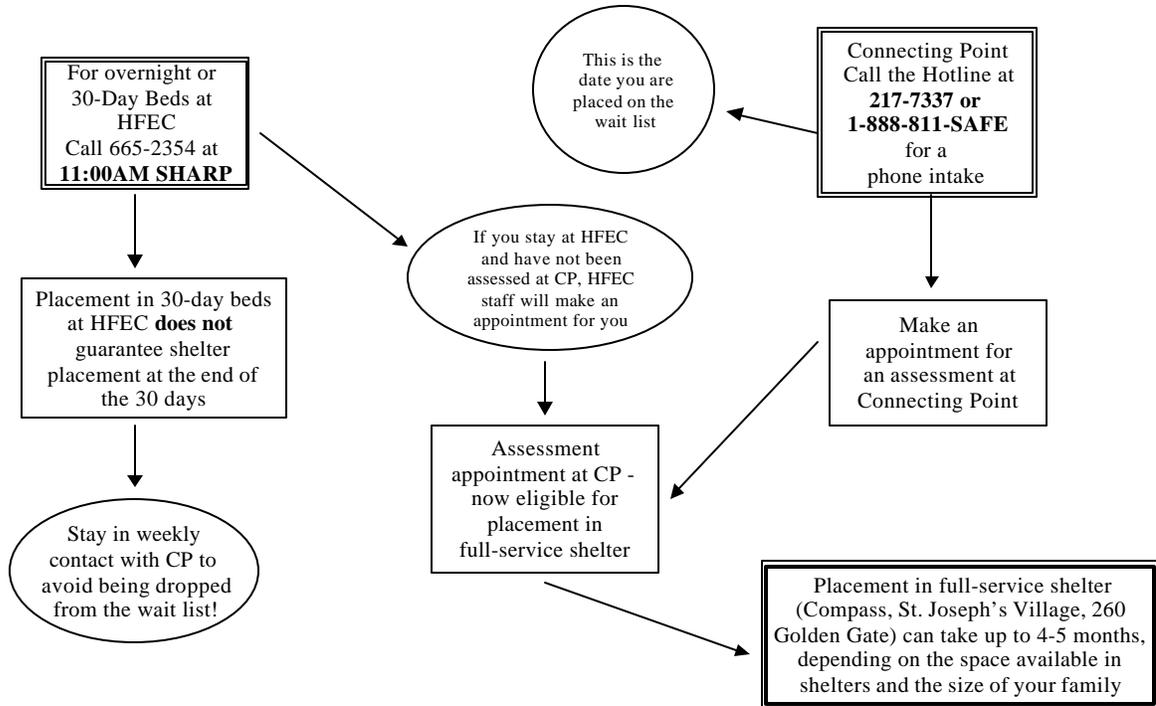
Getting into the family shelter system is not quick or simple: families often must wait three to six months to get into one of the four full-service family shelters in San Francisco, and the entry process requires families to be both persistent and organized. If space is available, and that is not assured, families can immediately enter the one basic family shelter in San Francisco, the Hamilton Family Emergency Center, or one of the three domestic violence shelters. During the winter, additional beds are available through local churches. The Hamilton Family Emergency Center has 54 beds and can accommodate up to 70 people every day, with children under 5 sleeping with a parent when necessary. Beds are available for overnight and 30-day stays and are assigned on a first-come, first-served basis. The domestic violence shelters provide a total of 73 beds per night to women and their children.

Three of the four full-service family shelters in San Francisco are funded by the City. "Full-service" means that families work with case managers during their stay and the shelter offers a range of services, including counseling, children's programs, housing assistance, and referrals to substance abuse and mental health treatments. Families gain access to these shelters through Connecting Point, which runs the centralized intake system and waiting list for full-service family shelters. Exhibit 10 illustrates the diagram

that the Department of Human Services gives to families to show them the steps they must take to obtain shelter.

**Exhibit 10**  
**The Process for Obtaining Family Shelter in San Francisco**

Department of Human Services Guide for Families Getting Into Shelter:  
Accessing Connecting Point (CP) and  
Hamilton Family Emergency Center (HFEC)  
as of October 1, 2001



Once in a full-service shelter, families can stay up to six months. Although these shelters are categorized as “Emergency/Front End” service, the shelters extended the time families can stay because families were unable to find housing within the previous limit of six to nine week stays. Domestic violence shelters also provide multiple services but do their own intake, rather than participate in centralized intake through Connecting Point. Families are allowed to stay at the domestic violence shelters up to eight weeks, with some extensions granted.

During 2001, 1,114 families received service from Connecting Point, and these families included 1,843 children. The Connecting Point program director explained that staff interviews families before placing them on the waiting list, in order to assess any special needs or circumstances a family has; however, shelter space is so limited that families generally take the first placement they get, regardless of its relative appropriateness. Families with medical issues can bypass much of the waiting list, however; for example, pregnant women close to delivery can get in almost immediately. And, like any system,

the medical exception policy can be abused: one client said that getting doctors' notes to say you needed shelter was openly discussed by other clients and in some cases by staff.

***The Shelters' Children's Programs Are Key Factors in Preventing Future Homelessness***

For hundreds of children, homeless shelters are the only homes they know or remember. According to the executive director of the Hamilton Family Center, many children arrive at the Hamilton Family Residence knowing all the rules for each of the shelters in the system. The executive director—and many other staff and providers in the system—want to prevent another generation's cycle of homelessness. For this reason, all the full-service shelters have children's programs that can include counseling for both children and parents, child care, homework help and tutoring, parties, and fieldtrips. Volunteers help provide many activities. The executive director of the Hamilton Family Center said that 90 percent of resident families participate in the children's program. He added that asking a family to leave for breaking the rules is difficult because the families' departure affects the children's well-being. However, staff must sometimes ask such families to leave because allowing families to stay even after parents have been violent or failed to comply with the shelter's program sends an inconsistent message to other families.

***Homeless Families Can Receive Government-Funded Assistance but It Is Not Enough to Live on***

Homeless families depend on several forms of public assistance, most importantly California Work Opportunity and Responsibility to Kids (CalWORKS), California's welfare-to-work assistance for families. This program provides financial support and services for adults with dependent children, and families receive a monthly stipend, based on the number of people in the family, ranging from \$548 for one adult and one child to \$1,300 for a family of nine. As discussed in chapter 2, these amounts are less than median area rents in San Francisco, let alone being enough income to meet all of a family's needs. Adult heads of households have a lifetime eligibility limit of five years, and children are eligible until they are 18. The first San Francisco families to reach their time limit will do so in January 2003. Undocumented parents are not eligible for CalWORKS support, but any of their children who are legal immigrants or citizens are eligible.

The other key benefit for homeless families are Section 8 housing vouchers. As discussed in chapter 2, this program provides federally funded rent subsidies for low-income people, where participants pay 30 percent of their monthly adjusted income in rent, and the balance of the rent is paid to the landlord through the Section 8 vouchers. While these vouchers benefit many families, in San Francisco would-be recipients are hindered by the long waiting list—over 30,000 people in 2001—and the reluctance of many landlords to accept tenants with housing subsidies. In addition, vouchers must be used within 180 days of receipt; although the Housing Authority can extend this deadline, recipients cannot count on an extension. Undocumented families are not eligible for these subsidies.

***Families in Shelters Need  
Transitional Housing Next***

Ideally, transitional housing for families provides a period of stable housing and services sufficient for residents to move from homelessness to permanent housing. After spending time in emergency shelter, some families are able to move into transitional housing programs. Three transitional programs in San Francisco are open to any homeless family, and three transitional programs run by the domestic violence shelters are available for families leaving the domestic violence emergency shelters. Families must be referred by a service provider and be able to comply with a structured program.

***Permanent Housing Is the  
Ultimate Goal for Families***

Permanent housing is the goal for most homeless families, but affordable units are extremely hard to find in San Francisco, so many families move to other areas. In some

**Robin Seeks Permanent Housing in San Francisco**

After staying in both emergency and transitional programs, Robin (we have not used people’s real names) wants to find—through the Section 8 program—a subsidized unit in San Francisco for herself and her two-year-old son. She wants to stay in the city because she will complete her Licensed Vocational Nurse training next year and can find work more easily here with her contacts from school. Robin said, however, that finding housing in San Francisco is extremely difficult, and shelter staff will take clients as far away as Sacramento to help them find places to live. Indeed, staff places most San Francisco clients in permanent housing outside of San Francisco.

cases, families are cycling in and out of homelessness and in and out of San Francisco, and this cycle contributes to the perception that San Francisco is a “magnet” for homeless people. Many formerly homeless families who do move out of the shelters are not able to maintain their permanent housing, and they cycle back into the shelter system. The executive director of Hamilton Family Center explained that some families move to housing outside San Francisco that they can just barely afford. Many of these places cost as much as 80 percent of the family’s monthly income, so if something happens—illness, a missed paycheck—the family is homeless again and returns to San Francisco where housing is more expensive but front-end services are relatively plentiful. These families build long eviction histories and often have too many unmet needs to retain permanent housing for more than a few months, despite the efforts of Hamilton staff to provide ongoing support.

Moreover, some families are not seeking or expecting to find permanent housing. For them, a shelter stay can simply be an opportunity to save some money and have basic needs met. One client said she saw a lot of shelter residents doing the least amount possible, meeting the minimal case management requirements and not seriously trying to find permanent housing or work. Many of these residents were

actively using drugs or alcohol, and when they left the shelter, they moved to a Single Room Occupancy hotel, got back on the shelter waiting list, and returned to a shelter when their saved money was gone.

*Families Need Permanent, Supportive Housing  
With Services for All Family Members*

In sum, although the City offers many resources, its emergency shelter system works best—meaning that families can move out of homelessness—for motivated, persistent families whose circumstances are not too daunting. Such families experience homelessness as a one-time crisis and, according to one estimate, constitute about 70 percent of San Francisco’s homeless families. Those in the system that we interviewed believe that the City needs to provide more housing subsidies and a living wage if homeless families are to leave homelessness for good.

In addition the City needs to supply extensive support services for the 30 percent of homeless families in San Francisco who exhibit multiple problems, such as mental illness, substance abuse, poor credit, and poor eviction histories. The current shelter system cannot meet the needs of these clients, who are often chronically homeless. The solution is permanent, supportive housing. Indeed, when we interviewed members of homeless families in San Francisco, they said that they would like to see the following additions to available services:

- ❖ Permanent, supportive housing for families.
- ❖ Services for all family members.
- ❖ Additional child care.

**HOMELESS SENIORS HAVE SPECIAL NEEDS THAT  
MAKE THEM VULNERABLE AND DIFFICULT TO SERVE**

In San Francisco and throughout the country, homeless seniors compose an under-served and overlooked group. While no one knows the number of homeless seniors in San Francisco, shelters have reported an increase in the number of elderly clients they see and the Mayor’s Office on Homelessness estimates that about 15 to 20 percent of shelter clients are elderly. As San Francisco’s population of homeless seniors grows and its demand for services increases, it is important that the homeless services in San Francisco can meet seniors’ needs.

Throughout the United States, the number of people over 60 grows annually, and so does the risk that more seniors will become homeless. Adding to the problem is the number of seniors that live in poverty. Ten percent of elderly persons lived below the poverty level in 2000, and an additional 7 percent were classified as near poor. With many seniors on fixed incomes, and many living at or near the poverty level, homelessness for seniors is a real risk. The risk is especially high in San Francisco, where rents are high and the housing market is tight.

***Homeless Seniors Have Illnesses and Other Issues That Make Homelessness Particularly Difficult***

Homeless seniors share many of the same characteristics as the rest of the adult homeless population. However, characteristics of homeless seniors make them a more vulnerable and difficult population to serve. Elderly clients often have chronic diseases and other health issues that require medication. These health issues are often exacerbated due to poor nutrition and living on the streets and in shelters. Elderly clients are less mobile and may have difficulty using public transportation, making it difficult for them to access services. And, homeless seniors often suffer from severe isolation, loneliness and depression.

In addition, seniors have health needs that may not be common among the rest of the homeless population. Ample rest and proper nutrition are two important needs of seniors that are often overlooked. Besides regular rest, including naps, some seniors require special diets such as low sugar, low sodium and low cholesterol to help combat health problems such as diabetes and heart disease.

The causes of homelessness among seniors range as they do for all homeless people. However, according to the National Coalition for the Homeless, homelessness among the elderly is largely a result of the declining availability of affordable housing coupled with poverty among certain segments of the aging. As discussed in Chapter 2, the affordable housing shortage in San Francisco is severe. In addition, there are cases in San Francisco where seniors have been evicted after ownership of their building changed and rents increased to a level they could not afford. The National Coalition for the Homeless states that isolation from family and friends, and the lack of a support network that commonly results, also contributes to homelessness among older persons.

***Services That Target Seniors' Specific Needs Assist Homeless Seniors More Successfully Than Do Other Services***

Although most homeless services geared toward single adults are available to homeless seniors, some services in San Francisco specifically serve the elderly homeless and very

**Jean Feels Lucky To Have a Place to Live**

Jean is a 55-year-old single woman who has been living at the LeNain Hotel since November 2001. Jean was born and raised in San Francisco and lived with her mother and her daughter. When her mother passed away she worked in real estate for several years until she stopped due to a disability. She was unable to keep up with her rent and was evicted from her apartment. Initially, she stayed with a friend and then her daughter, but her daughter's boyfriend was abusive toward both of them. On a visit to San Francisco General Hospital, a doctor asked Jean about the abuse and referred her to the LeNain. While waiting for a room to become available at the hotel, Jean stayed at A Women's Place shelter for a month. Jean's case worker is helping her obtain Social Security benefits. Jean said she was not on waiting lists for services and considers herself lucky to have a place to live. She also feels there are many senior women in shelters who want to find a place to live but don't know how.

low-income elderly who are at risk of homelessness. Eligibility for most of these services require that each client be 60 years old or older (some services start at age 55) and that they be homeless or have very low income. These services include day centers such as Canon Kip Senior Center, education and classes such as the Senior Survival School, medical clinics such as North of Market Senior Services, and permanent housing such as the LeNain Hotel. Some of these services provide meals which seniors take part in as well. Even with the above services, there are still gaps and barriers to services for homeless seniors.

Housing. Of all the needs that homeless seniors have, housing is their top priority. As was mentioned in a group interview, seniors need a homeless services system that is set up to find them housing. The housing needs of seniors do vary, some simply need a room, such as one in a single-room occupancy hotel, while others may require assisted living. Waiting lists for senior housing are long. According to the City's Consolidated Plan (for housing), most applicants for senior units will wait an estimated five years or more to receive housing assistance. From 1990 to 1999, the City built 582 new units of senior housing in nine developments, but during the same period, the senior population grew by about 17,000. Further, some seniors are not even aware of their housing options. Those seniors with case managers are usually able to get placed on waiting lists for housing, however those seniors without case managers or someone to help them negotiate the complicated housing market may not be able to access the system. One client that we interviewed mentioned that she was on so many different waiting lists for housing that it was impossible for her to keep track of it all. Representative payee programs, which hold clients' money and pay their bills, can help seniors manage their money and maintain housing. Seniors can obtain representative payee services, where clients get their bills paid for them, either through the City's Department of Aging and Adult Services or a nonprofit agency.

Shelters. Seniors we interviewed told us that shelters can be a difficult place for elderly clients. They believe that shelter staff does not have any geriatric training and is not sensitive to the needs of older clients. In addition, the facilities within shelters do not suit many older clients. For example, several shelters have bunk beds. Negotiating a ladder to the top bunk is not a safe or reasonable expectation for many seniors, and this may limit the number of shelter beds available to them. In addition, the showers in shelters are not equipped with benches or seats to assist elderly clients with bathing. Finally, most shelters are closed during the day, so clients must find other places to go. Some of the seniors we interviewed mentioned that they need naps during the day to be well rested and stay healthy. Some seniors mentioned that shelters can be dangerous and that they feel uncomfortable and even threatened in a shelter environment.

Transportation. Location of services and lack of transportation staffed by people sensitive to the needs of seniors can make it difficult for homeless seniors to access services. Transportation is especially difficult for seniors who have an injury, disability or are ill. Multi-service centers that have multiple services in one building would help seniors tremendously as would some form of transportation designed especially to take seniors from service to service.

Senior Day Centers. San Francisco has several homeless senior day centers, which serve lunch and offer activities ranging from day trips to educational sessions and medical screenings. Some centers offer case management to help seniors find the services they need and to get them on waiting lists for housing and social services. However, most senior centers are only open five days a week, and some close before shelters open for the evening, leaving a two- to three-hour window where homeless seniors have no place to go.

Health Care and Treatment. The major concerns of the seniors we interviewed are access to health care and the availability of substance abuse and mental health treatment. Nevertheless, these seniors seemed fairly satisfied with their health care.

### *Seniors Currently Experience Gaps in Homeless Services*

Services and shelters that are not geared directly toward serving seniors can fall short of meeting seniors' needs. Gaps in service include available affordable housing, daytime resting spots, seven-day-a-week day centers, and treatment for depression. Barriers to service include a lack of transportation and shelter that are sensitive to seniors' needs, and outreach and waiting lists for some services such as housing and medical care. As we found with many homeless clients, it is the ones who are healthy and physically able that can take best advantage of services. Those clients who do not have full capabilities have a harder time finding and accessing services.

Seniors told us they would like to see the following additional services:

- ❖ More senior housing.
- ❖ Mental health counselors at day centers to treat depression.
- ❖ Nap beds at day centers and shelters.
- ❖ Training for shelter staff on geriatric issues.
- ❖ Senior-only temporary shelter.
- ❖ Senior-only transportation vehicles.

### **HOMELESS VETERANS HAVE EVEN MORE NEEDS THAN DO OTHER PORTIONS OF THE HOMELESS POPULATION**

Evidence indicates that veterans can readily access frequently needed services, such as case management and income advocacy. Some services, such as permanent supportive housing, substance abuse treatment, and counseling, are in short supply for all homeless people, including veterans. Many of these services are available from Swords to Plowshares, San Francisco's preeminent veteran-serving nonprofit organization. Nevertheless, a veteran's success in obtaining those services depends on the individual's degree of motivation.

***Military Veterans Constitute a Significant Portion of the Homeless Population***

According to the US Department of Veterans Affairs (VA), about one-third of the adult homeless population across the nation served in the armed forces, and, on any given day, 250,000 veterans are living on the streets or in shelters, and perhaps twice as many experience homelessness at some point during the year. Many other veterans are at risk for homelessness because of poverty, lack of support from family and friends, and dismal living conditions in cheap hotels or substandard housing. Scientific studies have failed to identify a link between military service and the increased risk of homelessness. Family background, access to support from family and friends, and various personal characteristics (rather than military service) seem to be stronger indicators of risk of homelessness. Almost all homeless veterans are men; just 3 percent are women. Most are single and come from poor, disadvantaged backgrounds. Roughly 56 percent are African-American or Latino. According to Senator Paul Wellstone's office, approximately 45 percent of homeless veterans suffer from mental illness and more than 70 percent suffer from alcohol or other substance abuse problems. Homeless veterans in San Francisco are estimated to number around 2,500.

***San Francisco Has Programs for Homeless Veterans***

Homeless veterans in San Francisco can seek services at several sites, including the San Francisco Medical Center, operated by the VA, and the San Francisco County Veteran Services Office. In addition, Swords to Plowshares, an organization founded by Vietnam War veterans, supplies a spectrum of services to homeless veterans.

The VA's homeless treatment and assistance network is the nation's largest provider of homeless services. The San Francisco VA Medical Center offers extensive programs that include outreach, therapy, housing, and employment. The homeless program's location in downtown San Francisco is accessible to most homeless veterans. There homeless veterans receive case

**Charlie Is a Client of Swords to Plowshares**

Charlie is a veteran who was homeless. He told us that the assistance he received through Swords to Plowshares and the VA was key to his success in securing permanent housing, an adequate income, and overcoming addiction and mental health problems. After having a mental breakdown and being hospitalized, he lost his job and his residential hotel room. While in the hospital, he was contacted by Swords and entered its substance abuse program and transitional housing program. Swords also assisted him with securing his disability benefits from the VA and Social Security benefits. He received drug and alcohol treatment at VA expense, and mental health counseling through the San Francisco Department of Public Health. After spending 18 months in the transitional housing program, he moved to Arlington House, a subsidized permanent housing program run by the St. Vincent de Paul Society. He noted that he did not have the money for a required deposit, but the San Francisco Chronicle's Season of Sharing fund paid it for him. He continues to live at Arlington House and to see his counselor at Swords about twice a month. Charlie said that the main benefit for him was having stable housing that enabled him to make some permanent changes and take care of his mental and physical health problems. Charlie said he also received job training for a job as a concierge in a hotel, but that was not successful because he did not have computer skills. Currently, Swords' legal staff is working to increase Charlie's VA disability benefit level from 30 percent to 50 percent.

management, individual, and vocational counseling and are enrolled in appropriate treatment programs. The Therapeutic Residence component of the program places veterans in a supportive housing situation with other veterans. Residents can learn skills in cooperation, budgeting, relapse prevention, and daily living, with the ultimate goal being permanent employment and housing. The center also provides a drop-in center with showers and laundry facilities.

The San Francisco County Veteran Services Office assists veterans and their dependents in obtaining VA benefits and entitlements. One of the main goals of the County Office is to provide outreach and service to homeless veterans. Close to 1,300 homeless veterans are assisted annually with qualifying for VA benefits and incomes. The Veteran Services Office has worked with the City's Department of Aging and Adult Services to expand representative payee services for veterans, decreasing homelessness in this population by ensuring veterans are able to pay their rent and other bills in the community.

Swords to Plowshares (Swords), founded in San Francisco in 1974, provides direct services to help homeless and low-income veterans gain re-entry to society. Swords reports that it provides critical care and assistance to more than 1,500 veterans annually in San Francisco. Services include supportive services, employment and training services, legal services, Gulf War Veterans Outreach, residential programs, and the Veterans Academy. Swords has played a leading role in helping veterans suffering from disabilities from exposure to Agent Orange during the Vietnam War and various toxins during the Persian Gulf War.

In addition to offering mental health and housing referral services, Swords' Supportive Services Unit provides an outreach and prevention program that targets veterans who are at risk because of unemployment, poverty, medical problems, substance abuse, and social isolation. The Employment and Training Services Unit helps veterans prepare for and find jobs by providing vocational counseling, resume writing, interview techniques, on-the-job training, job placement, and follow-up. The Legal Services Unit provides legal advice, referral, direct advocacy, and case management for veterans seeking benefit claims from the VA. Attorneys offer direct representation before the VA and the Court of Veterans Appeals when required. Swords also offers residential programs that provide intensive group and individual counseling. Since 1988, Swords has operated transitional housing programs starting with 20 beds in a residential hotel for homeless veterans released from psychiatric and drug treatment programs at VA hospitals, to 71 beds in three locations. In 2000, a transitional housing program located in the Tenderloin moved to Treasure Island.

The Veterans Academy is a 100-bed residential program located in the Presidio that provides education, job training, and counseling to formerly homeless veterans. Educational programs are coordinated with City College of San Francisco. Through an agreement with the Presidio Trust, Academy participants will receive preferred consideration for some 1,200 jobs in the Presidio.

Veterans we spoke to would like to see the following kinds of programs expanded or improved:

- ❖ Job training and placement.
- ❖ Supportive housing.
- ❖ Drug and alcohol counseling and treatment.

## **HOMELESS YOUTH CAN USUALLY GET FRONT-END SERVICES BUT NEED ADDITIONAL TRANSITIONAL HOUSING**

A broad spectrum of youth-oriented services serves homeless young people in San Francisco. However, homeless youth would benefit from more funding to add capacity to existing services, especially transitional housing, which is critical for youth because it allows them to gain stability so they can stick with the other services they typically need. These young people can then pursue their medium-range goals, such as education and job training, which in turn allow them to achieve their longer-term goals. The youth we interviewed said that their long-term goals focused on attaining self-sufficiency by finding career-oriented jobs and permanent housing.

### *The City Has a Diverse Population of Homeless Youth That Needs Various Types of Services*

Throughout the country, youth make up the largest and fastest-growing segment of the homeless population. San Francisco's several thousand homeless youth, who range from 12 to 24 years old, have come to San Francisco from across the United States, and they represent a spectrum of races, ethnicities, income backgrounds, and sexual orientations. Most of these young people have left or been forced to leave abusive or neglectful homes. According to Larkin Street Youth Services (Larkin Street), which is a triage point and full-spectrum service provider for homeless youth seeking shelter and housing in San Francisco, 82 percent of its clients have histories of physical or sexual abuse, 73 percent cannot return home because their families are unwilling or unable to care for them, and 62 percent have thought about or attempted suicide. Many have not finished their formal education and want to get a high school diploma without attending a traditional high school, earn their General Equivalency Diploma (GED), or obtain some training that will get them a job quickly.

Other homeless young people have become homeless after leaving San Francisco's foster care system when they became adults. Each year, approximately 150 youth become too old for foster care in San Francisco. Many have been in foster care for most of their lives and do not have jobs or families. Nationwide studies indicate that 40 to 60 percent of "emancipated" foster youth become homeless within the first year. The City's Continuum of Care plan recognizes the risk that foster youth will become homeless and need housing. In addition, in concert with local public and nonprofit agencies, United Way chose to provide \$100,000 in seed funds for a foster care project that focuses initially on housing.

Gay, lesbian, and transgender youth—and youth questioning their sexual identities—can face special problems, including rejection by their families and peers that may lead to homelessness. For many of these young people, leaving home and coming to San Francisco may appear to be their best option. According to the executive director of Larkin Street, 40 percent of her agency’s clients identify themselves as lesbian, gay, bisexual, transgender, or questioning.

***Youth Turn First to Providers of  
Emergency or Short-Term Services***

Youth may have their first contact with the homeless service system in San Francisco at a meal provider, drop-in center, or an emergency shelter. Many services are offered to young people in San Francisco by a large number of providers, but only a few of those services are tailored to the needs of young people who find themselves homeless.

**Paul Is a Newly Arrived Youth**

Paul is a 20-year-old gay man who had been in San Francisco for 24 days when we met him. After leaving his family in Indiana, where his home life was “a living hell,” he went to Marysville, California, where he had made a friend over the Internet. When staying with his friend’s family in Marysville did not work out, he took a bus to West Sacramento, where he ran out of money, slept in a bus shelter, and decided he would try to walk the rest of the way to San Francisco. Although he did not walk, he soon found his way here and spent his first night in San Francisco at the New Liberation Church shelter. After that, he quickly got a spot at Larkin Street Youth Services’ (Larkin Street’s) Lark Inn shelter for young adults. He had already used Larkin Street’s drop-in center and was participating in its day labor program where participants earn money for tasks such as sweeping the sidewalks near Larkin Street’s offices. Paul was being assigned a case manager the day we spoke to him. He was looking forward to starting Larkin Street’s job training program, getting a job, and moving to Guerrero House, a transitional living program for young adults.

For young people who do want to stay at a youth-only shelter, a bed is usually, but not always, immediately available. At any one time, about 66 young people can stay in the three emergency shelters in San Francisco intended for their age group. The emergency shelters that specialize in youth are Larkin Street’s Diamond Youth Shelter for 12 to 17 year olds (20 beds), its Lark Inn for Youth for 18 to 24 year olds (40 beds, of which 30 are emergency), and Huckleberry Youth Program’s Huckleberry House for 11 to 17 year olds (6 beds). Although some clients may have to wait a few days to begin staying at the Lark Inn, according to Larkin Street’s executive director, her agency is usually successful in accommodating every youth that seeks help, even if that means using one bed to serve two clients who keep different schedules. Larkin Street does not keep formal waiting lists for any of its services.

Some underage homeless people, especially runaways who have not been away from home for long, can reunite with their families. This option is always considered as a goal by agencies serving homeless and runaway youth. For example, Huckleberry House, which is in the Haight district, offers shelter only after the young person’s case is assessed, makes an attempt to reach a guardian, and offers free bus rides home. Most clients of

Huckleberry House are from the San Francisco Bay Area, which allows the program to provide extended family preservation counseling. Larkin Street’s Diamond Youth Shelter

contacts guardians after the client's fifth night in the shelter. However, family reunification is not a viable option in many cases, especially for young adults.

***Youth Need Stability Before They Can  
Begin Moving Away From Homelessness***

The City's shortage of transitional housing for youth may be the biggest barrier to homeless young people reaching their desired outcomes. After staying in emergency shelter for days or weeks, young homeless people may reunite with their families, discontinue services and leave San Francisco, or return to the streets. However, those that stay with services usually need to move to longer-term transitional housing, if it is available. For example, the maximum stay at the Diamond Youth Shelter is 20 days.

After leaving a shelter, underage homeless youth must find other living arrangements, with San Francisco's newest option being Larkin Street's LOFT (Larkin Opportunities For Transition), a 12-bed facility soon to open in the South of Market neighborhood. LOFT will give youth ages 16 and 17 access to a range of housing options including emergency shelter, foster family care, transitional living, and supportive housing, as well as to the array of services offered through the agency's Transitional Living Program. Programs such as this are much needed. With only 12 beds and a typical stay longer than that of an emergency shelter, LOFT cannot accommodate all those youth who would like to stay there.

A young adult may stay for up to several months at Lark Inn, which offers both emergency and interim housing while offering residents direct access to the agency's employment, education, and health services. Youths ages 18-23 can continue to participate in such services after they move on to one of several transitional living programs such as Catholic Charities' Guerrero House in the Mission district. Guerrero House, which has a waiting list for its 20 beds, offers an 18-month program with social services for youth with histories including homelessness, family violence, substance abuse, street exploitation, or who are HIV positive. In this program, participants pay a fee of 30 percent of their income and are required to save an additional 20 percent. Larkin Street also offers a transitional living program for young adults, ages 18-23, called Avenues to Independence. This program assists youth in making the change to independent living by offering housing for up to 18 months, education, career counseling, and life skills development. Larkin Street reports that over 85 percent of program graduates have gotten and kept permanent housing and career-track employment. Whether through emergency shelter or transitional housing, the providers of services to homeless youth want to give them stability and security as soon as possible, which allows them to use employment and educational programs that will help get them off the streets for good.

***Permanent Housing Options for Youth Have  
Recently Expanded but Still Have Significant Limitations***

The City's and service providers' goal for homeless youth—as for most other homeless people—is the individuals' obtaining permanent housing. To stay housed and become

self-reliant, some homeless youth will also need a range of ongoing supportive services such as substance abuse or mental health counseling, or assisted care for people with HIV/AIDS. All of these services are offered in San Francisco, but many have waiting lists. One recent addition to the permanent housing options for young homeless people in San Francisco is the Ellis Street Apartments, which opened in January 2002. This program provides permanent housing and an array of support services to homeless youth and young adults. The facility, developed by a collaboration of Larkin Street and the Tenderloin Neighborhood Development Corporation, is composed of 24 studio units, including 6 units for youth diagnosed with HIV/AIDS. Residents here receive on-site case management, employment services, and residential guidance, as well as access to Larkin Street's off-site services. Larkin Street also offers two HIV specialty services, including an assisted care program that is the nation's first and only licensed residential care program for young people who are living with HIV disease. The program provides housing and comprehensive medical care and support services, all on site, for up to 12 young people at a time.

Homeless young people we interviewed told us that the services that helped them most and that need expansion include the following:

- ❖ Recreation centers with programs like those at the Eureka Valley Recreation Center.
- ❖ Shelters like the Lark Inn, which assists young adults.
- ❖ Job-skills training and access to computers.

## **UNDOCUMENTED HOMELESS PEOPLE HAVE FEW RESOURCES**

Various services are available in San Francisco to a homeless person whose immigration status is undocumented, but he or she also faces a number of language, cultural, and legal barriers to receiving long-term housing and employment.

### *The Number and Origins of the Undocumented Homeless Population Are Unknown*

For obvious reasons little detailed information exists about the population of undocumented homeless individuals in San Francisco. In October 1996, the Immigration and Naturalization Service (INS) estimated that approximately five million undocumented immigrants lived in the U.S., with the population growing by 275,000 every year. Of these five million people, the INS estimated that 2,700,000, or 54 percent came from Mexico, followed by El Salvador with 335,000 people, Guatemala with 165,000, Canada with 120,000, and Haiti with 105,000 undocumented persons. Of the five million people, about two million lived in California, representing 40 percent of the total undocumented population. The INS does not estimate the undocumented population by city, age, gender, or by how many are homeless.

***Undocumented Homeless Individuals Fear  
Deportation and Believe That They Are  
Ineligible for Assistance***

Undocumented homeless individuals face multiple obstacles to obtaining services; these people usually fear deportation, and many incorrectly believe that they are ineligible for any government assistance. Because he or she is in the United States “illegally,” the individual may not want to seek assistance from the government. Deportation is a legitimate concern—the INS deported 176,990 people from the U.S. in 1999—but City agencies are prohibited from reporting undocumented immigrants to the authorities unless federal or state law requires it. In addition, San Francisco police cannot help the INS deport undocumented workers, except under certain circumstances. Police cannot legally ask someone’s immigration status or threaten to report the person to the INS unless the person has been arrested for a drug crime or been charged with a felony.

Another barrier facing undocumented people is that they often incorrectly assume that they are ineligible for all forms of assistance. One homeless, undocumented man from El Salvador told us that he had been in San Francisco for four months without having sought any of the health, legal, or other services he needed because he assumed he was ineligible for most services.

Another homeless man had left Mexico for the United States 22 years ago and had obtained legal residency. He said that he had never tried to use health services in San Francisco because he thought he could not afford them. Since being told that San Francisco General Hospital would provide medical care free, he said he planned to go when he next needed medical attention. This man, who spoke very little English, said that the only services he had used in San Francisco were the Dolores Street Community Services shelters and several soup kitchens.

Undocumented individuals may be unaware of services for which they are eligible because of language differences or unfamiliarity with U.S. social services. Those staying in shelters may receive help from case managers if the managers speak the appropriate language. Some shelters also have charts available in English and Spanish showing where to obtain free meals, groceries, shelter, and medical care. Those speaking other languages have a more difficult time.

**Miguel Has Been Homeless for Many Years**

Miguel arrived illegally from Mexico 22 years ago and has since become a permanent resident. Miguel spent time sleeping on the streets until he learned about the Dolores Street Community Services shelter on Valencia Street. Most services Miguel has received in San Francisco have been through the shelter. Most recently, he has spent several months at the shelter and has used soup kitchens for his meals. Miguel says his health is not good, but he has been reluctant to use any health services because he does not have insurance and cannot afford it. Miguel said he was planning to go to San Francisco General Hospital because he recently learned that he did not need insurance to go there.

*Some Emergency Shelters in San Francisco  
Serve Undocumented People*

An undocumented person can access a variety of emergency shelters in San Francisco: Neither the City's coordinated referral system nor the shelters themselves demand identification. A homeless undocumented man arriving at any of the City's shelters for single adult men would likely either be given a bed in that shelter or be directed and/or transported to another shelter. The City's coordinated referral system requests the last four numbers of clients' social security numbers, but it does not require the information.

Dolores Street Community Services operates four shelters in the Mission District as part of its Dolores Housing Program (Dolores program). From November 2001 through January 2002, 56 percent of Dolores Street Community Services clients did not have legal documents to be in the United States. Almost 85 percent were Latino, and 77 percent spoke Spanish as their primary language. The majority (63 percent) had been in San Francisco for less than 12 months.

The Dolores program targets mono/bilingual Spanish speakers, but it is open to any single, adult male who is homeless. An undocumented Spanish speaker may be referred to the Dolores program by the City's Coordinated Referral system, or he may learn about the shelters through advertisements in the Spanish-language media, referrals from city clinics, hospitals, or other homeless people. According to the director of the Dolores program, the shelters have 100 beds (120 during the winter). No other emergency shelters in San Francisco target the specific needs of undocumented men speaking languages other than English.

Clients may stay at a Dolores program shelter for a maximum of 90 days. After 15 days at one of the shelters, clients are referred to the main office, where case managers offer referrals for tuberculosis testing, substance abuse counseling, medical resources, clothing, employment resources, legal services, educational opportunities, and permanent housing. The Dolores program offers free English classes and arranges for medical care on site. Mail service, telephone access, and job listings are available at the main office.

During the winter, churches and other organizations provide additional shelter to the homeless population. As a result, the Dolores program is usually able to accept all potential clients during the winter. However, according to the housing director, the shelter turns clients away during other times of the year and tries to educate those it turns away about other services available to them. If they are in the country legally, the Dolores program often refers them to single-room occupancy hotels. If they are undocumented, the Dolores program refers them to other shelters in the City. Although other City shelters may not target the immigrant population, shelters such as the Multi-Service Center South offer English-as-a-Second-Language classes, labor and legal referrals to La Raza Central Legal, information about the Mexican consulate ID program, and referrals to the Day Labor Program.

### ***Transitional Housing Is Open to Undocumented Homeless People***

Most transitional housing programs in San Francisco serve specific populations, such as families, battered women, youth, drug dependent individuals, HIV-infected individuals, and so forth. However, most do not prohibit those without legal papers. Thus, an undocumented person would be eligible for the transitional housing programs provided he or she met the other eligibility criteria. For example, a homeless undocumented man between the ages of 18 and 23 would qualify for Catholic Charities' Transitional Living Program on Guerrero Street. The program offers an 18-month stay in one of 20 beds to "high-risk" youth. Services include case management, education and vocational programs, housing placement services, and life skills and money management training.

### ***Subsidized Long-Term Housing Is Not an Option for Undocumented Homeless People***

Undocumented people are ineligible for free or subsidized permanent housing programs, such as those available through the Section 8 voucher system or CalWORKS. Thus, these individuals find that locating a permanent place to live in San Francisco is quite difficult.

The director of the Dolores program said that undocumented men who have completed their stays at the Dolores Street shelters often simply go to other shelters. He also said that Dolores Street is trying to expand its services in this area. In 2001, Dolores Street received private funding for 20 clients to stay an additional six months beyond the 90-day maximum. These clients have to demonstrate a willingness to work and save money. The first group has completed the program, and most have found housing in the private sector. Dolores Street does not track these clients over time.

For some undocumented homeless men, permanent housing is not necessarily a goal, which differentiates them from most of City's homeless population. The primary objective of some of these men is to save money to send back to their families in their home countries. They also may plan to return to their home countries once they have saved some money. Staying in shelters or other free or low-cost housing affords them the best opportunity to save money. According to our review of men's case files at Dolores Street, many have families in their home countries. Many of the men said they left their countries for economic reasons.

### ***Many Homeless Men Are Day Laborers***

Undocumented individuals are extremely limited in the kinds of work they can perform and the amount of money they can earn. However, according to law, employers do not need to verify workers' eligibility if the employers hire the workers on a "casual, intermittent or sporadic basis." San Francisco has fewer restrictions on day laborers than do some neighboring cities. For example, San Jose, San Mateo, Oakland, and Los Altos prohibit the hiring of workers off the streets.

In 1991, the City created the San Francisco Day Labor Program. The program provides job listings for laborers, many of whom are undocumented. According to the program's Web site, the program has successfully placed thousands of individuals in jobs ranging in duration from one hour to full-time employment. A frequent problem among undocumented day laborers is that they are not paid what the employers agreed to pay. Most of the time, the undocumented individual does not pursue the issue, but Dolores program staff may attempt to resolve the dispute or refer the client to La Raza Centro Legal, which pursues the issue through legal channels.

In 2000, the San Francisco Department of Public Health's Environmental Health Section (Health Section) collaborated with other agencies, including the San Francisco Day Labor Program, to build a health and safety program for day laborers. The program provides health and safety training and resources to these workers. The Health Section hopes that the program will "reduce the vulnerability of day laborers to high risk occupational injury and illness, reduce hazardous exposures to the general public, and further empower these workers to address their other health and social needs."

### ***Lack of Legal Identification Prevents Undocumented Homeless Individuals From Obtaining Services***

The lack of acceptable identification further hampers undocumented people as they attempt to access San Francisco's services for the homeless, especially after the events of September 11, 2001. *The Los Angeles Times* reported on one immigrant in San Francisco who, without a green card or valid California driver's license, has had difficulty cashing checks, opening a bank account, dealing with police, and even renting videos. For years, the Mexican Consulate in San Francisco has issued identification cards to Mexican nationals who supply a birth certificate and proof of local residence. However, the cards were not accepted as valid proof of identity until December 2001, when San Francisco became the first city in the United States to require city agencies to accept the cards as valid identification. Several businesses have also agreed to recognize the cards. Increasingly, Mexican nationals are applying for the "matricula consular" identification cards, which show the holder's photograph, address, birthplace, and signature.

The homeless undocumented people we interviewed suggested that the following services be made available:

- ❖ Permanent housing programs for undocumented people.
- ❖ More effective outreach to the undocumented population about health, legal, and other services.
- ❖ Issuance of identification cards to all undocumented people who want them. If consulates of the immigrants' home nations do not provide IDs, the City should issue its own ID cards and require that city agencies and businesses recognize them.

## **SOME OF THE MOST VISIBLE AND CHRONICALLY HOMELESS PEOPLE ARE LIKELY TO REMAIN ON THE STREETS**

Because social services for any San Franciscans, including those who are homeless, are available only to those who actively seek them, the City is limited in how it can respond to those homeless people who live on the streets and may not actively seek services. These individuals are among San Francisco's most visible homeless people. For various reasons, some of which only they may know, some people who are homeless are unwilling or unable to accept the services that would benefit them, including shelter, and the City often cannot compel these individuals to do so. Homeless people suffer disproportionately from substance abuse, mental illness, physical health problems, and disabilities. According to the City's Continuum of Care Plan, San Francisco has a higher rate of substance abuse than any other city in California and the highest rate of involuntary commitment for mental illness in California. For many people in San Francisco, these factors trigger homelessness. Substance abuse and mental illness can impair anyone's ability to realize the need for services and can also make people unwilling to accept services.

Moreover, as discussed in the introduction to this report, many of those who work with the homeless believe that nationwide, past efforts to discharge Americans from mental hospitals and other residential treatment settings contributed to the high numbers of homeless mentally ill people who are still on the streets today. In addition, professionals who provide services told us that some homeless people become displaced from one kind of service—due to medical insurance restrictions or participation in a time-limited program, for example—and end up in another that may be less equipped to meet the individuals' needs.

For an undetermined number of homeless people who are mentally ill or substance abusers, the cycle of hospital to street to jail to street to hospital is, reportedly, fairly common. Cycling through institutions happens to all kinds of homeless people, but those whose behavior offends others are most likely to move between hospital and jail stays. San Francisco General Hospital reported that in 1999, 11,000 homeless people (an unduplicated count) were discharged after receiving inpatient or outpatient services through the Community Health Network's clinics and emergency medical care facilities. If these people resume their drug or alcohol use or do not continue to take their medications, they may cause themselves to be arrested and spend time in jail. This usually occurs after arrest warrants are issued for disorderly conduct citations for which these individuals failed to appear in court. After they are released from jail, these people may end up back on the streets with little or no ability to realize that they need to seek treatment to become stable again.

As Chapter 1 explains, the City's arresting and jailing of homeless people is an expensive—and ultimately ineffective—response to homelessness. Regardless of one's opinion about jailing homeless people, incarceration for minor offenses does not last long. Also expensive, but much more effective at preventing and alleviating homelessness in the long term, is a culturally competent and accessible collection of health and supportive services available to all homeless people, including those on the

streets. The City's has made strides toward such a collection of services, but the reality falls short of the need. San Franciscans must realize that no matter how much service exists or how accessible services are, some homeless people will probably remain on the street if they choose to. The City could attempt to reduce the number of homeless people on the street in various ways. The City can increase its efforts to help homeless people on the streets seek the services that they need, or the City could somehow compel them to get those services, such as by attaching further requirements to seek service to the City's cash aid to the homeless. Another option is to make the homeless feel so unwelcome that they leave San Francisco. Which course the City pursues and how it pursues it should be part of the policy that the Local Homeless Coordinating Board should develop and recommend to the Board of Supervisors and Mayor.

### **RECOMMENDATION**

To improve the provision of homeless services in San Francisco, the **Local Homeless Coordinating Board** should analyze the City's cash aid programs for homeless people and recommend any changes to the Board of Supervisors and Mayor. Specifically, the Local Homeless Coordinating Board should address whether these programs should redirect or further restrict funds to homeless people, and whether the City should strive to fund more services to provide homeless people with money management and representative payee services.



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## CHAPTER 4

### THE CITY NEEDS TO IMPROVE ITS COLLECTION AND MANAGEMENT OF DATA ON THE SERVICES THAT IT PROVIDES TO THE HOMELESS

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#### CHAPTER SUMMARY

To make certain that it spends public funds wisely and that it meets the needs of San Francisco's homeless population, the City must improve its ability to assess its own effectiveness and efficiency in providing services to the homeless. The City's elected policymakers and departmental management need reliable data for the kind of decision making we recommend in Chapter 2. Currently the City does not collect and track data in a manner that provides comprehensive statistics about services, assessments of service quality, or data on service funding. Some of the reasons that data collection and analysis is difficult in San Francisco are that the City has a decentralized system for accepting and tracking individuals who request services and that no coordination exists among the various service providers in the systems that do collect data. This absence of coordination creates an administrative burden for provider organizations, makes extremely difficult any citywide analysis of service delivery and provider performance, and does not serve clients well.

In the next few years, the City's collection and management of data on homelessness should improve because the City needs to comply with a requirement by the federal Department of Housing and Urban Development (HUD) that all cities implement a homeless management information system (HMIS) by 2004. Indeed, other cities have already found the systems useful for providing reliable data on homeless clients and services. The Mayor's Office on Homelessness has initiated a process to start developing an HMIS.

Although the City currently lacks a coordinated means for gathering data on its homeless clients and services, city departments generally do a good job in collecting data from their contractors through detailed monitoring processes. Contracts with service providers include performance measures and extensive progress reporting requirements. Information that providers are required to report to the City allows city departments to assess the quantity of services delivered and the effectiveness of providers' homeless programs. While the City does track effectiveness measures, the City's contracts lack measures of service efficiency. The City also cannot ensure that it is purchasing the most efficient services because a lack of competition to provide some homeless services causes city departments to award many contracts without receiving competitive bids.

## **THE CITY NEEDS A MORE COMPREHENSIVE SYSTEM FOR COLLECTING THE DATA THAT INFORMS DECISIONS ON ALLOCATING RESOURCES TO SERVICES FOR THE HOMELESS**

Currently, the City does not collect and track data in a manner that provides comprehensive service statistics, measures of quality, or data on the funding of services. Reliable reporting of data is essential for the kind of decision making we recommend in Chapter 2. Policymakers need to decide how much money to spend on what services and what services to provide. To help with the effort of data management, the City would benefit from implementing a homeless management information system that will help standardize some of the information that is collected and make analysis of data easier. Such a system will also make the current decentralized intake system much more effective as the City will be able to track clients as they move through the system and so can better meet their needs.

### ***Current Methods Do Not Provide Adequate Data on Funding Level or the Quantity and Quality of Service***

San Francisco's current methods for collecting and analyzing data on homeless services are insufficient and do not provide decision makers with the data they need to make decisions on allocating resources for services. Currently, departments and individual service providers collect different types of data using a variety of different methodologies. There is little coordination in how this data is collected and analyzed, and as a result, the data that is collected is often not comparable across departments and is not widely accepted by policymakers. There is a great deal of data on homeless services being collected by the City; however, there is no central body determining how to compile, analyze or even coordinate the information that is collected.

Each entity within the homeless service system collects different types of data on services. Individual departments collect the most information through their contract-monitoring processes. Departments collect data from their service providers on some performance measures. Service providers collect the data that is required of them from departments and other funders and some collect information on waiting lists. Other agencies, such as the Mayor's Office on Homelessness collect information about the homeless population as a whole and the Local Homeless Coordinating Board collects data based on the requirements for funding under the McKinney-Vento Homeless Assistance Act (McKinney Act).

Data collection among the various entities in the homeless service system is not well coordinated. While departments all require some sort of reporting of data from their service providers such as performance measures, these measures are not standard across departments or type of service. This can be problematic because the City is collecting different data on similar or identical types of service. Some city departments contract for similar services, and in some cases two or more will contract with the same service provider. While some departments may show consistency in the units of service and performance measures they require, there is no assurance that different departments

contracting for the same service from an organization will be consistent in what they require and that data is comparable. Consequently, providers are sometimes required to report different information to various departments on the same service.

Lack of uniformity in reporting information creates an administrative burden for provider organizations and makes any citywide analysis of performance difficult, if not impossible, due to data that is not comparable. The City of Chicago is currently analyzing the existing program outcome standards and performance measures of its contracted services to begin to compile and possibly standardize them. The effort toward centralized data collection and analysis in San Francisco should include coordination among departments to standardize definitions of units of service and to bring consistency to the measurement of performance. Such an effort would ease the reporting burden on provider organizations and enable the City to begin to collect and analyze meaningful information on the array of services provided to homeless people. As a result, the City could more effectively plan how to improve services to homeless clients.

Another area where the City has shown little coordination in data management is in the monitoring of the money being spent on homeless services. Individual departments do track the money that they spend on direct homeless services through their contracts; however, there is no coordinated effort to determine regularly the total amount being spent. Over the past ten years, there have been only a few attempts to determine the amount spent by the City on homeless services. The Board of Supervisors' Budget Analyst's Office issued reports in both 1994 and 2001 that attempted to place a price tag on these services. Both reports were helpful in getting an overall view of homeless services, but the figures that the office arrived at were not accepted by all decision makers, mostly due to differences in opinion over what data was used and how it was used. As discussed in Chapter 2, the Controller's Office also did two analyses of the City's spending for homeless services since 1998, using a different methodology than the Budget Analyst's. Without a commonly accepted and regularly used system for determining the amount that the City is spending on homeless services, there is no way of knowing if the City is providing services as efficiently as possible.

Until unduplicated, coordinated, and comprehensive data exists regarding levels of funding and quantity and quality of services, it will be difficult for the City to know how to allocate funds among services. Without knowing how best to allocate resources and highlight successful programs through comprehensive data analysis, it will also be hard for San Francisco to leverage more support from the state and federal governments.

***The City Must Implement a Homeless  
Management Information System by 2004***

One way that other cities have been able to provide useful and reliable data on their homeless services is to track client information through a homeless management information system (HMIS). Of the seven other cities and counties we contacted, three had some form of HMIS already in place and two are currently developing systems. While an HMIS has been a luxury in some cities, it will soon become a necessity as the U.S. Department of Housing and Urban Development (HUD) is requiring all jurisdictions

receiving McKinney Act funds to implement an HMIS by 2004. These systems enable service providers to collect information about homeless clients over time. According to HUD, such systems help to streamline services to the homeless, improve coordination among service providers, and improve data to policymakers about the size, characteristics and needs of the homeless population. By collecting and analyzing data, jurisdictions have information with which to change public policies and programs.

As part of its fiscal year 2001 funding of HUD, Congress required HUD to report on its strategy for working with local jurisdictions to collect data on homelessness and directed HUD to require every jurisdiction to have unduplicated client-level data by 2004. Congress also required HUD to analyze the patterns of use of assistance, including how clients enter and exit the homeless assistance system, and to evaluate the effectiveness of the systems. In fiscal year 2001, Congress made the cost of implementing and operating an HMIS and analyzing its data newly eligible activities for HUD funding.

HUD commissioned the Center for Social Policy at the McCormack Institute, University of Massachusetts at Boston, to research HMIS around the country. The resulting report, *Homeless Management Information Systems: An In-depth Look* (January 2001), is intended to assist jurisdictions and national policymakers in planning for HMIS implementation. The analysis compares purchasing, implementing and maintaining HMIS in small, medium-sized, and large communities. Aside from one vendor, which provides its software for free, the costs of purchasing systems ranged from \$25,000 to \$95,000 in small communities (maximum of 27 sites, 27 concurrent users and 46 personal computers (PCs) after two years) to \$47,000 to \$233,000 in medium-sized communities (maximum of 100 sites, 78 concurrent users and 200 PCs after two years) to \$59,000 to \$341,000 in large communities (maximum of 200 sites, 110 concurrent users and 400 PCs after two years). San Francisco would likely fall into this large community category.

The report finds that HMIS implementation and maintenance costs are greatly affected by structural issues within communities. For example, a community that is able to use existing infrastructure will have lower costs than a community that must create new infrastructure. Overall annual start-up costs for equipment range from \$100,000 to \$240,000, with personnel costs ranging from one to ten full-time equivalent positions (FTEs). Maintenance and annual equipment costs range from zero to \$160,000, with personnel needs varying from 0.6 to 14.5 FTEs. The costs to individual service providers ranged from zero to \$4,500 in equipment costs per service provider, with zero to 1.9 FTEs per provider per year.

One of the three cities that we contacted that uses an HMIS is Boston. Boston's HMIS provides good unduplicated data on individuals as well as demographic information on where homeless people are coming from. Boston has learned through analysis of the data it collects that 20 percent to 25 percent of homeless clients come from outside the city while the rest are coming from the Boston area. This information helps Boston policymakers and planners determine where services should be located. This and other demographic information act as a valuable guide in helping Boston's Strategic Homeless Planning Group make recommendations for homeless policy.

With HUD's 2004 deadline approaching, many jurisdictions are in the process of developing homeless management information systems. The City of Chicago is currently developing its system and has included members of regional jurisdictions in the planning process so that some data can be comparable across jurisdictional boundaries. Chicago is planning to have its pilot HMIS up and running by the end of 2002. The Metro Denver Homeless Initiative (Denver Initiative) is also developing its comprehensive management system. Currently, several of its service providers already use software that allows them to report data directly to the Denver Initiative, however not all providers are included in the network. The Denver Initiative hopes to get all providers linked so that data collection is faster and more efficient.

San Francisco does not currently have an HMIS. However, to comply with HUD's requirement, the San Francisco Mayor's Office on Homelessness released a request for proposals (RFP) to assist and coordinate the planning process for developing and implementing an HMIS. Among its work tasks, the contractor will assist in drafting a second RFP to implement an HMIS in San Francisco. Submissions for the first RFP were due by March 7, 2002, with work to be completed by the week of May 27, 2002. The second RFP is scheduled to be issued by June 3, 2002, and the selected vendor is to begin implementing a system on August 26, 2002.

***Although the City's Decentralized Intake System Makes Data Collection Difficult, the System Allows Homeless Clients to Access Services Easily***

San Francisco's current system of service delivery provides many entry points for clients, making services relatively accessible. However, the decentralized system makes difficult any efforts by the City to keep track of service statistics and client needs. Without an automated system that links all service providers, the City is hampered in getting accurate service statistics or determining client needs on a comprehensive level.

Decentralized client intake systems are common in other cities. Of the eight cities we contacted, seven had decentralized systems for shelter and homeless services intake. New York City, the largest of the cities we looked at, is the only city that uses a centralized intake system. New York is also the only city with a centralized department for homeless services.

There are some practical advantages to central intake from a client and data management perspective. Sending clients to a central assessment center allows cities to assess only once the exact needs of clients, which may be many, so that they can be served appropriately throughout the system. In addition, central intake allows cities to record information about client needs in a database, which is helpful for keeping track of client services and making sure that clients are receiving the services they need. Recording client data in a database also allows the City to analyze the overall needs of its homeless population. The obvious disadvantage to central intake is that it creates a bottleneck in the system and clients may have to wait to get the services they need. Central intake

severely limits the number of “doors” through which homeless clients can enter the system.

The major advantage to a decentralized intake system is that there are no “wrong doors” through which a client can enter the system. Access to services is direct and clients do not need to go through one central assessment point. Services are also more accessible geographically through this system, making it easier for clients to find services close to them. One of the major disadvantages to a decentralized intake system, however, is that it can be difficult to keep track of clients and the services that they use. When services are not linked by one automated information system, there is no way to know how many services the same client needs or is using. This situation can lead to duplicated and inaccurate data. Linking service providers through a database would allow a decentralized intake system, such as San Francisco’s, to better serve the needs of its clients.

### **CITY DEPARTMENTS THAT CONTRACT FOR HOMELESS SERVICES GENERALLY HAVE CONTRACT-MONITORING TOOLS TO COLLECT DATA AND TRACK PERFORMANCE**

The city contracts we reviewed have scopes of services, performance measures, and reporting requirements that allow departments to assess the quantity and effectiveness of the homeless services they fund. These contract elements require the providers to inform the contracting departments of whether they are delivering the contracted quantities (outputs) and effectiveness (outcomes) of service. We reached this conclusion after selecting five of the seven city departments that fund direct services to the homeless, which represent over 95 percent of the dollars the City will spend in fiscal year 2001-02 in this effort, and reviewing a total of 12 contracts for a variety of services.

#### ***Contracts List the Scope and Quantity of Services That Contractors Will Provide***

We found that descriptions of services and quantities of services to be provided are a standard part of city contracts. All 12 of the contracts that we examined included standards or performance measures that gauge the providers’ output, such as how many clients it will serve or bed-nights it will make available in a year. For example, the Department of Public Health (Public Health) contract with Lutheran Social Services of Northern California for its Hazel Betsey program says that the contract covers support services to HIV-positive women who reside in long-term housing, and specifies that the provider will deliver 2,965 supportive housing days annually.

#### ***Contracts Include Performance Measures That Allow Departments to Evaluate Service Effectiveness***

We also found that city departments can assess the effectiveness of services through performance measures or service objectives in the contracts that address the outcomes of the services to be provided. All of the contacts we reviewed included performance

measures that assess the effectiveness of services funded. As mentioned earlier, however, these performance measures are not coordinated across departments. Exhibit 11 shows some examples of measures that we found in our contract review to be particularly helpful in determining the effectiveness of a program.

**Exhibit 11**  
**Examples of Performance Measures in City Contracts**  
**for Services to the Homeless**

Department	Program	Measure
Department of Human Services	Hamilton Family Emergency Center	Percentage of families in 30-day beds that exit to other housing options
Department of Public Health	Mobile Assistance Patrol	Percentage of clients responding to surveys who report satisfaction with overall quality of services received
Mayor’s Office of Community Development	St. Peter’s Housing Committee	Percentage of tenants receiving counseling who avoid illegal rent increases

***Contracts Include Reporting Requirements That Providers Generally Follow***

All 12 of the contracts we examined require the providers to submit to the City periodic reports of performance such as monthly, quarterly, semiannual, and annual reports. For example, all three shelter contracts of the Department of Human Services (Human Services) that we reviewed require the providers to submit quarterly reports that evaluate the progress made toward all the objectives listed in the contract. One of these three contracts also requires monthly reports. In addition, providers must submit certain reports to the City because the programs that support the service use federal government funds. The frequency of required reports and information to be included in them varies with the type of service. Although we did not test a random sample of required reports to determine if all reports are submitted or if they are submitted on time, we did review a total of 15 judgmentally selected reports from eight providers. We found that the reports’ content generally complied with the requirements in the contracts. Although we found one report in which the provider had redefined some of its goals, apparently to better suit what it had to report, we concluded that providers of homeless services submit reports that comply with the City’s performance reporting requirements.

The Department of Children, Youth, and Their Families (DCYF) has a web-based, online contract management system that contractors use to submit monthly progress reports and invoices and to submit quarterly reports. The monthly and quarterly reports allow DCYF program managers to monitor a contractor’s performance by tracking units of service delivered and percent of budget expended. The system also contains the contractor’s Workplan Summary that describes the scope of work, program outcomes, and performance measures and it includes a line-item budget. This system makes the administration of contracts more efficient, reduces paperwork, and enables program managers to identify any problems quickly and to follow up with site visits when necessary.

### ***Departments Make Site Visits, and Some Complete Monitoring Reports***

All five of the departments we contacted report that they include site visits to service providers as one of their contract-monitoring tools. In general, the frequency of visits varies with the need and the department's resources. The scope, depth, and documentation of these visits also vary. For example, a monitoring report summary for a family shelter prepared by Human Services indicates that it conducted an extensive review involving five site visits to evaluate the program's performance over a nine-month period. During those site visits, Human Services staff inspected the program's facilities, reviewed with program staff and modified service and outcome objectives, examined client case files and a report made to the program director, and attended a case review meeting. The summary includes a performance summary showing how the program did in terms of its contractual performance measures, has a summary of commendations and recommendations, and gives the program an overall rating of commendable, although this rating can range from commendable to unacceptable. However, it is unclear to what extent departments actually aggregate and use all the data they get from providers. We saw no evidence that the data is being used toward creating an overall picture of service quantity or quality.

### **THE CITY NEEDS TO INCLUDE IN ITS CONTRACTS MORE MEASURES OF SERVICE EFFICIENCY**

The most significant deficiency that we found in the City's contracts and contract monitoring for homeless services is the lack of efficiency measures and the paucity of contracts that base payments on efficiency. It appears that city departments do not use measures of efficiency as a basis for evaluating the success of homeless services and only occasionally enter contracts that use the cost per unit of service as the basis for payment. As a result, it is impossible to determine how the contract amount was arrived at or why one contract for a given service has a higher cost per unit of service than does another.

#### ***Most Contracts Do Not Specify Any Methods for Measuring the Efficiency of Services to the Homeless***

Of the 12 contracts we reviewed, none includes objectives or performance measures to assess the efficiency of the service. Some contracts do include the cost per unit of service—the contract amount divided by the number of units of service to be provided—but that is merely included as descriptive information. No contracts we reviewed set the cost per unit of service as a target to be reached, or have measures addressing the rate at which the cost per unit of service may increase or the rate at which it should be decreased. However, some of the Public Health contracts that we reviewed provide that the City will pay the contractor monthly based on the reported number of units of service delivered times the rate per unit of service specified. In these contracts, the City pays the provider only for the units of service delivered in that month. If the provider were unable to provide the number of units of service it had contracted to deliver by the end of the year, it should not be paid the full contract amount.

***Lack of Competition Among Homeless  
Services Providers Results in Sole Source  
Contracts Between City Departments and Providers***

City departments do not always use a competitive solicitation process to contract for services to the homeless, instead they enter into sole source contracts. Although this is not improper, it does increase the risk that the City pays for services that are more costly or of lesser quality than if competition for these contracts existed. The San Francisco Administrative Code, Section 21.1, requires city departments to use a competitive solicitation process for all contracts for services, except as otherwise authorized by the code. For example, the Code states that purchases that do not exceed \$50,000, or services available only from a sole source, shall be made in accordance with the Purchaser's regulations. A typical competitive solicitation process to procure services would be the issuance by a department of a written request for proposals (RFP) to which interested service providers respond by submitting proposals. The issuing department then conducts a formal review and selection process to determine the most qualified submission. However, when a department has determined there is likely only one provider of a particular service or services it is seeking, conducting a formal RFP process is not an efficient means of obtaining those services. In these situations, departments may publicize their need for services by asking for letters of intent from potential providers, by holding community meetings, or by other means to inform organizations of the contracting opportunity. In these processes, if the contracting department discovers there is more than one potential provider for the services it is seeking, it will then engage in a formal RFP process. If there is just one provider indicating interest, the department may enter into a sole source contract with that provider.

According to the contracts officer at the Department of Human Services, his department uses sole source contracts for almost all site-specific homeless services, such as non-City shelters or other residential programs that are delivered at a facility not owned by the City. He said that his department does not issue an RFP in these cases because there are few nonprofit organizations with their own facilities that express any interest in providing these services. The contracts manager at the Department of Public Health indicated that his department uses sole source contracts for many homeless services because the department works closely with community service providers and has found very few organizations, if any, willing to take on additional services, populations, or sites beyond what they already provide, so conducting an RFP process would be inefficient. In addition, requirements or restrictions of some funding organizations may cause the department to contract with a particular provider that is the only one willing to operate under the requirements.

For the City's homeless services contracts that are not awarded competitively, the responsible city department can negotiate with the service provider to arrive at the level and intensity of the service to be delivered. For example, the City and provider can negotiate the number of units of service that the provider will furnish for the contract amount, which has already been determined by the amount the department has available to spend. According to the Human Services contracts officer, after a provider has been

under contract for at least a year, the department reviews the program's actual costs and tries to reduce the budgeted amounts. However, it is difficult to reduce the costs of programs that are driven mainly by the cost of the provider's facility, which is largely outside the control of the provider and the department.

## **RECOMMENDATIONS**

To improve data collection for and management of homeless services in San Francisco, the **Board of Supervisors** and **Mayor** should authorize and designate a committee of the Local Homeless Coordinating Board to be responsible for coordinating all data collection and analysis on homeless services in San Francisco.

The **city departments that contract with providers of homeless services** should also help to improve data collection for and management of homeless services by doing the following:

- Coordinating with one another to ensure that contracts for the same or similar services include standardized service statistics, units of service, and performance measures, including measures of service outcomes.
- Working with the Department of Human Services to implement the federally required Homeless Management Information System that links all service providers and tracks client data.
- Whenever possible, incorporating measures of efficiency in all future contracts with service providers.
- Ensuring that the City's intent to contract for a service is properly advertised and that the lack of interest by more than one provider is adequately documented before departments enter into sole source contracts.

In addition, the **Local Homeless Coordinating Board** should take these steps:

- Ensure the consistency of the types and analyses of data collected from service providers by city departments as well as the format in which the departments present that data.
- Compile and analyze the data collected from service providers by city departments. This effort will benefit from the increase in analytical staff that Chapter 1 recommended.
- Produce a yearly report that indicates by service category the statistics for that type of service and the results of outcome measures, performance measures, and efficiency measures.

To make available regularly the high-level, reliable financial data about the City's expenditures for homeless services that decision makers need, the **Office of the Controller** should investigate the feasibility of tracking through the City's Financial Accounting Management Information System (FAMIS) all funding for homeless services and report annually on appropriations by service category.

We conducted this audit according to generally accepted government auditing standards. Such an audit provides reasonable assurance that its objectives have been achieved, but does not guarantee the discovery of non-compliance, including fraud or abuse. We limited our review to those areas specified in the audit scope section of this report.

Staff: Mark Tipton, Audit Manager  
Millicent Bogert  
Carrie Fassett  
John Haskell  
Kai Mander



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## Appendix A

### Complete List of Recommendations

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#### Chapter 1

1. To improve delivery of services to homeless people, the **Board of Supervisors and the Mayor** of the City and County of San Francisco should reduce the size of, empower, adequately staff, and comply with the advice of the Local Homeless Coordinating Board.
2. The **Local Homeless Coordinating Board** should ensure that the City has the following:
  - A widely accepted policy or statement of purpose on homeless services that remains consistent over time.
  - Prioritized goals that flow logically from that policy and that are financially realistic in light of the City's budget.
  - A viable strategic plan that the City can implement to achieve the goals.
  - Adherence to the plan by city departments that fund homeless services.
3. To improve its effectiveness as a policy advisory body, the **Local Homeless Coordinating Board** should also consider changing its committee structure and rules of procedure and request the Board of Supervisors and the Mayor approve any necessary legislation to formalize these changes. We suggest that a smaller Local Homeless Coordinating Board would be more effective.

To strengthen and work with the Local Homeless Coordinating Board, the **Board of Supervisors and Mayor** should take these actions:

4. Submit all proposed legislation, budget actions, and ballot initiatives related to homelessness to the Local Homeless Coordinating Board for review and comment before adoption of any new measures. Ideally, the City's budget process would allow the Local Homeless Coordinating Board to prioritize spending on homeless services.
5. Following the Local Homeless Coordinating Board's comments and recommendations and the City's approval of policies related to the homeless, the Board of Supervisors, Mayor, and the Local Homeless Coordinating Board should abide by the outcome of the Board of Supervisors' votes for the next budget year, unless reversed by a supermajority vote of the Board of Supervisors. Although individual policymakers may be dissatisfied with the outcome of some votes, policies should not change until the next budget year except in extraordinary circumstances.
6. Increase the staff the Local Homeless Coordinating Board from the current one position to three full-time positions: a policy and data analyst, a grant writer, and an administrative assistant. The Mayor's Office on Homelessness could fund some portion of these positions from its existing budget. These positions should be in the Department of Human Services but be permanently assigned to the Local Homeless Coordinating Board.
7. Ensure that all departments working on programs or issues related to homelessness will report to the Local Homeless Coordinating Board on the status of their work as it pertains to the City's plan for homeless services.

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## Appendix A

### Complete List of Recommendations

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8. Seek to consolidate some of the City's existing task forces and working groups related to homelessness according to advice from the Local Homeless Coordinating Board. The Local Homeless Coordinating Board should handle policy issues, while working groups could continue under the auspices of the departments.
9. Determine whether these changes to the Local Homeless Coordinating Board improve the City's planning and delivery of services to the homeless. Only if these changes fail should policymakers consider the possible creation of a new department of homeless services.
10. Formalize and sustain a relationship with policymakers in other Bay Area governments to see how San Francisco can participate more actively in a regional approach to homelessness.
11. Designate the Local Homeless Coordinating Board as the lead body for policy advice and oversight of homeless issues in San Francisco, and designate the Department of Human Services—which is represented on the Local Homeless Coordinating Board and has a Division of Housing & Homeless Programs—as the lead agency for implementation of that policy in the delivery of homeless services.

To improve delivery of services to homeless people, all of **the City's elected officials and employees who are involved in the City's homeless services** (and, ideally, all other stakeholders) should:

12. Compromise to support goals and a plan that the City can implement. These individuals should then communicate these goals and plan to obtain wide support and participation from the community.

## Chapter 2

To improve the provision of homeless services in San Francisco, the **Board of Supervisors** and the **Mayor** should take these steps:

13. Ensure that the Department of Human Services is adequately budgeted in fiscal year 2002-03 and future years so it can continue to fund enough overnight shelter year-round to accommodate all the single adults who seek shelter in San Francisco. This may require the extended, year-round operation of some of the emergency "winter" shelters to accommodate single adults. (The estimated cost of the winter shelter program for fiscal year 2001-02 is \$579,227.)
14. Direct the Department of Human Services, the primary funding department for single adult shelters, to investigate an automated system that would speed the referral of single adults to emergency shelters. Such a system could link shelters, clients, and the Coordinated Referral program that currently checks on shelter bed availability by telephone and transports clients to shelters.
15. Make the difficult funding allocation decisions among shelter, transitional housing, and permanent supportive housing based on advice to be provided by the Local Homeless Coordinating Board.

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## Appendix A

### Complete List of Recommendations

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To improve the provision of homeless services in San Francisco, the **Local Homeless Coordinating Board** should take the following steps:

16. Investigate if there are means, including grants, to get more non-City funds that the City could use to add capacity in family shelters, full-service residential treatment programs for families, and mental health and substance abuse treatment programs.
17. In collaboration with the Mayor's Office of Housing, set realistic numerical goals for the creation of housing units affordable to low- and very-low income people in San Francisco, and specify which city departments are responsible for seeing that specified numbers of units are created by specified dates.
18. To the extent possible, emphasize rehabilitated group housing in plans to increase the stock of transitional and permanent housing for homeless people.

#### Chapter 3

19. To improve the provision of homeless services in San Francisco, the **Local Homeless Coordinating Board** should analyze the City's cash aid programs for homeless people and recommend any changes to the Board of Supervisors and Mayor. Specifically, the Local Homeless Coordinating Board should address whether these programs should redirect or further restrict funds to homeless people, and whether the City should strive to fund more services to provide homeless people with money management and representative payee services.

#### Chapter 4

20. To improve data collection for and management of homeless services in San Francisco, the **Board of Supervisors** and **Mayor** should authorize and designate a committee of the Local Homeless Coordinating Board to be responsible for coordinating all data collection and analysis on homeless services in San Francisco.

The **city departments that contract with providers of homeless services** should also help to improve data collection for and management of homeless services by doing the following:

21. Coordinating with one another to ensure that contracts for the same or similar services include standardized service statistics, units of service, and performance measures, including measures of service outcomes.
22. Working with the Department of Human Services to implement the federally required Homeless Management Information System that links all service providers and tracks client data.

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## Appendix A

### Complete List of Recommendations

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23. Whenever possible, incorporating measures of efficiency in all future contracts with service providers.
24. Ensuring that the City's intent to contract for a service is properly advertised and that the lack of interest by more than one provider is adequately documented before departments enter into sole source contracts.

In addition, the **Local Homeless Coordinating Board** should take these steps:

25. Ensure the consistency of the types and analyses of data collected from service providers by city departments as well as the format in which the departments present that data.
26. Compile and analyze the data collected from service providers by city departments. This effort will benefit from the increase in analytical staff that Chapter 1 recommended.
27. Produce a yearly report that indicates by service category the statistics for that type of service and the results of outcome measures, performance measures, and efficiency measures.

To make available regularly the high-level, reliable financial data about the City's expenditures for homeless services that decision makers need, **the Office of the Controller** should:

28. Investigate the feasibility of tracking through the City's Financial Accounting Management Information System (FAMIS) all funding for homeless services and report annually on appropriations by service category.

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## Appendix B

### Proposed “Commonly-Agreed Upon” Goals for a San Francisco Homeless Policy

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- One unified City plan to prevent and reduce homelessness
- Elimination of homelessness—is this possible? Or, are we “managing” a crisis, as with AIDS?
- Prevention of homelessness through:
  - Eviction prevention measures, such as rent mini-grants, legal assistance
  - Preservation of existing units
- No deaths on the street
- No one sleeping on the street
- Emergency shelter on demand
- Substance abuse treatment on demand
- Mental health treatment on demand
- Increase affordable housing
- Continuum of Care plan calls for 2,438 new units of permanent housing over 5 years—is this feasible?
- A coordinated system of care incorporating:
  - A management information system (as required by HUD)
  - Central information system for clients: services, availability

\*This list was circulated among stakeholders to determine the extent to which goals are shared.

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## Appendix C

### Appointments to the Local Homeless Coordinating Board

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<b>Seat</b>	<b>Appointed By</b>
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#### **Homeless/Formerly Homeless**

Seat 1: Youth	Mayor
Seat 2: Veterans	Board
Seat 3: Family/Substance Abuse	Board
Seat 4: Single Adult	Mayor

#### **Advocacy**

Seat 1: Veterans	Mayor
Seat 2: Family/Domestic Violence	Board
Seat 3: Legal	Board
Seat 4: Disabled/Physical/Mental	Mayor

#### **Service Provider**

Seat 1: Domestic Violence	Board
Seat 2: Health Services/HIV/Harm Reduction	Board
Seat 3: Shelter Services	Board
Seat 4: Emergency Services	Mayor

#### **Neighborhood**

Seat 1: Presidio	Mayor
Seat 2: Bayview	Mayor
Seat 3: Mission	Mayor
Seat 4: At Large	Mayor
Seat 5: At Large	Mayor

#### **Business and Labor Community**

Seat 1: Small Business	Board
Seat 2: Large Business	Mayor
Seat 3: Labor	Board
Seat 4: Advocate for Business and Labor	Mayor

#### **Education and Training**

Seat 1: Homeless-Specific Employment Services	Mayor
Seat 2: Adult Education	Board
Seat 3: Public Agency/University	Mayor

#### **Foundation Community**

Seat 1: Foundation	Board
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#### **Non-Profit Housing**

Seat 1: Homeless Specific	Mayor
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#### **Mayor's Director on Homelessness**

Seat 1:	Department Head
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#### **City Departments**

Seat 1: Department of Public Health	Department Head
Seat 2: Department of Human services	Department Head
Seat 3: Mayor's Office of Housing	Department Head
Seat 4: Mayor's Office of Community Development	Department Head
Seat 5: Department of Children, Youth and Their Families	Department Head
Seat 6: Mayor's Criminal Justice Council	Department Head
Seat 7: Department of Aging and Adult Services	Department Head

## Appendix D

### Summary of Information from Other Jurisdictions

	<b>Birmingham</b>	<b>Boston</b>	<b>Chicago</b>	<b>Denver</b>	<b>Minneapolis (Hennepin County)</b>	<b>New York City</b>	<b>Portland (Multnomah County)</b>	<b>San Francisco</b>
Population in 2000 <sup>1</sup>	242,820	589,141	2,896,016	554,636	1,116,200	8,008,278	660,486	776,733
Homeless Population (range) <sup>2</sup>	461 - 1,667	2,303 - 6,001	3,799 - 6,100	1,144 - 5,792	1,098 <sup>4</sup>	27,132	1,284	1,539 – 12,500
Service Model	Coordinated	Coordinated	Coordinated	Coordinated	Coordinated	Specialized	Coordinated	Coordinated
HMIS	No	Yes	Developing	Developing	No	Yes	Yes	No
Intake	Decentralized	Decentralized	Decentralized	Decentralized	Decentralized	Centralized	Decentralized	Decentralized
C of C Regional/ Intergovernmental Coordination	High	None	Medium	High	High	None	High	None
Annual Funding <sup>3</sup>								
Local	Not Available	\$4.6 million	\$5.4 million	\$0.5 million	Not Available	\$196.8 million	\$3.2 million	\$53.7 million
State	Not Available	\$46.0 million	\$5.0 million	\$0	Not Available	\$134.3 million	\$0	Not Available <sup>5</sup>
Federal	Not Available	\$15.7 million	\$19.9 million	\$2.1 million	\$2.8 million	\$101.6 million	\$8.9 million	Not Available <sup>5</sup>
Other	Not Available	Not Available	Not Available	Not Available	Not Available	\$0.8 million	Not Available	Not Available <sup>5</sup>
Total	Not Available	\$66.3 million	\$30.3 million	\$2.6 million*	\$2.8 million*	\$433.5 million	\$12.1 million	\$104.3 million
Non-local Funding As a % of Total	Not Available	93%	82%	81%	100%	55%	74%	Not Available
\$/Homeless Person/Year	Not Available	\$11,048 - \$28,789	\$4,967 - \$7,976	\$449 - \$2,273	\$2,550	\$15,977	\$9,424	\$8,344 - \$67,771

\* Does not include county-wide or regional funding.

<sup>1</sup> Source: US Census Bureau

<sup>2</sup> Sources: Emergency and Transitional Shelter Population: 2000, US Census Bureau (low-end estimates); and, where available, individual City's homeless population estimates (high-end estimates).

<sup>3</sup> Source for Boston, Chicago, Denver, Portland: "A Status Report on Hunger and Homelessness in America's Cities 2001," U.S. Conference of Mayors.

Source for Minneapolis: "A Status Report on Hunger and Homelessness in America's Cities 2000", U.S. Conference of Mayors.

Source for New York City: New York City Department of Homeless Services, Departmental Budget Summary, FY 2001-2002.

Source for San Francisco: December 2001 Budget Analyst's Report (Local = general fund amount only)

<sup>4</sup> City of Minneapolis only.

<sup>5</sup> Budget Analyst did not break down funding by whether it was federal, state, or local.



## Appendix E

### Number of Shelter Beds in San Francisco by Type As of March 2002

Program	Capacity	Winter Beds	Total
<b>Single Adult</b>			
Next Door	280 *		
Multi-service Center South	380		
Sanctuary	250		
Central City	30		
Dolores Street	100	20	
A Man's Place	119		
A Woman's Place	60		
Interfaith		100	
Ella Hill		115	
Third Baptist		101	
Bethel AME		50	
St. Boniface		80	
St. Anthony's		30	
New Liberation		40	
St. Paulus		30	
Providence	75	25	
Total	1294	591	1885
<b>Families and Pregnant Women</b>			
Hamilton Family Emergency Center	62		
Compass Family Center	72		
St. Joseph's Village	65		
Interfaith		50	
260 Golden Gate (Hamilton Family Ctr.)	154		
Total	353	50	403
<b>Domestic Violence</b>			
Asian Women's Shelter	18		
La Casa de las Madres	35		
Riley Center--Rosalie House	20		
Total	73		73
<b>Youth/Young Adult</b>			
Larkin--Lark Inn	40		
Larkin--Diamond Street	20		
Huckleberry--Huckleberry House	6		
Total	66		66
<b>Privately Funded</b>			
Raphael House	40		
Marion Residence	30		
United States Mission	15		
Missionaries of Charity	8		
Total	93		93
<b>Grand Total</b>	<b>1,879</b>	<b>641</b>	<b>2,520</b>

Note: Figures include all beds, not just those funded by the City.

\*250 case-managed beds and 30 respite beds



cc: Mayor  
Board of Supervisors  
Civil Grand Jury  
City Attorney  
Public Library  
Budget Analyst  
KPMG LLP