

A REPORT BY
THE 2016-2017 CONTRA COSTA COUNTY GRAND JURY
725 Court Street
Martinez, California 94553

Report 1712

More Shelter Beds Needed for the Homeless in Contra Costa County

APPROVED BY THE GRAND JURY:

Date: 6/15/17



FOREPERSON NAME
GRAND JURY FOREPERSON

ACCEPTED FOR FILING:

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JOHN T. LAETTNER
JUDGE OF THE SUPERIOR COURT

Contra Costa County Grand Jury Report 17XX

More Shelter Beds Needed for the Homeless in Contra Costa County

TO: Contra Costa County Board of Supervisors

SUMMARY

Homelessness is a social issue impacting all cities in Contra Costa County (County), as well as the unincorporated portions of the County. Based on the County's 2017 Point-in-Time census of homeless people, there were 1,607 homeless persons. Of those who identified as being homeless, 696 were staying in shelters and 911 were sleeping in unsheltered places. This census highlights the shortage of emergency beds and shelter space and the shortage of low income affordable housing in the County.

To better coordinate the County's efforts to address homelessness, the County's Health Services Department has reorganized with a new division named "Health, Housing, and Homeless Services." Included in that reorganization is the creation of the Coordinated Entry program, which reaches out to homeless people, helps connect them with services, establishes a case management system, and helps them stay connected on the path toward permanent housing. To assure the success of Coordinated Entry, the County needs to provide additional emergency shelters with beds, CARE centers, and partner with developers or non-profits to create affordable housing for low income people.

More specifically, the County needs to allocate funds to establish an emergency shelter and CARE Center in East County, similar to the existing facilities in Central County. Second, the existing shelter capacity in Central and West County should be expanded so that the homeless who are helped by Coordinated Entry program have a safe place to sleep. Third, the County needs to develop a business plan to maximize the best use of its resources, including money and real estate holdings, owned or leased, so the number of affordable housing units for low income County residents is increased.

METHODOLOGY

As part of its investigation, the Grand Jury:

- Interviewed people whose jobs intersect with the homeless, including city and county police, outreach volunteers, a homeless veteran, concerned citizens, County employees, and non-profit organizations
- Visited a non-profit shelter, county-run shelters, an annual homeless fair, Continuum of Care meetings, and the County Medical Center
- Learned about the PIT tracking system used to tabulate homeless people
- Reviewed homeless reports issued by Marin, Solano, and San Francisco County Grand Juries
- Reviewed Point-in-Time census data, the “Cost of Homelessness Report,” HUD program details, and online articles featuring innovative methods used by other agencies to relieve homelessness

BACKGROUND

Homeless Census

“Unsheltered homeless persons” are those who live in encampments, cars, under freeway overpasses or other locations not designed for human habitation. Causes of homelessness include job loss, low-paying, part-time employment, mental illness, chronic substance abuse, and domestic violence.

There is a prescribed national method for counting homeless people. The Federal Housing and Urban Development department (HUD) calls it the Point-in-Time (PIT) census. This is a “snapshot in time” conducted on a specified day(s) in January according to federal rules. The accuracy of the PIT count of homeless persons depends on the thoroughness of the outreach teams that collect data.

Most of the people interviewed who have direct contact with the homeless, believe the PIT figures are low. Their estimates varied from 20% to 50% below the actual number of homeless people. The three most common reasons given for the underestimation in the PIT count are:

1. The limited timeframe for counting people reduces the ability to find encampments and isolated people.
2. The January date misses those who “couch surf” or stay with friends because it’s cold.
3. Individuals who do not want to be counted know how to avoid contact on the count days.

Nevertheless, the PIT census is relied upon as the official number of homeless people.

More specifically, the PIT count shows that between 2015 and 2016 the West and Central County count went down by 45% and the East County count increased by 33%. It also indicates a 90% increase in homeless seniors. Seniors, who often live on a fixed income, are particularly vulnerable to rising rents. Due to the number of homeless seniors, emergency shelters need to be able to accommodate the needs of frail seniors, including those with dementia or disabilities.

As shown in the chart below, 418 emergency shelter beds exist. At the same time, there are over 900 people without a place to sleep. The County’s “unsheltered homeless” rate is 57% while the national average is 32%, as reported by HUD.

PIT Count Results

| Year | PIT Homeless Count | Sheltered Homeless | Unsheltered Homeless | Unsheltered Homeless Rate | Reported Bed Count |
|-------|--------------------|--------------------|----------------------|---------------------------|--------------------|
| 2011 | 2415 | 925 | 1490 | 62% | 498 |
| 2012 | 2386 | 896 | 1490 | 62% | 484 |
| 2013 | 2000 | 671 | 1317 | 66% | 394 |
| 2015 | 2030 | 704 | 1326 | 65% | 527 |
| 2016 | 1730 | 620 | 1110 | 64% | 418 |
| 2017* | 1607 | 696 | 911 | 57% | |

*The 2017 data is preliminary and shows a 7% decrease in the total number of homeless in the County. The actual 2017 census numbers may vary from those shown above when the full report is issued.

The County’s Situation

Contra Costa County’s Mission Statement is:

“Contra Costa County is dedicated to providing public services which improve the **quality of life** of our residents and the economic viability of our businesses.”

A homeless State of Emergency was declared by the County Board of Supervisors (BOS) in 1999 and has been routinely reaffirmed every 30-60 days by BOS vote since that time. This action would qualify the County for additional money if California were to declare a statewide emergency.

The Cost of Homelessness

In fiscal year 2013-14, there were more than 6,600 individuals who were homeless and accessed homeless services and assistance. Almost half of these homeless, 3,170 people, utilized hospital, outpatient clinic or behavioral health services, at a cost of over \$45 million. Sixty-four percent of the costs were for primary care, thirty-one percent for mental health services, and five percent for substance abuse services. The analysis also revealed that only 12% or 398 homeless people were responsible for 75% of the \$45 million. Those 398 people incurred costs, which were born by the County, of over

\$32 million, an average of \$80,522 per person. The remaining 2,772 people, averaged \$4,823.00 each.

Other immeasurable costs associated with homelessness include police time, jail-related costs, social services, and donations provided by churches/charities. There is also the pollution of east County waterways by encampments, the cost of removing encampments, and the refuse from the homeless sleeping on sidewalks and in the door ways of local businesses. The total of these immeasurable costs may likely exceed the cost of housing the homeless in shelters.

Reliance on Federal Assistance

The bulk of the County's funds for helping the homeless come primarily from the Housing and Urban Development (HUD), a federal agency. Federal regulations determine how the application and award process is conducted. The awarded money must be spent on certain programs and requires regular reporting and billing for reimbursement of expenditures. The money spent on staff salaries to comply with the maintenance of these administrative tasks cannot be spent on direct services to homeless people and is only a fraction of the total administrative cost.

HUD has several programs that provide funds to the County. The program most relevant to the homeless issue is Continuum of Care (CoC). The CoC is a group of county and city employees and non-governmental organizations that meet and strategize to find and provide help, affordable housing, rental assistance, and services for the homeless. The Emergency Solutions Grant (ESG) program helps reduce homelessness by providing limited funds for rental assistance and emergency shelters. The Community Development Block Grant (CDBG) program is also a program devoted to helping poor people who may be on the brink of homelessness.

What's Been Done?

In May 2004, the County's Health Services department published a document titled "Ending Homelessness in Ten Years: A County-Wide Plan for The Communities of Contra Costa County." It was implemented by the Homelessness Inter-Jurisdictional Inter-Departmental Work Group (HIJIDWG). However, at the end of ten years, there was no end to homelessness.

In October 2014, the Contra Costa Interagency Council on Homelessness (CCICH), evolved from HIJIDWG. It published an update to the previous ten-year plan titled "Forging Ahead Towards Preventing and Ending Homelessness." This plan focused on providing housing using rental assistance vouchers. It described progress made during the previous ten years and the program relied on federal funding, with its ever-evolving requirements. The program also implemented Annual Action Plans, which are required by HUD to qualify for grants.

In January 2016, the California Department of Housing and Community Development produced a statewide housing assessment titled: “California’s Housing Future: Challenges and Opportunities.” This report says that 180,000 new homes or living units should have been built in California over the last ten years to keep pace with demand. However, during that time, only 80,000 were built.

In August 2016, the County created the “Health, Housing, and Homeless Services” division of the Health Services Department, which acknowledges the importance and interconnectivity of health, housing and homeless services. Under the department’s hierarchy, the Homelessness Division Director reports directly to the County’s Health Services Director.

The County’s Housing Authority is currently using rental assistance vouchers to help poor people obtain housing, rather than creating new or increasing the number of public or private housing units. The annual “Single Audit” of federal funds granted to Contra Costa County includes a summary of federal expenditures by the Contra Costa County Housing Authority. For fiscal year ending June 30, 2016, federal funds received were \$98 million. Of that, 7% was allocated for public housing rehabilitation and development and 93% for rental assistance vouchers.

Shelter Inc. is a local non-profit company that has used master leases to encourage private landlords to open over 200 housing units to marginal tenants. In the master lease agreement, Shelter Inc. is the lessor of record. It then sublets the unit to the tenant who it is assisting. Master leases leave Shelter Inc. with the risk of damage or non-payment of rents. Master leases also make it possible to subsidize rents so that the sublet rental rate can be different from the master lease rental rate.

DISCUSSION

Action Plan – Coordinated Entry

In compliance with Federal regulations, the County used a 2015 HUD grant valued at \$550,344.00 plus its 2016 HUD Continuation of Care grant of \$1,392,631.00, for a total of \$1,942,975.00 to re-engineer the delivery of homeless services under the name of Coordinated Entry. The focus of Coordinated Entry is to make it easier for a homeless person to access and stay connected with services while being assisted in finding permanent housing. Through Coordinated Entry, the homeless are interviewed and ranked for services based on need, age, mobility, medical condition, and other factors, rather than being helped via the previous convention of first come, first served.

Coordinated Entry is being implemented under the principal of “Housing First.” It has been determined that people with a home or shelter bed are better able to take care of themselves, more likely to stay healthy, require less medical care, have the ability to receive mail and are better able to apply for employment. Affordable housing is critical to reducing the number of homeless people. Until there is enough affordable housing for all of the low-income people who require it, it is important that the County increase the

number of beds available in its emergency shelters. Emergency shelters become the housing in “Housing First.” People in shelters are in a better position to become self-sufficient, as opposed to those who are living on the streets.

Coordinated Entry has three main elements: CORE Outreach, CARE Centers, and 211.

CORE Outreach teams, working days and evenings, go into the field to reach homeless people, assess them, and refer them to shelters or services. Currently, there are two teams, and three additional teams are planned for later in 2017. All CORE teams are dispatched by the County and may be called upon by police officers to help the homeless. These teams help avoid the costs of some homeless being transported to hospital emergency rooms and, others being arrested and sent to jail. The cities of Pleasant Hill/Martinez and Concord/Walnut Creek are partnering to form and pay for their own CORE teams.

CARE Centers are multi-service centers for daytime use. They do not have emergency overnight beds. They evaluate people and coordinate with CORE teams for follow-up. They provide meals, showers, laundry, counseling, help with completing applications for benefits, help with finding housing, mail service and a variety of day services. They are open from 8:00 am to 5:00 pm. When they close, the homeless must fend for themselves on the streets.

211 is an existing service reached by dialing 211 or accessing it on a computer via 211.org. Phone calls are answered by the County Crisis Center.

Number of Shelters

Below is the current list of emergency shelters in the County that were reported to HUD. All of these shelters are open and operating at capacity.

List of Emergency Shelters with Overnight Beds

418 Year-Round beds plus 22 over-flow and 66 seasonal beds

| Shelter Sponsor | Shelter Name | Population | Beds | Comment |
|-----------------------------|----------------------------|------------------------------------|------|--|
| CC Health Services | Concord and Brookside ES | Single men, single women | 166 | 15 beds reserved for veterans, plus 20 overflow beds. Two shelters, one located in Concord, the other in Richmond. |
| CC Health Services | Philip Dorn Respite Center | Single men, single women | 26 | For people recently discharged from the hospital, located in Concord next to the Concord shelter. |
| CC Health Services | Calli House | Youth (18-24) and Children (14-17) | 18 | Located in Richmond next to the Brookside shelter. |
| Stand! for Families Free of | Emergency Shelter | Single women, women w/children | 24 | Located near Concord. |

| | | | | |
|--|------------------------|--------------------------|----|---|
| Violence | | | | |
| Anka Behavioral Health | East County Shelter | Single men, single women | 20 | Plus 2 overflow beds, located in Antioch. |
| Greater Richmond Interfaith Program (GRIP) | Emergency Shelter | Families w/children | 75 | Located in Richmond. |
| Shelter Inc. | Mountain View House | Families w/children | 39 | Located in Martinez. |
| Bay Area Rescue Mission (BARM) | Men's ES | Single men | 50 | The BARM men's dormitory is larger than reported. BARM also has a large dormitory for single women and women with children, which was not reported to HUD. BARM is a faith based facility and does not accept public money. The coordination with the Continuum of Care and PIT is informal. Located in Richmond. |
| Interfaith Council of Contra Costa | Winter Nights | Families w/children | 30 | Operating 7 months from October to May, located among churches in Central and East County on a two-week rotating basis. |
| Trinity Center | Trinity Winter Shelter | Single men, single women | 36 | Operating 4 months from December to March, located in Walnut Creek. |

West County has two County shelters, Central County has one, and East County has none although there is a current proposal to create one. Although the 2016 PIT census indicated a 33% increase in homeless people in East County, the County has not acted quickly to establish a shelter there.

Alternative Housing Options

As part of the County's dedication to providing services to improve the quality of life of its residents and the economic viability of its businesses, the County should explore opportunities to partner with developers, non-profits, and others interested in increasing the number of affordable housing units available to low-income residents.

There are various ways to address homelessness and the critical housing shortage through innovative solutions, such as re-purposed warehouses, commercial buildings, and motels. Streamlining zoning and permit processes to promote accessory living units, allowing master leases, tiny houses, mobile home clusters, and pre-fab refugee camp type huts are all feasible ideas to maximize the use of under-utilized real estate and increase the inventory of affordable housing for low income people.

Agencies

There are three separate County departments working on issues related to homelessness: Conservation and Development, Employment and Human Services, and Health Services. Additionally, the Contra Costa County Housing Authority works on these issues. These departments and the Housing Authority must collaborate and share available funds. While they have different priorities and target populations, and their services do not entirely overlap, they are doing their best to collaborate to resolve the homeless issue. However, to resolve the problem, more still needs to be done.

Conclusion

The homeless situation in Contra Costa County is large enough to justify the effort to find additional funds to provide more shelter beds for the homeless. By closely examining the current County budget, with an eye toward pooling together enough money to establish an East County shelter and CARE center, the County could realize a financial benefit of reduced Health Service costs for the homeless that would be sufficient to cover the cost of investment.

It appears that the County has been slow to react and has not taken sufficient steps to deal with the homeless problem. The County does enough to maintain the programs funded by HUD, but needs to do more to ensure that there are adequate services, shelters, and beds for all. Providing 418 beds for 1,607 homeless people is inadequate. With an increase in the number of complaints and visibility of the homeless, which can occupy a great deal of a police officers' time, some local police department chiefs are finding money in their budgets to create homeless outreach teams that help direct the homeless to the shelters and care centers.

FINDINGS

- F1. There is a shortage of low-income housing in the County.
- F2. Because of very little affordable housing availability, the County's emergency shelters and CARE centers are vital resources to the homeless.
- F3. The County is dependent on HUD for grants, which provide the bulk of the money expended by the County to help the homeless.
- F4. Regulatory compliance associated with the receipt of HUD funds results in an administrative cost to the County which is not fully reimbursed by HUD.
- F5. The County structures its homeless programs to meet local needs and in accordance with HUD compliance mandates.
- F6. East County lacks an emergency shelter that is operated by the County.

- F7. East County has a CARE center that is run by a non-profit.
- F8. West County has an emergency shelter that is operated by the County.
- F9. West County lacks a CARE center that is operated by the County.
- F10. Central County has an emergency shelter that is operated by the County.
- F11. Central County has a CARE center that is operated by the County.
- F12. Caring for the homeless is expensive; reducing these costs through better shelter and primary medical care could provide savings.
- F13. Better shelter and primary medical care could reduce the costs associated with caring for the homeless.
- F14. Recently implemented Coordinated Entry helps improve the coordination of homeless services.
- F15. Through its new Health, Housing, and Homeless Services division, Health Services is the responsible County department for reducing homelessness.
- F16. The recently implemented Coordinated Entry helps homeless people obtain services they need.
- F17. The success of Coordinated Entry is partly dependent upon the creation of more County-operated emergency shelters and beds.
- F18. The County's CORE Outreach dispatch may be called by police departments to help the homeless obtain services instead of other costly alternatives such as taking them to emergency room or, in some cases, arresting them.
- F19. The County funds CORE teams and a central dispatch to facilitate coordination of services for the homeless.
- F20. The lack of enough overnight shelter beds may prevent the Coordinated Entry CARE Centers and CORE Outreach teams from being as effective as they otherwise could be.
- F21. Shelter Inc. has an existing master lease program that has been effective in creating more housing for those who are homeless or at risk of becoming homeless.
- F22. There are increasing numbers of homeless seniors in the County.

- F23. Existing County-operated emergency shelters are not prepared to handle frail seniors, who may not be able to take care of themselves, for example seniors with dementia or those who are unable to take care of activities of daily living.
- F24. There are a wide variety of innovative experiments throughout the nation which may be feasible for implementation in the County.

RECOMMENDATIONS

- R1. The County Board of Supervisors (BOS) should consider instructing the Health Services Department to create and present a proposal outlining the cost of opening and running a shelter with emergency beds in East County.
- R2. The BOS should consider finding a funding source to create and maintain a County-operated shelter in East County.
- R3. The BOS should consider finding a funding source to create and maintain a County-operated CARE center in East County.
- R4. The BOS should consider finding a sustainable funding source to increase the number of beds in existing County-operated shelters.
- R5. The BOS should consider finding a sustainable funding source to set up additional County-operated CARE centers.
- R6. The BOS should consider expanding master lease programs.
- R7. The BOS should consider looking for opportunities to create additional shelter beds by using unused warehouses, commercial buildings, or motels to make best use of existing unoccupied structures.
- R8. The BOS should consider asking the Health Services Department to create a plan for those frail homeless seniors who are demented or unable to take care of activities of daily living.

REQUIRED RESPONSES

| | Findings | Recommendations |
|--|-----------------|------------------------|
| Contra Costa County Board of Supervisors | F1 - F24 | R1 - R8 |

These responses must be provided in the format and by the date set forth in the cover letter that accompanies this report. An electronic copy of these responses in the form of a Word document should be sent by e-mail to ctadmin@contracosta.courts.ca.gov and a hard (paper) copy should be sent to:

Civil Grand Jury – Foreperson
725 Court Street
P.O. Box 431
Martinez, CA 94553-0091