

National Association of County Human Services Administrators

Innovations in Human Services Award



Working Towards Ending Homelessness in San Francisco

The Homeless Quagmire

“San Francisco has the worst, most visible expression of homelessness in our country,” according to Phillip Mangano, the Director of the Federal Interagency Council on Homelessness. In 2004, San Francisco was estimated to have 3,000 chronically homeless persons. New York City, nine times larger, had just 2,700. While extreme, San Francisco’s problem is not unique in that all major cities struggle with people living on its streets.

San Francisco’s homeless policies can be traced to the 1989 earthquake, which displaced thousands and aggravated an already short supply of affordable housing. Using federal McKinney Fund dollars, the city opened emergency shelters, believing that homeless persons just needed temporary support to get back on their feet. Over time, the nature of homelessness changed and the streets of San Francisco were flooded with destitute, chronically homeless persons, many of whom suffered from mental illness and/or substance abuse.

In subsequent years, San Francisco’s policies on homelessness vacillated between punitive measures against vagrancy and supportive approaches that relied on cash assistance. Police only seemed to chase homeless persons into new neighborhoods. Meanwhile, other communities were slashing benefits, and San Francisco’s \$400 per month cash assistance program (compared to \$24 per month offered by the largest neighboring county) attracted new homeless persons. At best, the cash offered by San Francisco provided for a relatively well-subsidized street life; at worst, it facilitated a lifestyle of dependency and substance abuse. In no instance was it enough to cover the cost of housing in an expensive city.

The city operated emergency shelters, but many people preferred to remain outside. Only 14% of homeless applicants for the County’s General Assistance Program who were referred to shelter ever showed up there. The city provided millions of dollars for treatment services for homeless persons, but the services’ efficacy was continually undermined by the chaos and trauma of life on the streets. The city spent an average of \$13,000 per year for each homeless person, but seemed to only be perpetuating misery and destitution. During one twelve-month period, the number of people who died homeless in San Francisco was 169.

Responding to the Need

The San Francisco Human Services Agency (SF-HSA) had long seen the need to reform its cash assistance program for the homeless and significantly expand permanent supportive housing, but lacked the political support and funding to launch a major new initiative. The idea of merging these notions into one strategy caught the attention of then County Supervisor (now Mayor) Gavin Newsom, who went on to author the *Care Not Cash* (CNC) ballot initiative, Proposition N.

In November 2002, 59% of San Francisco voters approved the CNC initiative, under which cash aid for homeless General Assistance recipients would be lowered to \$59, and savings from the decreased benefit would be redirected to provide permanent supportive housing for them in lieu of the larger cash grant.

Planning Process

SF-HSA began its planning process immediately following the passage of the CNC ballot initiative. Several working groups were formed within and across SF-HSA’s internal departments to prepare for CNC. The agency

negotiated twenty-year master leases with single room occupancy hotels in return for the hotels being renovated into clean, decent, permanent supportive housing. SF-HSA contracted with non-profits to manage the buildings and provide on-site supportive services, case management and money management assistance. Mental health, substance abuse, and medical treatment services were also contracted through non-profits and the County Public Health Department to help stabilize clients placed in housing.

Given the history and controversial nature of homeless policy in San Francisco, community input and education was essential. The agency worked hard to overcome resistance to change, even in the face of a broken status quo, especially within San Francisco's active and vocal homeless advocacy community. SF-HSA convened two advisory committees, one for homeless service providers and one for the general public. SF-HSA Executive Director Trent Rhorer and other management representatives delivered regular CNC updates and solicited feedback at forums throughout the city related to homeless issues. In addition, a series of public meetings were held specifically for homeless clients to explain how CNC would work on a practical level and answer questions. After delays due to court challenges, SF-HSA eventually launched the program in May 2004.

Key Program Components

The two primary components of the CNC initiative are described below:

Housing First. San Francisco was the first major city to fully embrace the concept of "housing first." At the time, this contradicted the federal strategy on homelessness, which envisioned a "continuum of care" in which outreach workers engage homeless persons in treatment, stabilize them in shelters and transitional housing, and then move them into permanent housing. CNC houses people up-front and then provides them with supportive services, thereby increasing the efficacy of the services and preventing future reoccurrences of homelessness.

Intensive On-Site Supportive Services. Each hotel has an on-site case management team to provide access to support services and money management assistance. This team also makes referrals to a highly skilled Behavioral Health Roving Team funded by CNC. The Roving Team employs a range of interventions to help stabilize residents, including mental health and substance abuse services, vocational and entitlements assistance, and skills groups. Medical and psychiatric assessments take place on-site and are used in the development and implementation of treatment plans to promote the overall well being of the clients and enhance housing stability. Persons housed through CNC also have special access to a Public Health clinic, specializing in this population.

Program Goals

The primary goal of CNC is to reduce homelessness and improve the health and welfare of homeless indigent adults receiving cash assistance through permanent housing opportunities and enhanced services. To achieve this goal, SF-HSA sought to decrease the number of homeless General Assistance clients, and expand affordable housing units and services for this population.

Program Results

CNC provides generous support, but tilts incentives away from street life. CNC produced the following dramatic results between May 2004 and the present:

- ❖ The annual amount spent on cash aid to homeless persons dropped from around \$11 million to approximately \$500,000. Now 96% of SF-HSA's spending on General Assistance for homeless persons goes not to cash aid, but to housing and supportive services.
- ❖ The number of new General Assistance applicants who declared themselves to be homeless dropped by 93%. The number of homeless persons receiving General Assistance declined by 77%.
- ❖ 2,119 homeless persons exited homelessness and entered permanent housing. The housing retention rate for persons housed by CNC is over 96%.

The Ongoing Benefits and Legacy of Care Not Cash

In an independent study of CNC, persons housed by the program reported improved physical and mental health. Having housing allowed them to take advantage of support services. In focus groups, case managers reported that after years of neglecting their health, the newly housed, especially seniors, began to utilize health services.

Formerly homeless persons stated that the stability of being housed allowed them to enroll in community college, seek employment, obtain disability benefits, and make plans. Being housed gave them more control over their lives, and they reported greater feelings of self-efficacy and a sense of optimism about the future.

CNC has not solved San Francisco's homeless problem. In particular, the city is still working to expand programs to house homeless persons who do not receive local cash assistance but survive through SSI or the underground economy. However, San Francisco now has a coherent strategy to end homelessness, not just manage it. The success of CNC has also helped alter the national debate on homeless policy. The housing retention rates and positive client impacts achieved by CNC prove that a "housing first" model can be successful. While other cities continue to emphasize emergency shelters, San Francisco is looking for ways to create more permanent supportive housing and make shelters obsolete.