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MEMORANDUM

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: TIM KERR
DATE: March 27, 2008
RE: **HOMELESSNESS IN TURLOCK**

The purpose of this report is not to provide the definitive answer to the issue of homelessness in Turlock, but rather provide focus on specific aspects of homelessness with the goal of attaining Council consensus on the City's role in this issue. Those specifics include a definition of homelessness, identifying the causes of homelessness, identifying the cost of homelessness, examining the Turlock experience with homelessness, identifying strategies to address homelessness and, finally, the role of the City, both short-term and long-term.

DEFINITION OF HOMELESSNESS

The Federal McKinny Act defines homelessness as a person who "...lacks a fixed, regular, and adequate night-time residence, and ...has a primary night-time residency that is: (A) a supervised publicly or privately operated shelter designed to provide temporary living accommodations... (B) an institution that provides a temporary residence for individuals intended to be institutionalized, or (C) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings."

WHO ARE THE HOMELESS?

The National Law Center on Homelessness and Poverty estimates that approximately 3.5 million people, 1.35 million of them children, are likely to experience homelessness in a given year. This translates into approximately 1% of the U.S. population experiencing homelessness each year.

The National Coalition for the Homeless estimates that, on average, single men comprise 51% of the homeless population, single women represent 17%, families with children account for 30% and unaccompanied youth comprise 2%.

The Substance Abuse and Mental Health Services Administration estimates that 71% of the homeless reside in central cities, 21% are in the suburbs and 9% live in rural areas. It is further estimated that 80% experience homelessness for less than 3 weeks. Typically, this group has

more personal, social or economic resources to draw upon. Approximately 10% experience homelessness for up to two months. This group cites lack of available or affordable housing as the major cause of their situation. Lastly, 10% are defined as "chronic" and remain homeless for extended periods of time on a frequent basis. This group typically struggles with mental illness, substance abuse, or both. These latter two groups would appear to be those in the greatest need of public/private assistance.

The "Community Inquiry: Homeless Shelter in Turlock" prepared by the Center for Public Policy Studies, CSUS, concluded it is difficult to get an accurate estimate of the number of homeless in Turlock. The Community Services Agency, however, estimates the homeless population in Turlock to be in excess of 466 individuals who fit the Federal definition for homeless. Men account for 68% - 70% of Turlock homeless, while women account for 30%. The Turlock Unified School District reports that 224 students are classified as homeless.

CAUSES OF HOMELESSNESS

In developing effective strategies to address homelessness one must first understand the causes of homelessness. The National Coalition for the Homeless identified the following conditions as causes of homelessness:

- Poverty
- Eroding Work Opportunities
- Decline in Public Assistance
- Housing
- Lack of Affordable Health Care
- Domestic Violence
- Mental Illness
- Addiction Disorders

Poverty – Homelessness and poverty are inextricably linked. In 2005, 13.3% of the U.S. population, or 38,231,521 people, lived in poverty. Poor people are frequently unable to pay for housing, food, childcare, health care and education. Often, it is the cost of housing, which absorbs a high proportion of income that is sacrificed in an effort to meet other essential needs. Being poor means being an illness, an accident or a paycheck away from living on the streets.

Eroding Work Opportunities – While the last four years have seen growth in real wages at all levels, these increases have not been enough to counteract a long pattern of stagnant or declining wages. Low-wage workers have been particularly hard hit by these wage trends. Declining wages, in turn, have put housing out of reach for many workers. Housing costs, particularly for rental housing, disproportionately affects lower income families. From 1999 through 2004, residential rents rose by 19%, while the CPI rose only 13%. In 2001, the Children's Defense Fund concluded five million rental households had "worst case housing needs" defined as paying more than half of their income on rent, living in substandard housing, or both.

The connection between impoverished workers and homelessness is also evident in homeless shelters. In 2005, a U.S. Conference of Mayors survey found that 13% of persons in homeless shelters were employed.

Decline in Public Assistance – The declining value and availability of public assistance is another source of increased homelessness. Welfare caseloads have dropped sharply since the passage of welfare reform. Early findings suggest that although more families are moving from welfare to work, many of them are fairing poorly due to low wages. In 2001, a study by the Institute for Children and Poverty found that in Philadelphia and Seattle, 20% of those whose benefits were reduced or cut became homeless as a direct result.

Housing – A lack of affordable housing and the limited scale of housing assistance programs also contribute to homelessness. According to HUD, the shortages of affordable housing are most severe for units affordable to renters with extremely low incomes. Housing is rarely affordable for families leaving welfare for low wages. Fewer than one in four of these families live in public housing or receive housing vouchers.

People with disabilities, too, struggle to obtain stable housing. According to the Consortium for Citizens with Disabilities, in 1998 a person receiving Supplemental Security Income (SSI) had to spend 69% of the monthly SSI to rent a one-bedroom apartment at Fair Market Rent. Worse, in more than 125 housing markets, the cost of a one-bedroom apartment at Fair market Rent was more than a person's total monthly SSI income.

In addition to low wages and a shortage of housing assistance, the strong housing market of the last few years has also contributed to homelessness. In a strong economy rents soar and rental units are converted into condominiums, both factors that make housing even more unaffordable and contributing factors to the increase in homelessness. Conversely, the recent mortgage crisis and increase in foreclosure is also likely to add to the number of homeless.

Lack of Affordable Health Care – According to the U.S. Census Bureau, in 2004, 45.8 million Americans (15.7% of the population) were without health insurance. For those struggling to pay rent, a serious illness or disability can start a spiral into homelessness, beginning with a lost job, depletion of savings and eventual eviction.

Domestic Violence – Battered women who live in poverty are often forced to choose between abusive relationships and homelessness. The National Coalition Against Domestic Violence estimates that nationally approximately half of all women and children experiencing homelessness are fleeing domestic violence.

Mental Illness – According to the U.S. Conference of Mayors, approximately 16% of the single adult homeless population suffer from some form of severe or persistent mental illness.

Addiction Disorders – The National Coalition for the Homeless estimates that 26% of the homeless are substance abusers. While rates of alcohol and drug abuse are disproportionately high among the homeless, the increase in homelessness over the past two decades cannot be explained by addiction alone. Many people who are addicted to alcohol and drugs never become homeless, but people who are poor and addicted are clearly at increased risk of homelessness.

The following are among the obstacles to treatment of the mentally ill and addictive homeless: lack of health insurance; lack of documentation; waiting lists; scheduling difficulties; daily contact requirements; lack of transportation; ineffective treatment methods and lack of support services.

Having addressed many, but certainly not all, of the causes of homelessness it would now be appropriate to address the cost of homelessness.

THE COST OF HOMELESSNESS

For those involved in the issue of homelessness it often seems that placing the homeless in shelters, while not the most desirable outcome, is at least the most inexpensive way of meeting their basic needs. This is deceptive. The cost of homelessness can be quite high, particularly for those experiencing chronic homelessness. Due to their situation, the homeless use a variety of public services in inefficient and costly ways. Preventing homelessness or ensuring a speedy transition into stable permanent housing can actually result in significant cost savings.

According to a report in the New England Journal of Medicine, the homeless spend an average of four days longer per hospital visit than comparable non-homeless people. This represents an additional cost of approximately \$2,414 per hospitalization.

A study of hospital admissions of the homeless in Hawaii revealed their rate of psychiatric hospitalization was over 100 times that of the non-homeless. This study concluded this phenomenon represented a cost of \$3.5 million or approximately \$2,000 per person.

The National Law Center on Homelessness and Poverty concluded that the average cost to California hospitals of treating a substance abuser is about \$8,360 for those in treatment compared to \$14,740 for those not in treatment, and given the fact the homeless are typically not in treatment, they represent an increased cost of \$6,380.

The homeless also represent an increased cost to the jail system. Typically, the homeless spend more time in jail. According to the University of Texas, the homeless cost the taxpayers \$14,480 annually each time an individual spends a night in jail. In Stanislaus County, each time the Turlock Police Department books an individual in jail the City is assessed \$88.26 in booking fees, for an annual cost of \$120,000. While this is not meant to imply that everyone booked by TPD is homeless, any reduction in bookings is a General Fund savings. A cursory review of calls for service for TPD regarding complaints associated with homeless and those engaging in vagrancy revealed the following:

Shelter Open/Closed	Dates	Calls for Service
Open	November 2006 – March 2007	56
Closed	April 2007 – October 2007	154

The operation of emergency shelters also represents a costly alternative to permanent housing.

The cost of an emergency shelter bed funded by HUD is approximately \$8,067, more than the average annual cost of a Section 8 Housing Certificate. In Turlock, it is estimated that the City spends approximately \$1,731.93 per bed to house 60 homeless during the 133 days the emergency cold weather shelter is in operation. While operating an emergency shelter may address a specific crisis, an emergency shelter alone does little to break the cycle of homelessness and, as such, represents an ongoing cost with no end in sight.

Perhaps the most difficult cost to quantify is the loss of future productivity. Decreased health and more jail time means the homeless have more obstacles to again reach a point in life where they can contribute to society through their work and creativity. Homelessness also affects the future productivity of homeless children. The National Law Center on Homelessness and Poverty concluded that in New York City, 13% of 157 homeless students in the sixth grade

scored at or above grade level in reading ability compared to 37% of all fifth graders taking the same test.

THE TURLOCK EXPERIENCE

It may be impossible to cite the exact date that the City became involved in the issue of homelessness. To many, the City's active involvement can be traced to the eradication of the homeless encampment from under a freeway crossing in the Summer of 2002. Once this encampment was eliminated, the question became, "Where should the homeless go?" In response, the City began funding an emergency cold weather shelter in January 2003.

In 2002-03 and again in 2003-04, the City funded operation of an emergency cold weather shelter at the Zion Worship Center near Highway 99. From 2004-05 to the present, the City funded operation of a shelter at 400 B Street which the City purchased in 2003. This purchase was financed by Federal HOME funds (\$159,775) and RDA set-aside funds (\$200,000). Funding for the shelter operated by We Care Turlock is provided by RDA set-aside funds.

The shelter houses approximately 60 adults, 5:00 p.m. to 8:00 a.m., and operates November/December – March/April. Nightly meals are provided by local churches. Although the facility provides shelter from the elements, it offers little in the way of services designed to break the cycle of homelessness.

Shortly after the City began funding operation of the emergency cold weather shelter a community collaborative was formed composed of social service providers, university personnel, members of the faith-based community, business people, civic leaders and the homeless. The purpose of the collaborative, in part, was to assist in the development of a long-term strategy to address homelessness.

In 2006, the City and collaborative were preparing to move forward with plans for the development of a permanent shelter. However, based upon complaints from residents, businesses and a church that would become neighbors of this proposed facility and a lack of clarity regarding the identification of the service provider, services offered and source of operational funding, the decision to build the permanent shelter was deferred.

In the Spring of 2006, the City Council committed \$70,000 to retain the services of the Center for Public Policy Studies, CSUS, to engage in a community inquiry regarding a homeless shelter in Turlock. The inquiry posed three primary questions:

1. What are the most pressing issues related to a homeless shelter in Turlock?
2. What are the most viable strategies for addressing these issues?
3. What role does the City have in implementing those strategies?

In the Fall of 2007, a study on the findings of the community inquiry was submitted for consideration of the City Council. In summary, the study reported the following:

- There is a great deal of mistrust, skepticism, anger and frustration over the issue of homelessness in Turlock.

- The issues of a homeless shelter in Turlock are much more complicated than whether to build or not build a shelter. These issues include: impact of the homeless on the area where homeless services are located, location of the shelter, accountability of those who operate the shelter, causes of homelessness, motivation and actions of homeless, homelessness is a bigger issue than just Turlock, goals/objectives of a shelter.
- There was evidence the community would be more supportive of services that move people out of homelessness and not just help maintain homelessness.
- Communities of a similar size in California respond to homelessness in a variety of ways, including:
 - use of various funds to assist non-profit efforts to aid the homeless
 - participate in and support collaboratives to help coordinate various efforts to aid homeless
 - cities and organizations that are non-profit, faith-based and other government agencies cooperate
 - cities aid shelters that target men, women, families or combinations of the homeless
 - cities have shelters operated by faith-based organizations along with shelters run by other groups
- The shelter is not going to be the answer to all the issues surrounding homelessness, but it can be part of the total response.
- A shelter that operates independent of all other activities will not be able to meet the various needs of the homeless.
- It would be difficult for programs and services to be successful without a shelter.
- The current shelter serves as a temporary place for people until a more permanent "home" can be located.
- There is a need for greater coordination, cooperation and collaboration among parties connected to homelessness. Data from other cities shows that collaboration and cooperation are quite common.
- The issues involved with homelessness are quite complex, so it is difficult to imagine one group or service being able to respond to all of them.
- The City is currently involved in responding to homelessness. Specifically, the City has programs to prevent homelessness such as senior housing, first time home buyers assistance and rental assistance for mobile home owners.
- It is not very common for a city to own/operate a shelter, but there are instances where cities provide financial assistance to shelters operated by others.

In early 2008, the Center for Public Policy Studies and City staff reconvened participants from the community inquiry to determine if there was interest in forming an action committee. The purpose of the action committee is to utilize the findings from the community inquiry to develop a method by which a strategy to specifically address homelessness could be developed. Those in attendance expressed interest in and support of this effort and at the February 26, 2008 meeting of the RDA, a recommendation was provided to the Agency Board to appropriate \$24,000 for this effort. At this same meeting, a representative of the homeless community requested Council's consideration for a commitment to continue operation of the emergency cold weather shelter in 2008.

The Council deferred action on both of these issues to a study session scheduled for April 1, 2008, at which time the Council would address the issue of homelessness in a more comprehensive manner. In preparation for this discussion the following section addresses strategies used by other communities in responding to homelessness. These examples are provided for illustrative purposes and should not be considered a comprehensive list of approaches to homelessness.

STRATEGIES TO ADDRESS HOMELESSNESS

In general, within the homeless services system, three broad types of housing are targeted specifically to the homeless: emergency shelter, transitional housing and permanent supportive housing. These three types, and specific models within each type, differ in their physical configuration; the expected tenure of clients and the degree of choice clients have in selecting where they live.

Emergency shelters provide overnight shelter, often in a congregate setting. An emergency shelter may be open seasonally, year-round, nightly or during the day as well. Services vary from minimal to intensive case management. Clients have little choice in terms or conditions of a shelter stay. An emergency shelter is often viewed as an important first step in moving the homeless into stable housing. It is important to understand that services, not just shelter, must be available to assist in breaking the cycle of homelessness.

Transitional housing offers longer term, but time limited housing (typically 6-24 months), often in single household units or in smaller congregate settings with more intensive service than is available in an emergency shelter. Clients may have some choice in where they live, depending on the scale of the program.

Permanent supportive housing may be offered in the same physical configurations as utilized in transitional housing. This type of housing often targets persons with disabilities and offers the most intensive services.

Services offered in any of the above models may include, but are not limited to, housing search assistance, case management, employment assistance, transportation assistance, mental health services and substance abuse treatment.

The ultimate goal of any homeless service system should be the eventual return of the homeless to a fully independent living situation sustained by their own labor. In short, ideally, the homeless should transition from being viewed as a "tax burden" to becoming recognized as a tax payer.

A more focused approach to addressing homelessness has been developed by the National Alliance to End Homelessness. The Alliance believes homelessness can be ended in ten years if the following steps are implemented, simultaneously.

Plan for Outcomes

Today most American communities plan how to manage homelessness – not how to end it. In fact, new data has shown that most localities could help homeless people much more effectively by changing the mix of assistance they provide. A first step in accomplishing this is to collect much better data at the local level. A second step is to create a planning process that focuses on the outcome of ending homelessness and then brings to the table not just the homeless assistance providers, but the mainstream state and local agencies and organizations whose clients are homeless.

Close the Front Door

The homeless assistance system ends homelessness for thousands of people every day, but they are quickly replaced by others. People who become homeless are often clients of public systems of care and assistance. Public systems or institutions, such as jails and prisons, hospitals, the child welfare system and mental health facilities, too often “graduate” people directly into the homeless system. One aspect of prevention is to stop these discharges into homelessness through basic transition planning so that people leaving these institutions have stable housing and some means for maintaining it.

Open the Back Door

Most people who become homeless enter and exit homelessness relatively quickly. Although there is a housing shortage, they accommodate this shortage and find housing. There is a much smaller group of people which spends more time in the system. The latter group – the majority of whom are chronically homeless and chronically ill – virtually lives in the shelter system and is a heavy user of other expensive public systems such as hospitals and jails.

People should be helped to exit homelessness as quickly as possible. For the chronically homeless, this means permanent supportive housing (housing with services) – a solution that will save money as it reduces the use of other public systems. For families and less disabled single adults, it means getting people very quickly into permanent housing and linking them with services. People should not spend years in homeless systems, either in shelter or in transitional housing.

Build Infrastructure

While the systems can be changed to prevent homelessness and shorten the experience of homelessness, ultimately people will continue to be threatened with instability until the supply of affordable housing is increased; incomes of the poor are adequate to pay for necessities such as food, shelter, and health care and disadvantaged people can receive the services they need.

Attempts to change the homeless assistance system must take place with the context of larger efforts to help very poor people.

The Alliance concludes that taking these four steps will change the dynamic of homelessness. While it will not stop people from losing their housing, it will alter the way in which housing crises are dealt with. While it will not end poverty, it will require that housing stability be a measure of

success for those who assist poor people. If these steps are implemented over time, the Alliance believes they can lead to an end to homelessness within ten years.

In summary, the most effective strategies utilized to address homelessness are those that have housing systems available to assist in the progression from homelessness to stable permanent housing coupled with delivery of services designed to address the root cause(s) of homelessness.

ROLE OF THE CITY

In defining the role of the City, the City Council must address short-term as well as long-term participation in the issue of homelessness. Because the future of the emergency cold weather shelter has the most immediate impact upon the community, the Council's decision regarding this facility will define the City's role in the issue of homelessness in the short-term. In considering the City's role in the emergency cold weather shelter the following questions should be addressed:

- Will the City continue to fund an emergency cold weather shelter beyond 2007-08 and, if so, for how long?
- If the City continues to fund an emergency cold weather shelter, will the shelter operate at 400 B Street?
- If the City elects to discontinue use of the 400 B Street facility, what is the future of this asset?
- If the City continues to fund an emergency cold weather shelter, but elects not to continue operations at 400 B Street, where is the preferred alternate site?
- If an alternate site is located, can it be operational by November/December 2008?
- If an alternate site cannot be made operational by November/December 2008, what options does the City have?
 - a. Delay opening of a shelter until the alternate site is available
 - b. Utilize 400 B Street until the alternate site is available

Traditionally, the City has funded operation of the emergency shelter by We Care Turlock. In the short-term, the Council may also want to address this service delivery model.

- Does the City (RDA) continue to fund We Care Turlock either at 400 B Street or an alternate site?
- Should an alternate service provider be identified and, if so, who is available to serve the homeless population We Care Turlock provides for?
- Would the City consider funding more than one service provider?

These, and undoubtedly other, questions must be resolved in defining what, if any, role the City wishes to have in the short-term delivery of services to the homeless.

In the long-term, experience in other communities would suggest that homelessness is best addressed through a system of housing options and services designed to transition the homeless from the street to a permanent, independent living situation. In considering the City's role in this long-term service delivery model the following questions should be addressed:

- Does the City have a role in developing a long-term service delivery model of housing options and service delivery?
- How is a long-term service delivery model of housing options and services developed and by whom?
- What is the City's role in implementing a long-term service delivery model of housing options and services?
 - a. acquisition funding in support of services provided by others?
 - b. operational funding in support of services provided by others?
 - c. political support?
 - d. becoming a service provider?

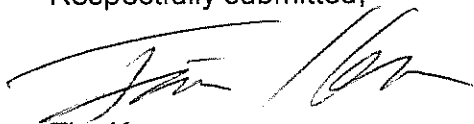
If the Council determines that the City should have a role in the development of a long-term service delivery model, you may wish to consider forming the Action Committee as proposed by the Center for Public Policy Studies, CSUS. This group possesses a combination of knowledge of homelessness in Turlock and commitment to assisting in the development of strategies to address this issue.

CONCLUSION

As the Council considers what, if any, role the City will have in addressing homelessness in Turlock, the common experience of other communities should serve as our road map. That experience shows homelessness is not unique to Turlock. As a social problem homelessness is too overwhelming for any single entity to address. Homelessness is most effectively addressed through a system of housing options coupled with delivery of services. Finally, homelessness can most effectively be addressed when all parties, public, non-profit, faith-based entities and the homeless themselves commit to cooperation, coordination and collaboration.

In summary, hopefully this report and the dialog it stimulates on April 1 will enable the community to make significant strides toward breaking the cycle of homelessness in Turlock.

Respectfully submitted,



Tim Kerr
City Manager