Homeless Funding Proposal

Presented to the Mayor by the Shelter and Resource Center Services Association
San Francisco, May 2012

Role of Emergency Homeless Services in San Francisco

Emergency homeless services in San Francisco provide a critical safety net, saving both lives and valuable health care resources. Human beings are not meant to live on the streets, where they are at risk for poor health because of exposure to infection, the elements, and to violence. The lack of control over nutrition, personal hygiene, and sleep demeans and debilitates on its own, and the psychological toll is as dire as the physical. Living outside complicates efforts to treat illnesses and injuries, and the outcomes

Homeless people suffer preventable illnesses at three to six times the rates experienced by others.

are disastrous: homeless people suffer preventable illnesses at three to six times the rates experienced by others, have higher death rates, and have dramatically lower life expectancy by an average of 30 years.[1]

Emergency homeless services decrease Psychiatric Emergency Services (PES) admittance at San Francisco General Hospital by engaging homeless individuals in community-based crisis intervention and psychiatric services. Each psychiatric crisis at PES costs $3,325, as opposed to de-escalation at a resource center, which costs $603 per person for a full year. Furthermore, the provision of such basic necessities as water and hygiene services decreases ER admittance and hospital treatments of preventable infections. [2]

In San Francisco, homeless people are vulnerable. According to the city's last count, 53% of homeless people were experiencing homelessness for the first time, more than half (55%) reported a disabling condition, and 17% were veterans. The impact of homelessness on children is particularly magnified. Homeless children have a higher rate of serious and chronic health issues, developmental delays, mental health problems, academic failures, behavioral problems, hunger, and poor nutrition. Moreover, unaccompanied minors and transitional age youth (ages 18 – 24)—who are overrepresented in San Francisco's homeless community—are at an extreme risk of long-term disconnection and entering into the ranks of the city's chronically homeless adult population.

Homelessness in San Francisco is a visible issue that impacts the entire community and carries an enormous price tag in health care costs. People living on the street are caught in a vicious

---

[1] *See Murphy, op. cit., for a thorough exploration of these topics / Institute of Medicine Homelessness, Health and Human Needs, National Academy Press Washington, DC / 1988 O'Connell J; Premature mortality in homeless populations: a review of the literature.*

[2] *1/2 of the world's hospital beds are occupied by patients suffering from diseases associated with lack of access to water, adequate sanitation and poor hygiene – 2006 United Nation Human Development Report.*

cycle wherein their housing status prevents them from securing living wage employment, which in turn keeps them from stable housing. The visibility, entrenchment, and challenge of homelessness in San Francisco means that it plays a central role in public discourse. According to a recent public opinion poll conducted by the Chamber of Commerce, the top issue San Franciscans cited was homelessness.

Current Crisis in San Francisco's Publicly Funded Emergency Homeless System

San Francisco's emergency homeless system is in trouble. Severe under-funding and a number of co-factors have created a citywide crisis where safety and dignity inside shelters and resource centers are at risk.

- *Increased need, fewer beds and drop-in centers*

Safety net providers have experienced a steady increase in requests for shelter and support services over time. Meanwhile, the acuity of the mental and physical health issues among shelter and resource center clients has increased. Shelters and resource centers see higher levels of disability, including mental illness, anxiety, physical health needs, and an increasingly aged population. Meanwhile, since 2004, San Francisco has lost one-third of its shelter bed capacity, while one-half of drop-in centers serving homeless people have closed their doors.

- *Losses in federal, state, and private funds*

Shelters in San Francisco lost $539,501 last year alone, from a combination of sources including federal, state, local, and private funding; homeless safety net providers as a whole project another $800,000 in cuts in the year ahead. Drop-In Centers this year will lose $122,000 in California MHSA support. Meanwhile, many private foundations have moved away from funding emergency services. In 2009, San Francisco lost $65,000 in Emergency Housing Assistance Program (EHAP) funding from the State of California by governor veto, and San Francisco shelters lost another $321,785 in FEMA funds, while facing a 12% cut in federal Emergency Solutions Grant funding next year. Furthermore, federal funding from the American Recovery and Reinvestment Act (ARRA) for Homelessness Prevention and Rapid Re-Housing (HPRP) will end in June 2012. The HPRP program provided $8.75M over 32 months, preventing homelessness among 2,301 households who were at imminent risk. To date, 106 households have been rapidly re-housed through this program, which will end this fiscal year. Even as the economy recovers, San Francisco's safety net service providers continue to feel deeply the impacts of public and private funding cuts.

San Francisco's emergency homeless system projects more than $800,000 in lost funds next fiscal year.

- *Flat City funding and increased shelter and resource center costs*

Except for a small Standards of Care adjustment given in 2009, there has not been any increase in funding from the City for these services since 2006; in some cases, the City's per bed reimbursement has actually decreased for shelter providers. At the same time, shelters and resource centers have experienced significant increases in the cost of doing business. Health care premiums, for instance, increased an average of 10% for shelter and resource center

providers during the past year, and at greater levels in prior years. One provider experienced a 76% increase in Kaiser premium costs between FY2006 and FY2012. Workers Compensation expenses have more than doubled in the same period. (Please note: we are only pointing out the impact, but we are not requesting a CODB/COLA as part of this proposal).

As shelters and resource centers have worked to meet the challenges of increased occupancy as well as Standards of Care demands, we have also seen food and janitorial supply costs go up dramatically. One provider spent $182,000 on food product in FY2007 compared to the anticipated expenditure of $383,000 in the current fiscal year. During the same period, that provider's janitorial and hygiene supply costs went from $48,000 to $150,000.

In the face of rising costs and flat or decreased City funding, emergency homeless providers have been forced to cut personnel, leaving fewer line staff and managers to work with increased numbers of clients with higher levels of acuity and need. Notably, behavioral health professionals were among positions substantially reduced by the City's cuts, severely limiting the support available to front line staff.

Impact of Funding Crisis on Emergency Homeless Service Providers

The impact of the funding crisis has affected every area of shelter and resource center operations and their ability to meet the basic needs of clients. San Francisco's emergency homeless service system is stretched to its limit. The safety net cannot absorb further cuts, but instead needs additional funding to meet minimum staffing levels and the Standards of Care.

- *Increased safety problems*

The lack of adequate staffing leads to safety issues in San Francisco's emergency homeless services. Since 2010, there has been a marked increase in violence inside city shelters and resource centers that correlates with decreased staffing, increased acuity, and decreased services. Based on data from denial of services due to violence/threats of violence, the numbers have increased every six months over the last three time periods by a total of 27%.[3] Staffing ratios are now so low that staff are often unable to de-escalate crisis situations in time to avoid violence. Some providers can offer only one staff member per 50 or more clients.

- *Inability to follow Standards of Care*

San Francisco shelters and resource centers support the City's Standards of Care, which legislate basic hygiene, health, and human rights regulations for City-funded homeless services. As City funding has been cut, however, shelters and resource centers are hard-pressed to maintain the Standards of Care. Despite the commitment to these standards, shelters and resource centers lack the funding to keep up fully with the demand for such basic items as toilet paper, clean sheets, and adequate food for clients. Moreover, as staff deal with higher needs

---

[3] *Denial of service raw data for threats of violence and violence include 147 incidents occurring between July and December of 2010, 181 incidents between January and June of 2011, and 201 incidents between July and December of 2011.*

clients, shelters and resource centers have few resources to train staff on clients' behavioral and physical needs.

- • *Facility problems*

Shelters and resource centers struggle with the impact of deferred maintenance. Due to heavy use by a high-needs population, shelters and resource centers require proactive work to maintain facilities. Common issues among San Francisco's shelters and resource centers include elevator breakages, unhealthy or unsafe conditions, plumbing problems, HVAC issues, decrepit flooring, and more. Deferred maintenance leads to higher costs down the line. This reality is exacerbated by the loss of Redevelopment funds, CDBG, and other capital funding options upon which shelters and resource centers once relied. While we applaud recent efforts by the Human Services Agency to address this issue, deferred maintenance and capital expenses continue to pose a significant challenge to San Francisco's emergency homeless service providers.

- • *Staff turnover*

Over 14,000 individuals enter our emergency homeless system each year. The high volume of clientele with increasingly complex problems is compounded by low staff wages and understaffing. It is unsurprising that our agencies suffer from high staff turnover. Turnover is disruptive to clients, while presenting substantial institutional challenges. Staff turnover is time-consuming and costly for providers struggling with reduced resources for relief staff and training.[4]

- • *Loss of services citywide and inside emergency homeless services*

Citywide budget cuts impact San Francisco's entire social services network. As noted, cuts to the shelter and resource centers system have reduced the availability of primary health care, mental health, and substance abuse services inside and outside shelters and resource centers. Meanwhile, partner agencies upon which shelters and resource centers would otherwise rely for these services are absorbing the same cuts. The shelter and resource system feels the pressure of meeting greater client needs as citywide resources diminish.

The Proposed Solution

San Francisco's shelters and resource centers request of the Mayor and the Board of Supervisors a supplemental General Fund allocation to help meet the City's Standards of Care, cover increased costs, and ensure minimum staffing levels. **We request a total investment of $5,031,520 to ensure a safe and dignified system of care** ($911,149 for the city's resource centers, and $4,120,371 for shelters to offset the city's loss of HPRP funds and other co-factors). This investment will ensure that San Francisco can provide a safety net for families and individuals to prevent homelessness for those at imminent risk, provide safe and dignified shelter and resource centers for those experiencing homelessness, and support stabilization in permanent housing as quickly as possible.

---

[4] *Staff turnover data is currently being gathered by Human Services Agency staff.*

Summary Data on Funding Cuts and Request for Supplemental Funding

Provider	Projected Funding Gap
Shelters	
Hamilton Family Residences and Emergency Center	**364,769**
Episcopal Community Services - Sanctuary and Next Door	**746,702**
Episcopal Community Services - SF START	**269,302**
Central City Hospitality House	**129,592**
Compass Family Shelter	**55,709**
Catholic Charities CYO	**77,862**
CATS - A Woman's Place	**15,031**
Larkin Street Youth Services	**266,573**
Dolores Street Community Services	**76,788**
Providence Shelter	**118,044**
Subtotal: Shelters	***2,120,371***
Resource Centers	
Central City Hospitality House - Self-Help Centers*	**214,337**
CATS - A Woman's Place/Drop In*	**79,358**
Mission Neighborhood Resource Center	**102,880**
St. Vincent de Paul Society - MSC South	**330,100**
United Council of Human Services	**184,474**
Subtotal: Resource Centers	***911,149***
Subtotal: HPRP Offset (see below)	***2,000,000***
TOTAL:	**$5,031,520**

Funding gap does not include potential DPH cuts

Breakdown of Supplemental Funding Request	Amount	Percent of Total
Loss of HPRP funding offset:	2,000,000	40%
Loss of other funding offset:	821,772	16%
Minimum staffing levels and staff training coverage:	1,847,817	37%
Staff training:	14,334	<1%
Standards of Care/facility maintenance:	68,000	1%
Standards of Care/client supplies & food:	86,696	2%
Indirect:	192,900	4%
TOTAL REQUEST:	**5,031,520**	**100%**

Summary of ARRA HPRP Funding (10/09 – 3/12)	Target Population	Amount
Catholic Charities – Homelessness Prevention	Families	$2,983,519
Eviction Defense Collaborative – Homelessness Prevention	General	$2,122,540
Hamilton Family Center– Rapid Re-Housing	Families	$1,546,089
Holy Family Day Home	Families	$624,000
Larkin Street Youth Services	Youth	$151,762
Tenderloin Housing Clinic	Single Adults	$1,027,626
TOTAL FUNDING LOST:		**$8,410,536**
TOTAL REQUESTED TO REPLACE FUNDS FOR IMPROVED PREVENTION AND SUBSIDIES	**Families/limited Single Adults**	**$2,000,000****

**This funding is not meant to replace already promised private Benioff match for F12/13