

2010

Valuing Housing and Social Services in Marin County



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1. INTRODUCTION

On Friday, April 2 2010 the Marin Independent Journal had a front page story on homelessness in Marin County titled: “*Marin’s Homeless Search for Dry Beds.*” In a county with one of the highest per capita income in the nation this headline describes one of the many problems facing the disadvantaged, low income population in Marin County.

This report attempts to define the social and economic cost of homelessness in Marin County. Data for the cost analysis comes from various sources including the department of Health and Human Services, Police department, and Ritter Center, a homeless services provider in the County. We also utilized national data from similar studies to fill in the blank where data was unavailable, as some of the costs are based on national or state-wide available funds granted towards assistance in various categories. Because of the lack of a sampling of the homeless population in Marin County, we utilized data from Los Angeles and San Francisco Counties, both in California and that have similar medium household income and medium housing prices, similar jail and incarceration costs, and that also have the same access to State and Federal Funds to assist the homeless population. San Francisco and Los Angeles have developed a 10 Year Plan to End Homelessness and have published complex studies of economic the impact of homelessness on the local, State, and Federal budget, often times these studies focus on the “cost of avoidance” to deal with the issue of homelessness and its consequences, as well as a way to better allocate local, State, and Federal funds. However, the financial impact of dealing with homelessness does not paint a full picture. Costs to society of raising children without shelter and the long term health and psychological impact on their lives, the long term health care costs for individuals sleep outdoors in adverse weather conditions, and the high level of criminalization that impact the homeless population are just a few of the examples often overlooked by the studies.

This paper examines the overlooked costs to individuals and society and proposes to develop a qualitative, and whenever possible, a quantitative analysis of the social,

environmental, and human cost of homelessness. Social impacts are difficult to quantify as there is no way to place a value on personal well-being and security that comes from having shelter. The United Nations report on Human Settlements Programme states *“The UN Nations Human Settlements Programme has a mission to promote socially and environmentally sustainable towns and cities with a goal of providing adequate shelter for all. Adequate shelter means more than simply a roof over one’s head. It means adequate privacy, adequate space, physical accessibility, adequate security, security of tenure”*¹ By focusing in a corner of the world with the a median income of US \$ 57,988² where a Point in Time Study still found 1,770 individuals counted as homeless in one day, we are highlighting the significance of housing shortage that plagues not only the under developed and developing world, but also plagues the United States, the modern world largest economy.



¹ UN HABITAT - http://www.unhabitat.org/downloads/docs/6814_43566_K0951955%20HSP-EC-ACP-1-5%20Pro-poor%20land%20and%20housing.pdf

² Kaiser Family Foundation Stathealthfacts.org;
<http://www.statehealthfacts.org/profileind.jsp?ind=9&cat=1&rgn=6>

I. DEFINING HOMELESSNESS

The United States Department of Housing and Urban Development (HUD) defines “homeless” as “*a person sleeping in a place not meant for human habitation (e.g. living on the streets, for example) OR living in a homeless shelter.*”³ Chronic homelessness is defined more specifically as “an unaccompanied homeless individual with a disabling condition who has been continuously homeless for a year or more....or who has had at least four episodes of homelessness in the last three years”. In the past 10 years significant efforts have been made in the way state and federal agencies deal with homelessness increasingly moving away from emergency and transitional shelters. The new efforts are a reflection of numerous studies that point out the high costs of the temporary programs when other services such as medical and jail costs are factored into the cost of supporting the homeless population. The results of the 10 year plans have been mixed, with some counties and cities reporting a significant drop in their chronic homeless population, while others, like Marin County, have yet to address the impact this issue has on the society, business, environment, and particularly, the individuals affected by homelessness.

This paper will address the shortcomings of Marin County’s 10 year plan to end homelessness and define impacts that have been overlooked by society because they are not easily quantifiable but are important nevertheless. We will also analyze the financial impact of the current homeless services to the County budget, the direct costs of homelessness and attempt to offer a more sustainable use of the financial and environmental resources available.

³ Office of Community Planning and Development Office of Special Needs Assistance Programs; <http://www.hudhre.info/documents/DefiningChronicHomeless.pdf>

1. ECONOMICS OF HOMELESSNESS IN MARIN COUNTY

The homeless population in Marin County is concentrated in the City of San Rafael where the majority of homeless assistance service offices are located. This is also the largest city in Marin County, and the one with the most diverse population in income levels and ethnicity. The services located in the area make San Rafael a natural magnet, as does the warmer weather, the public parks, and the location of a major public transportation hub. As a result, the impact of a concentrated population of homeless on the streets and public parks are a direct burden to the City offices and businesses in the downtown area. There are three primary cost areas that impact the City and County budgets. First, there are the direct costs to the Division of Public Health and Division of Social Services, Hospital, and Jail. Second, is the indirect cost associated with the reduction of sales and Transient Occupancy Taxes (TOT) levied by the City and County for short time lodging. Finally, the reduced revenue to businesses as a result of the homeless presence in commercial areas is a cost issue for the City of San Rafael.

Marin County's 2009 "Point-In-Time" conducted in 2007 revealed a one day count of 1,770 persons who are homeless. Additional studies revealed that the number of homeless or those precariously housed numbered 3,028 persons. With the population of the County at 256,310, this amounts to 2% of the local population and it is comparable to national averages.⁴ This paper will analyze the costs associated with the services needed to house, offer medical treatment, and feed the homeless population, and look at the current funds allocated by the county to various homeless shelters, outward bound programs, and charitable organizations that are directly funded by the County. We will then look at the potential of utilizing those funds in a way that will enhance the quality of life of individuals currently homeless, and improve the socio-economic conditions of the most vulnerable population in Marin County.

⁴ Marin County Community Development Agency; 2008, Marin County affordable housing inventory, as cited in Marin County 2009 Homeless Count Report, by Sepahi, Lisa

For the development of the cost analysis of the impact of homelessness in Marin county and San Rafael interviews were conducted with Marin county's director of Health and Human Resources, the director of the San Rafael's Ritter Center, a non-profit homeless care facility, and other non-profit institutions in order to better gauge the financial costs currently incurred to service the homeless. Incarceration costs were obtained from the county sheriff's office for the booking records of the transient population, along with an average number of inmates that are in county jails as a result of petty infractions such as sleeping in parks without permits. Two tables were compiled with data from the above mentioned offices.

What the study has shown is the fact there is no coordinating agency for all of the county's homeless issues. Currently, the Department of Health and Human Resources (H& HR) is the best clearing house for information. Furthermore, the H&HR office has trained staff that could easily ramp up its activities to become the clearing house for information. However, there is no legislation or mandate at the County office for H&HR to begin to undertake this task. There is therefore an opportunity to have a greater impact on the issue of homelessness in Marin County by addressing the issue from a policy level, in order to implement changes that address the long-term socio-economic benefits for the local population.

The cost figures associated with servicing the homeless population in Marin County were derived from information from the following agencies:

1. Division of Alcohol, Drug, and Tobacco, Public Health Services
2. Division of Social Services
3. Administration sites, both housing and treatment facilities: Homeward Bound, Bucklew, St. Vincent de Paul Dining Room, Community Action Marin, Canal Alliance, Centerpoint's Treatment and Supported Housing, Helen Vine Detoxification Facility, West Marin, Waterview Sober Living, Novato Human Needs, Ritter Center, and Marin Housing
4. San Rafael Jail (temporary, booking services only)
5. Marin County Jail

Table 2 includes all of the above costs but excludes the costs from the Division of Alcohol, Drug and Tobacco, and Public Health Services because those are social services used by individuals whether or not they are experiencing homelessness. In particular, drug treatment and HIV clinics costs should not be included in the general cost of homelessness. It is important to look at the costs in detail and to identify where the cost savings would be realized with greater access to shelter and how those savings can be applied in the development of better solution to homelessness. A more detailed cost analysis will be developed in the future as additional data becomes available.

MARIN COUNTY COST OF HOMELESSNESS - Preliminary Report		General/Community costs not isolated for homeless	
Program Title - Type of Service	Funding Beneficiary		Targeted dollars
Division of Alcohol, Drug and Tobacco			
Substance Abuse Treatment	Various Facilities: Marin Services for Women, Bay AREA Community Resources, Family Service Agency, Center Point, Marin Treatment Center		\$ 791,044
Prop. 36 Program	Various Facilities: Marin Services for Women, Bay AREA Community Resources, Family Service Agency, Center Point, Marin Treatment Center, Ohlhoff		\$ 206,581
Adult Drug Court	Centerpoint and others		\$ 53,696
Detoxification	Helen Vine		\$ 196,727
Division of Public Health			
General Health Services			
	Marin Com. Clinic (homeless costs not isolated)	\$ 553,277.00	
	Coastal Health Alliance	\$ 229,106.00	
	Marin City Health and Wellness	\$ 100,000.00	
	Ritter Center		\$ 50,000
	Rotacare		\$ 20,000
Specialty Health Services	HIV Clinic (N=6) 4% of clinic clients	\$ 2,150,000.00	\$ 86,000
	Public Health Lab	\$ 2,936,000.00	
	Women's Health Services	\$ 4,792,000.00	
	Dental Clinic (get total # of visitors and costs for 122 visits for homeless)	\$ 559,000.00	
	Detention (Report: Two Analyses of Homeless in the Jail: estimates 36/per month are homeless at a cost of 82.50 per booking)	\$ 3,833,000.00	\$ 35,640
MARIN COUNTY COST OF HOMELESSNESS - Preliminary Report			
Division of Social Services			
Public Assistance			
	General Assistance (2/3 Incapacitated GA recipients homeless, of employable capacity, identified as	\$ 479,089.00	\$ 479,089
	Incap payments \$719,353. (\$128,284. employable	\$ 719,353.00	\$ 64,142
	CalWORKS (Total funding 7,843,831 10% to homeless	\$ 784,383.10	
	CalWORKS assistance payments: \$5,582,798 (10% homeless families	\$ 5,582,798.00	\$ 558,280
	Employable payments	\$ 128,284.00	
	CalWORKS - One time grant, last year: 2009		\$ 25,000
	Food Stamps - not separated by category (\$ 2,462,891.00	
	CMSP (Same as above: interpret data and use 1% population figure? Funds: \$681,741.)	\$ 681,741.00	
	Medi-Cal (Same as above, total funds: \$4,849,712)	\$ 4,849,712.00	
	Indigent Burial		\$ 36,000
Community Mental Health Services	Bucklew Programs: Residential support services, Supporting Housing, HUD/Haven, Transitional Youth Program	(These services are: 190 placements total, 64 RSS, 57 Supported placements, 6 supported housing apts.; 3 beds in	\$ 3,500,000
	Homeward Bound; Voyager: Emergency Housing;		\$ 498,000
	Odyssey Program (formerly HAVEN)		\$ 634,525
	Prop. 63 (Proposed development of 5 apts. Fireside, 12 unit apartment bldg. purchase of house for youth		\$ 2,500,000
	St. Michaels/All Saints		\$ 2,500,000
	St. Anne's		
	David's Guest home (63/day as needed)	(9 slots x 12 months/year x 63.00/day)	\$ 6,804
	Providence Place	(3 slots x 12 months x 200/day (average))	\$ 7,200
	Willow Glenn	(2 slots x 12 months x 85/day)	\$ 2,040
	Creekwood and Parfitts	(2 slots x 12 months x 14/day)	\$ 336
Non-Departmental			
	Transitional Housing Services - Homeward Bound		\$ 500,000
	HomeBase		\$ 100,000
One Year Emergency shelter funds - winter 09	Winter shelter program closed, in addition to H&HS contribution, Marin Community Foundation also		\$ 96,000
	Marin Community Foundation		\$ 166,000
Post Hospital Transition (9 month pilot program)			\$ 100,000
Ritter Center	Monthly costs for homeless care:	\$ 45,749.00	\$ 548,988
TOTAL ESTIMATED DIRECT HOMELESS CARE COSTS		Total Funds Targeted for Homeless Care	\$ 13,762,092

Table 1

2. CORPORATE AND COMMUNITY CULTURE

Marin County, where the City of San Rafael is located is one of the wealthiest counties in the nation. The per capita income in the County is the highest in the state according to a report by the Marin County Economic Commission.⁵ According to the 2000 census the population is 84% white, and more than 50% hold at least a first university degree. The high level of education and income also is reflected in a desire for the majority of the people to keep things the way they have been, or as is politically known a “Not in My Back Yard (NIMBY), mentality for any form of social service that will potentially bring people from the “outside” into the county. This NIMBY mentality is reflected in a Marin Grand Jury finding which outlined the lack of support the county offers to the homeless population compared to other counties in Northern California.⁶ San Francisco and Sonoma County are in stark contrast in the level of services offered to the homeless population. However, there is intensive community support in the non-profit area to reverse this condition and local and county government agencies see the need to reverse the current homeless trends.

On a business level, there is a perception the homeless problem is an “immigrant problem”. However, according to the 2000 Census, Marin still exhibits one of the least diverse populations in Northern California, which nullifies the “immigrant problem”. Furthermore, a county-wide survey of the homeless population also found the majority of the homeless population is white, and male. This type of information needs to be appropriately disseminated in order to assist business owners and individuals to make better choices when voting for important legislation that has the potential to counter the existing perceived and real homeless condition.

⁵ Marin Economic Commission, November 2007

⁶ Marin County Civil Grand Jury: Marin’s homeless: The “invisible” problem that won’t disappear. April 13, 2009

3. LAWS AND REGULATIONS

In March 2009, the Department of Housing and Urban Development (HUD), created the Homelessness Prevention and Rapid Re-Housing Program (HPRP), under the American Recovery and Reinvestment Act of 2009.⁷ It is the goal of the Ritter Center, for which this research is being conducted, to tap into these funds to develop a new, full-service Single Room Occupancy (SRO), and alternative living facilities for the homeless in the San Rafael and Marin County. Currently, the State of California does not have a “Right to Shelter” law, as do many states in the nation, and this may prove to be one of the greatest challenges at the policy level change in Marin County. As mentioned earlier, there is a perception that if we do not see the problem or perceived blight of low-income housing or Single Room Occupancy (SRO’s), in our neighborhood, then the problem does not exist. It is our hope to place a monetary value to the impact of homelessness to the city and county, and utilize this analysis to make a case for the implementation of more humane program to address the social-economic difficulties faced by the individuals and families who do not have access to housing and services in the county.

4. IGNORANCE AND LACK OF INFORMATION

There is within the county a general lack of information about the financial, social and environmental implications resulting from inadequate housing options for the homeless population. Several areas where dissemination of information is needed to help change the perceptions regarding homeless are as follows:

⁷ DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT -[Docket No. FR-5307-N-01] Notice of Allocations, Application Procedures, and Requirements for Homelessness. Prevention and Rapid Re-Housing Program Grantees under the American Recovery and Reinvestment Act of 2009

HOUSING

The Marin County 10 Year Plan to end homelessness called for the construction of 3000 additional affordable housing units. However, building affordable housing in Marin is very difficult because of the Not in My Back Yard Mentality (NIMBY), and the lack of availability of affordable housing sites. The county boasts the 5th highest per capita income in the nation and with a median housing price of \$ 865,000.00, and a Fair Market Rate of a 1 bedroom apartment listed as US \$ 1,406.00. These prices are out of reach to nearly 20% of residents of California whose income falls below the 100% of the National Poverty Rate.⁸ The average school teacher in the county cannot afford those prices and needs to commute from the outlying counties. There is also a lack of information regarding the potential for the county to decrease the cost of temporary and emergency shelters by investing into affordable housing.

IMPACT TO LOCAL BUSINESSES

Marin County's homeless population is unevenly distributed. The majority of the support services facilities are located in the City of San Rafael and Novato, the two cities with the highest densities and with the lowest housing costs. A cost of avoidance study needs to be developed in order to canvas local businesses and customers to more clearly identify those costs.

ENVIRONMENTAL IMPACTS

The City of San Rafael in addition to having the greatest number of homeless assistance facilities is also home to three homeless encampments on city parks. The sheriff department is responsible for health and safety in these areas and they patrol the parks to stop obvious signs of damage and destruction. However, simply removing homeless men (64% of the homeless

⁸ Kaiser State Health Facts: Kaiser Family Foundation:
<http://www.statehealthfacts.org/profileind.jsp?ind=14&cat=1&rgn=6>

population is male), women, and children from these areas is not an option. Law enforcement is simply looking for egregious problems, and not simply removing people from the camping sites. In addition to destruction of public property, police patrol, and removal of homeless encampments, other costs such as public facility maintenance and garbage removal increases when parks are used as housing sites.

In addition to the cost of keeping the parks clean and safe, there is the avoidance factor. Individuals and families who would normally utilize the parks do not feel comfortable going to them. These are taxpayers who are unable to utilize what would be a social benefit of having parks in their neighborhoods. One way to evaluate the loss of this service to the community is to develop a “Contingent Valuation Questionnaire”⁹ for the residents of San Rafael. If we put a value on the missing services there may be greater willingness from the population to invest on homeless assistance projects. The cost of dealing with the homeless population may in the end have a smaller impact than the lack of recreational activities in one’s neighborhood. This is something worthy of consideration.

SOCIAL IMPACT

A draft study co-sponsored by the Marin County Health & Human Services department graphs the increase in unemployment in the county from 2000 to 2010. In 2000, the unemployment rate was 1.6%, and as a result of the 2007-2008 recessions it has shot up to 8.9%. Clearly, in a county where low cost housing was already rare, the increase in unemployment rate resulted in an increase in the percentage of people who cannot access the available low cost housing stock. The study also points out that a majority of the homelessness population in the county is not “chronically homeless”, but people who need temporary or

⁹ Measuring the value of Non-Market Goods and Services; Economic Valuation of Natural Resources; U.S. Department of Commerce 1995

semi-permanent housing assistance.¹⁰ The report also indicates that 32% of the respondents had children less than 18 years of age. The percentage of homeless families with children is similar to that of other American cities as outlined in a report of at-risk population in twenty cities. The study also points out that children raised in homelessness have a disproportionately large chance of having homeless children themselves. Other social impacts are the high level of drug use, alcoholism, and mental health issues in the homeless population. By not addressing the issue, the cycle of poverty and homelessness and its cost to society is continuing. Only high level policy level changes can begin to address the problems and they include but are not limited to: adequate housing supply for low income families, supportive services for families with health issues, and a coordinated mechanism to deal with the problem.

HEALTH IMPACTS

The condition of living without shelter and being in considerable exposure to the elements has both mental and physical impacts. The capacity of homeless individuals to follow a prescribed medical treatment is severely curtailed by the physical condition of living without shelter. The World Health Organization (WHO) reports a far higher level of tuberculosis among this vulnerable group of the population.¹¹ In a survey of Marin County's homeless population 42.5% of the individuals surveyed indicated that personal disability limited their ability to work.¹² The majority of those with disability also indicated that alcohol and drug abuse as the primary reason impeding their capacity to hold a job. Physical and mental disabilities are often related, as house dissatisfaction has an effect on mental health. The cost analysis developed for

¹⁰ Stone, Amanda; Marin Safety Net Needs Assessment, 2010 (Draft Report)

¹¹ World Health Organization Europe, 2002 Fact Sheet 07/02, <http://www.euro.who.int/document/CMA/rcfstb0702e.pdf> (as cited by Dearbhal Murphy, FEANTSA)

¹² Stone, Amanda; Marin Safety Net Needs Assessment; March 2010

this research reflects the high impact the homeless population has on Marin County's budget. A pilot program funded by the Kaiser Family Foundation and Sutter Health among others, increased the number of beds available to the homeless population in need of specialized care for short periods. The result of this program was a reduction in the number of days homeless individuals spent in expensive emergency care facilities. In the US, Housing First an *"evidence-based practice that looks at housing as a tool, rather than a reward, for recovery. It is an approach to ending homelessness that centers on providing permanent housing first and then providing services as needed and requested"*¹³ demonstrates the decrease in emergency hospital intake among the formerly homeless population as an indication that permanent shelter has a positive impact on the vulnerable population.

II. ALTERNATIVE SCENARIOS

Studies show that no one chooses to be homeless. Invariably, homelessness is a result of lack of affordable housing. It is estimated that almost 25% of the urban homeless work; they just cannot find affordable housing. The balance of urban poor have a variety of reasons for being homeless, among them, increase in poverty among the population, chronic health and medical conditions, and domestic violence. Studies also show that presence of children, the age of head of household, and drug and alcohol problems are significantly associated with

¹³ Homeless Resource Center;
<http://homelessness.samhsa.gov/Channel/View.aspx?id=447&AspxAutoDetectCookieSupport=1>

homelessness; one other determinant of the probability of homelessness was the lowest rent needed to occupy a rental unit.¹⁴

Marin County and The City of San Rafael can take advantage of the new Rapid Re-Housing Program set up by HUD and the American Recovery Act to reverse the current existing condition and become an example of homeless prevention and advocacy. Some of the alternatives proposed at the County government level currently being explored are as follows:

1. HOUSING FIRST APPROACH WITH WRAP AROUND SERVICES

Adopting a Housing First Approach has the potential to significantly reduce the homeless population in Marin County; this approach encompasses a variety of programs and is guided by the Housing First Principles¹⁵ outlined as follows:

Housing First Principles

- ❖ Homeless is first and foremost a housing problem and should be treated as such
- ❖ Housing is a right to which all are entitled
- ❖ People who are homeless or on the verge of homelessness should be returned or stabilized in permanent housing as quickly as possible and connected to resources necessary to sustain housing
- ❖ Issues that may have contributed to a household's homelessness can best be addressed once they are housed

¹⁴ Early, Dirk W.; An empirical investigation of the determinants of street homelessness; Journal of Housing Economics 14 (2005) 27-47

¹⁵ The National Alliance to End Homelessness; Organizational Change: Adopting a Housing First Approach

Under the guidance of the above mentioned principles, Housing First Approach focuses on the delivery of emergency services, housing, resources, support services assessments, housing placing assistance, and case management. Among the successes of the Housing First Approach is a reduction in the number of days families spent in shelters and transitional housing which decreased by 25 and 9 percent respectively.

Some of the elements that are critical to the implementation of a Housing First Approach require significant changes to existing local policies. The Alliance to End Homelessness recommends the following steps which have proven to be effective in many municipalities and counties around the country:

- Collect and maintain quality and comprehensive data.
- Organize strategic state, local, non-profit consortium to implement planning process that focuses on ending homelessness.
- Create and utilize effective homeless assistance systems to avoid expensive systems of remedial care.
- Permanent supportive housing (housing with services) for the chronically homeless.
- Permanent housing for families and less disabled single adults.
- Build infrastructure with the intention of helping the very poor - affordable housing.
- Increase income of the very poor to a level that can pay for basic needs.
- Ensure appropriate services for those who need them.

The Single Room Occupancy (SRO) Housing Corporation in Los Angeles, CA is a perfect example of effective services for homeless individuals and families. SRO Housing Corporation is a non-profit, community-based organization that provides a continuum of housing including emergency, transitional and permanent housing in conjunction with supportive housing services, which include food services, case management, workforce development, information and referrals. Furthermore, SRO has combined efforts to create a safer community and to

create jobs by providing jobs to community members in the public parks, the same public parks formerly homeless community members used to live.

Los Angeles County supervisor Don Knabe reported on the success of the County's Access to Housing for Health (AHH) pilot program which created permanent housing opportunities for homeless individuals in the County and resulted in a cost avoidance of over US 800,000 in medical and hospital cost for Fiscal Year 2008¹⁶. Programs such as this across the country have resulted in significant savings and reduction of the chronically homeless population in many cities in the United States, such as in Quincy, MA which where the reduction to homeless rate was of 50%, and in Portland, ME, where a 49% decline occurred after the implementation of the Access to Housing for Health program. This avoidance is achieved by offering permanent housing resources to individuals discharged at hospitals. Individuals are given support services and housing vouchers, increasing their chances of recovery from chronic illness in addition to remaining housed. The cost difference of before and after entering a supportive housing program is better illustrated in Figure 1 below:

¹⁶ Knabe, Don; Homeless Housing Program Leads to Significant Cost Savings;
<http://knabe.com/2009/02/18/homeless-housing-program-leads-to-significant-cost-savings/>

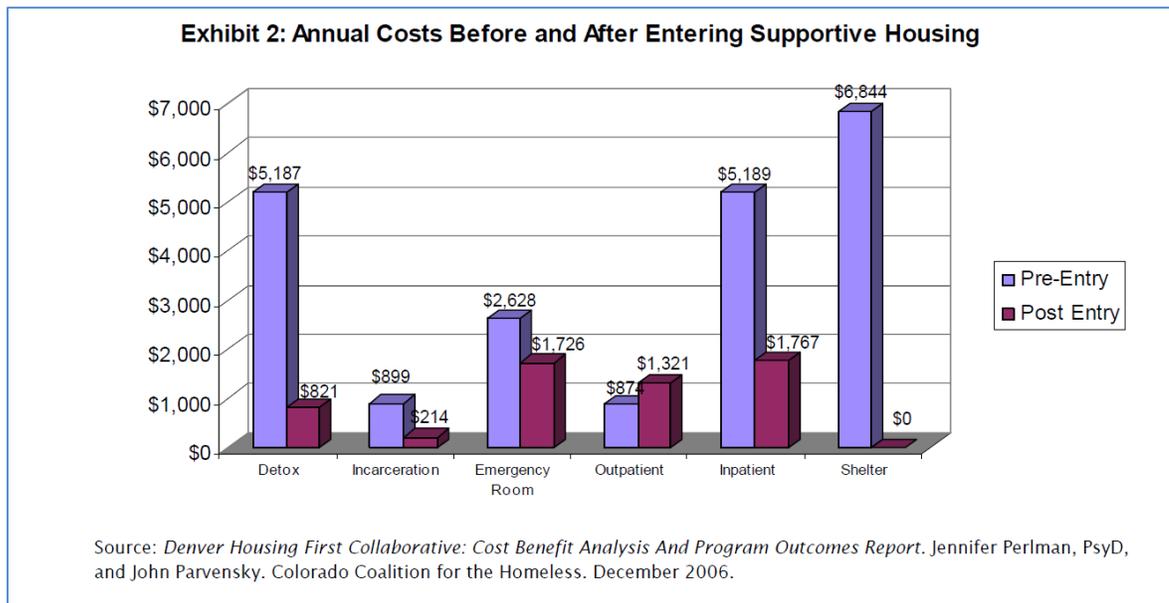


Figure 1. Source: Costs of Serving Homeless Individuals in Nine Cities, The Lewin Group

Across the Golden Gate Bridge from Marin County, the City and County of San Francisco is reporting a 26 percent drop in overall homeless due to the \$188 million annual spending for homeless services. San Francisco has built 1,679 units for the chronically homeless and has a goal of 3,000 units by 2012. Project Homeless Connect is one of many homeless programs funded with the \$200 million spent annually by San Francisco to provide permanent support services for the city's homeless. Marin County and the City of San Rafael currently do not have a Housing First Program; however, the successes of such programs throughout the country are a strong indicator of the need for the County to begin the implementation of a pilot program and to closely monitor its outcome in order to demonstrate its benefits to the local population and business community.

Despite these impressive reductions in homelessness in the United States, in March of 2010 the U.S. government reported that cities, states and the federal government pay more to provide the homeless with short-term shelter and services than what it would cost to provide

permanent housing.¹⁷ Improving accessibility by removing barriers to entry in the Housing First Programs needs to become a priority if more significant reductions are to be attained.

2. POTENTIAL LOCATION FOR SINGLE ROOM OCCUPANCY FACILITY IN MARIN COUNTY:

With the downturn in the economy many buildings in the business corridor along Highway 101 have been left vacant. The availability of currently unused property provides the opportunity to evaluate where a Single Room Occupancy (SRO) or low income housing facility would be located. The City of San Rafael, where the county's Health and Human Services office and many of the homeless assistance programs are located has the potential to fit the best possible scenario for this kind of activity. Other considerations to be addressed are cost of purchasing such a building/facility, proximity to hospitals and mental health services facilities, public transportation options, the impact on local businesses, and the availability of jobs for the affected population.

3. HOUSING COSTS: ALTERNATIVE OPTIONS

According to the National Alliance to End Homelessness, the cost of producing a housing unit is between "\$50,000 and \$100,000 depending on whether the unit is acquired or an existing building is repurposed". In addition to housing, funds will be needed for essential supportive services necessary to serve this population. The National Alliance to End

¹⁷ U.S. Department of Housing and Development, Office of Policy Development and Research, "Strategies for Improving Homeless People's Access to Mainstream Benefits and Services", March 2010

homelessness estimates the cost to provide supportive services depending on geographical location at “\$3,000/year/person to \$8,000/year/person”.¹⁸

The following are Department of Housing and Urban Development cost of shelter services compared to permanent housing rates.

Cost of Housing - Families				
	Houston, TX	Kalamazoo, MI	Greenville, SC	Washington, D.C.
Emergency Shelter	\$1,391	\$1,614	\$2,269	\$3,530
Transitional Housing	\$3,340	\$813	\$1,209	\$2,170
Market-rate, one-bedroom apt.	\$743	\$612	\$599	\$1,225

Figure 2: Source: HUD, Cost of Housing Study - 2009

The program design by the aforementioned cities and counties can be duplicated in Marin County. It is important to note that Washington D.C. has a comparable market-rate for a one-bedroom apartment (see above) to San Rafael, which is \$1,325 for a one-bedroom. Washington D.C. sees nearly \$1,000 in cost avoidance by providing transitional housing to one homeless family, and upwards of \$2,000 in cost avoidance by providing a market-rate permanent housing option as an alternative to emergency shelter services.

4. FINANCIAL BENEFITS OF ADOPTING A HOUSING FIRST PROGRAM

As outlined in Table 1, the medical costs directly targeted for assistance to the homeless population in Marin County is over \$ 2 M. Some of those costs are avoidable costs, such as medical emergency that result from chronic conditions, mental health issues that are more expensive to treat on the streets, and general health decline as a result of adverse living conditions. In a study developed by the US Housing and Urban Development office the average

¹⁸ National Alliance to End Homelessness. A Plan: Not a Dream, How to End Homelessness in Ten Years. July 2009

cost for providing Permanent Supportive Housing for individuals was lower than providing emergency shelter in Houston Metropolitan area which is comparable to the San Francisco Bay area. For individuals who become stabilized and are able to move away from Permanent Supportive Housing providing financial assistance for rent of fair market valued facilities is more cost effective than emergency shelter. Clearly, the implementation of a Housing First Program has the potential of saving communities thousands of dollars and will benefit society as a whole.

Exhibit 3.2: Average Cost Per Person Per Month for each Homeless Program Type for Individuals and FY2006 One-Bedroom Fair Market Rents^a				
	Emergency Shelter	Transitional Housing	Permanent Supportive Housing	2006 Fair Market Rent for One-bedroom Unit^b
Des Moines	\$581	\$1,018 – \$1,492	\$537	\$549
Houston	\$853 - \$1,817	\$1,654	\$664 – \$1,757	\$612
Jacksonville	\$408 - \$962	\$870	\$882	\$643

^a Costs shown reflect weighted averages by program type. Ranges represent the averages of different housing models within a program type, also shown as daily costs in Exhibit 3.1.

^b FMR Source: HUD, 2005. The FMR does not include the monthly fee paid to a public housing agency for administering the voucher program, which was approximately \$58 per unit per month in these three communities. (HUD, 2007)

Figure 3: Source: HUD: Costs Associated with Homelessness - March 2010

One other area that does not get enough attention is the loss of education and training potential for the children raised homeless. By reverting the cycle of homelessness society will be investing in the future of those children and at the same time avoiding the costs of supporting a low-skilled population. It is a win-win situation for all.

5. POLICY IMPLICATIONS

Marin County's 10 Year Plan to End Homelessness which began in 1997 has not been effective. The 2008 Homeless one day count of 1,770 persons is a clear indication of that. The Marin County Civil Grand Jury highlighted the inefficiency of the system which is a result of

coordination between local government, foundations, and non-governmental entities. The Grand Jury recommends the creation or assignment of a single agency to coordinate all of the work of multiple agencies, government, and non-governmental institutions currently trying to address the issue. The development of a Homeless Prevention and Rapid Re-Housing Program is a critical step in achieving such a goal.

IV. CONCLUSION – POLICY RECOMMENDATIONS

There is a great need for a coordinated approach to end homelessness and there are very good examples nation-wide of cities that have embarked on such far reaching policy and program development. Access to mainstream service and affordable housing are just a couple of examples of how to achieve a high-level policy change that will have far reaching social and economic benefits to society. An example of a concerted effort in policy making is illustrated in the figure below, in Portland, Maine’s “Homeless People’s Access to Mainstream Services.”

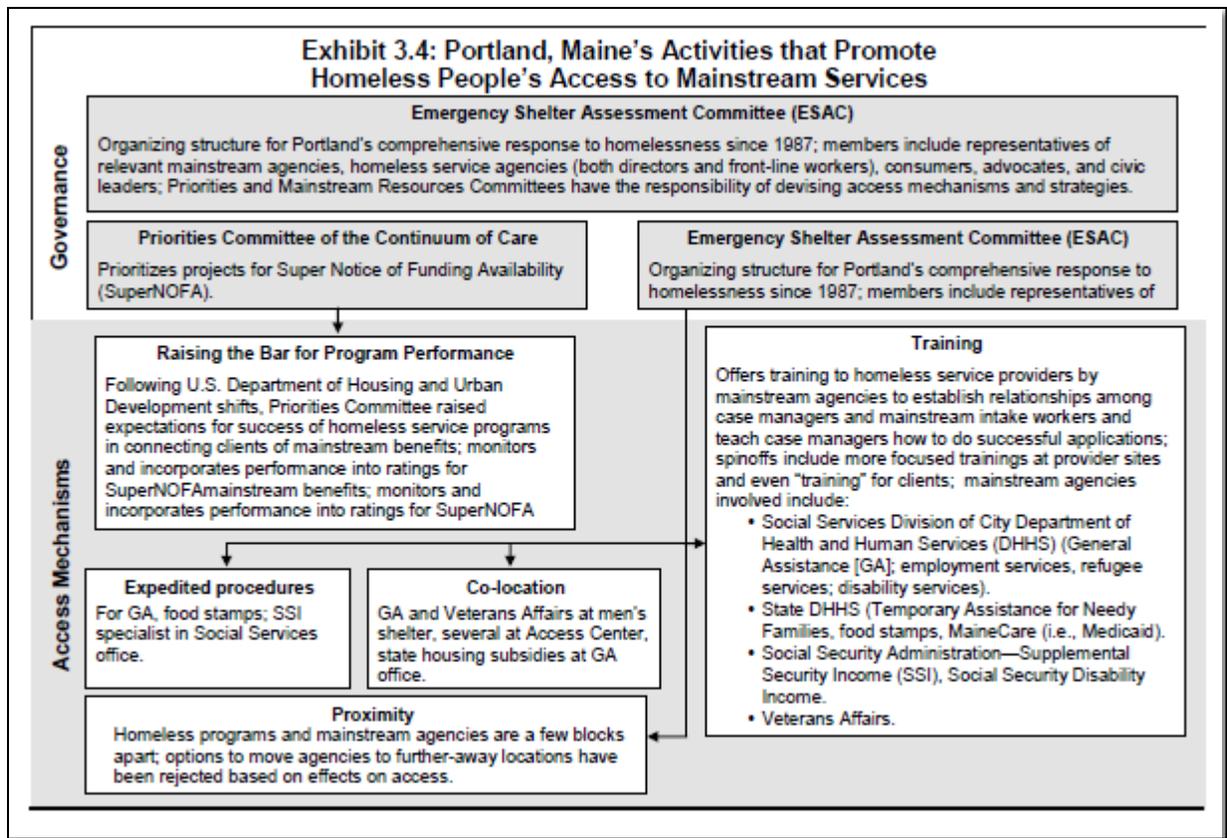


Figure 4: Source: US HUD: Strategies to Promote Homeless People Access to Services

Some of the policy recommendations that have the potential to positively impact the increase in the homeless population in Marin County are as follows:

LONG RANGE PLANNING:

Create a 10-Year Plan to End Homelessness based on the National Alliance to End Homelessness, Housing First Approach. Review existing models as outlined in this paper and assess which model will best suit Marin County. Consider the homeless demographics: majority is white, male, and more than 50% have at least a high school education.

ZONING ORDINANCE REVISION:

Zoning for low income housing has always been an issue in Marin County. The population prefers not to have low income housing in many towns and unincorporated areas of the county; this is evidenced any time a low-income apartment building is proposed in the county. Both an educational campaign that stresses the positive outcome of such endeavor, and surveys about the potential location of such facilities may need to be undertaken in order to move forward.

REVISE “LOW COST HOUSING OPTIONS” FOR THE COUNTY:

Because the Bay Area rental market is simply unaffordable for a very large segment of the population, the county needs to review its housing stock and consider the lack of available low cost housing for families and individuals whose income fall below the State Median Income. Unfortunately, during a period when demand for supportive services is increasing we are also witnessing a sharp drop in the availability of federal revenues for such services. (See figure 5 below). As the rate of unemployment in the county rises, a coordinated effort to address affordability is needed in order to avoid the higher costs of emergency shelter and transitional housing programs.

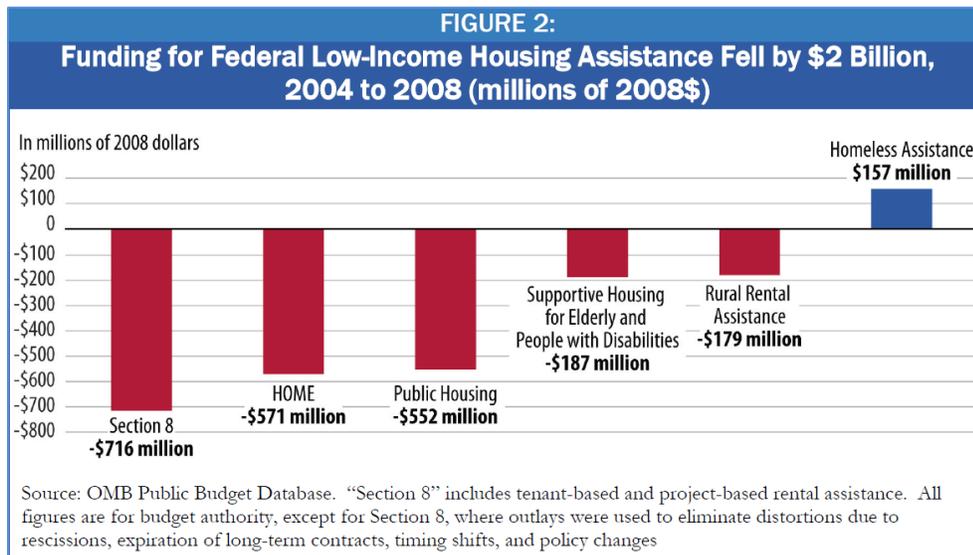


Figure 5: Source: Center on Budget Policy Priorities; Washington; 2009

PUBLIC PERCEPTION:

Community Awareness & Dissemination of information related to cost savings of taxpayer dollars and the concept of the working homeless. Inform the population of a situation that most prefer to ignore, in particular that a large number of homeless are families and children. Create community task force, public/private partnerships to encourage community buy-in and ownership.

CONSIDER REVISION OF "MINIMUM WAGE" TO ADDRESS LIVING COSTS IN THE COUNTY:

Increase in Minimum Wage: Work does not pay for housing. According to the National Low Income Housing Coalition, there is no community in the nation in which a person working at minimum wage can afford (federal standard of affordability) to rent a one-bedroom unit. *"Averaging across the nation, a full-time worker would have to make \$11.08 per hour (215% of the minimum wage) in order to afford a two-bedroom rental unit. Alternatively, a person could work at minimum wage for average of 86 hours per week."* Another study, by the Center for Housing Policy, reported that the *"San Francisco Bay Area is one of the most expensive housing*

*markets in the country.*¹⁹ This results in a housing market which is out of reach for low and some moderate incomes in the Bay Area, and where Federal subsidies for assistance to low income families are not sufficient to reach all individuals and families in need. While considering an increase in the minimum wage has far-reaching implications, all options need to be taken into account. Many of the families and individuals who are homeless have jobs but simply do not make enough money to pay rent in the county, this in spite of the availability of other types of support services.

This study was developed under very tight time constraints. There is extensive literature available in the analysis of the impact of homelessness to many communities in the country, and we were able to utilize empirical data from those studies. By far, most studies recommend the development of programs that help avoid homelessness in the first place, and this can only be done by impactful policy level changes as outlined above. It is our belief that as a society we have the financial resources to deal with the problem. We need to have the political and social drive to execute a plan which will benefit all future generations and stop the cycle of homelessness in our community.

¹⁹ Reid, Caroline; Community Investments, September 2005

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V. ACKNOWLEDGEMENTS

This study began by request of the Marin Economic Forum to develop a Cost Benefit Analysis for the implementation of Housing First Program in Marin County, California. I would like to thank Dr. Robert Eyler, CEO of the Marin Economic Forum for the opportunity to work on the development of alternative solutions to the programs currently in place. I would also like to thank Dr. Manuel Gaspay, Dominican University of California Professor of Ecological Economics for his guidance and support, and JP Hailer, MBA, who contributed with research for this document.

