

COMPREHENDING THE PLIGHT OF SAN DIEGO'S HOMELESS: IS THERE A SEA CHANGE COMING?

SUMMARY

San Diego's 2017 annual point-in-time count of the homeless population in the County produced disturbing results: More than 9,000 people are considered homeless, a 5 percent increase from 2016. Because the number of homeless continues to grow, the 2016/2017 San Diego County Grand Jury (Grand Jury) investigated several facets of the problem in an attempt to add positive elements and direction to the conversation.

Among the areas examined were:

- Housing
- Homeless tracking services and databases
- Homeless vulnerability assessment tools

The Grand Jury understands that there are no easy solutions to the homeless problem which, experts agree, is caused by a combination of complex factors. However, the Grand Jury believes there are additional steps both the City and the County of San Diego could take to make a positive impact.

The Grand Jury recommends the City and County of San Diego:

- Examine the processes used to disseminate information about unused properties to ensure that those working to create additional moderate- and low-income housing have access to them as the California Surplus Land Act¹ requires.
- Consider creating a means by which the public can better observe the process of creating moderate and low-income housing, including City, County, nonprofit, public-private and Housing Commission projects.
- Request an audit to verify that buildings constructed with the stipulation that low-income/affordable units be included are occupied by people who qualify to live there.

Although the Grand Jury is not making this an additional formal recommendation, it is fully supportive of county planning groups encouraging all cities to get involved in homeless planning. Homelessness in San Diego is a countywide problem and needs support from *all* cities and unincorporated county areas.

INTRODUCTION

The homeless population in San Diego is not disappearing. Some of the most vulnerable are dying in the streets in one of the most desirable and livable regions in America. We see them on street corners and medians, panhandling; their tents line sidewalks. Homeless camps are visible

¹http://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&division=2.&title=5.&part=1.&chapter=5.&article=8.5 (accessed May 2, 2017).

on and beneath freeway overpasses and are tucked in the brush along river banks. The Grand Jury became interested in how the City and County of San Diego are focusing their efforts to address this growing problem.

PROCEDURE

The Grand Jury:

- Conducted numerous interviews with officials from San Diego County and City departments and agencies that work with the homeless population, including the following:
 - San Diego County Health and Human Services Agency
 - San Diego Police Department's Homeless Outreach Team
 - San Diego Mayor's office
 - San Diego Housing Authority
- Attended public forums and reviewed relevant documentation on how other cities are dealing with their homeless population
- Visited two facilities that were converted to house homeless individuals
- Reviewed past Grand Jury reports on the homeless
- Studied extensive media coverage on homeless issues

DISCUSSION

As the January 2017 point-in-time count shows, San Diego streets are home to more than 9,000 homeless people. Studies show the average chronically homeless person dies between the ages of 42 and 52.² According to the San Diego point-in-time count, 40 percent of the homeless people living on the street have a physical disability. Many also have multiple physical and mental health challenges. Over the past 20 years, efforts to come to terms with the growing number of residents who are without permanent shelter have been long-standing, sincere, and dedicated, but largely ineffective.

In many of San Diego's cities and in the unincorporated areas of the County, both government agencies and nonprofits have devoted ambitious efforts to alleviate and eradicate the problem. In 2016 alone, a variety of those groups worked to streamline, organize, and bring more effective solutions to the table. The Grand Jury acknowledges there will be no easy solutions, but making progress on reducing homelessness is urgent and will demand a full-on effort by all concerned. Yet the Grand Jury believes it is not impossible.

Housing

In recent years, much of the affordable housing in the downtown area has been renovated and upgraded to such an extent that over the past six years, 10,000 of the lowest-cost, most affordable housing units have been removed from the city's inventory.³ After reviewing Civic San Diego's project data, the Grand Jury concluded that some of the renovated housing has

² <http://www.nationalhomeless.org/factsheets/health.html> (accessed 5/1/17).

³ James DeHaven, "Affordable housing additions don't keep up with subtractions," *San Diego Union-Tribune*, 11/18/16.

remained moderate and low-income housing, but the majority is designated market-rate or luxury housing.⁴

According to San Diego County law enforcement officials, adding to the problem is the passage of California's Proposition 47, a 2014 ballot initiative that reduced some felonies to misdemeanors and released many low-level offenders back into society. An unintended result of reducing prison overcrowding is more addicts and untreated mentally ill people living on the streets—and more felons available to prey on them. The Grand Jury believes that in a very tight housing market, the poorest, the mentally ill, and those with addiction problems will be hard-pressed to find housing. Without assistance from governmental agencies, many of those standing on the lowest rung tend to drop off the ladder. The Grand Jury believes it is vital to provide housing with support systems for those whose difficulties render them unable to formulate solutions on their own.

“Housing First” has been suggested by many experts as a starting point. It is a controversial approach recommended by the National Alliance to End Homelessness that places homeless people in housing first and then provides services. Advocates contend that Housing First reduces homelessness and that it saves the public money as well.⁵ But many wonder how a costly intervention that provides people with housing and supportive services can be cheaper than letting people sleep on the street. Advocates say it's because dealing with the homeless is expensive. According to City and County officials, homeless individuals frequently use hospital emergency rooms, homeless shelters, and even jails, each with high cost to taxpayers. However, reductions in public costs for health care and incarceration may not be enough to outweigh the high cost of the Housing First intervention in San Diego communities. Critics say cities with less expensive and more available housing, such as Salt Lake City and Houston, have had success with Housing First,^{6 7} but San Diego simply does not have sufficient housing units available.

San Diego does give housing developers an inducement to include low-income/affordable units in their developments in the form of easing the permitting process. However, the Grand Jury could find no indication that there exists any requirement to follow-up to see if such units are, in fact, provided at less-than-market value. Furthermore, it is not clear that the City or County enforces a means test to qualify low-income residents or any check to verify that the units are even occupied. The Grand Jury believes that if inducements are provided to developers, City and County officials should follow up—or conduct periodic audits—to verify that developers and property owners are complying with the agreement.

The 2014 California Surplus Land Act requires that cities and counties give developers priority to surplus property for the purpose of building low-income housing. Both the City and County of San Diego hold numerous surplus properties, on both built-out and vacant land, but the Grand Jury found no indication that the City proactively seeks such developers when it places surplus property for sale. The Grand Jury believes this squanders opportunities to alleviate homelessness.

⁴ <http://civicsd.com/programs/affordable-housing/projects/> (accessed 5/2/17).

⁵ Daniel Flaming et al., “Getting Home: Outcomes from Housing High Cost Homeless Hospital Patients,” Economic Roundtable and Corporation for Supportive Housing, 2013.

⁶ “Ten Year Plan to End Chronic Homelessness,” Salt Lake County Council of Governments, 1/1/06.

⁷ “Strategic Plan to Address Homelessness: Houston/Harris County,” Blue Ribbon Commission to End Chronic Homelessness, Houston/Harris County, May 2006.

One active resource is the aforementioned Civic San Diego, the successor to the Centre City Development Corporation. Part of its mission is to provide affordable housing in San Diego's communities. Civic San Diego in February 2017 issued a \$25 million "Notice of Funding Availability" for the development of affordable rental units, from the Low and Moderate Income Housing Asset Fund as part of the Affordable Housing Master Plan of the City of San Diego.⁸ The Grand Jury is optimistic that qualified developers can put a plan together and make good use of this offer. Civic San Diego also has on its website an annual listing of projects and their status.⁹ This is an excellent glimpse of the development taking place in the City of San Diego. The Grand Jury encourages other cities in San Diego and the unincorporated areas of County to follow suit and create a means by which the public can follow the progress of creating moderate- and low-income housing.

Another possible resource is the San Diego Housing Commission, which has reserves of \$84 million in its fiscal year 2018 budget, funds that could be used for low-income housing.¹⁰

According to a 2007 study by San Diego State University, housing one adult, with supporting services, such as mental health, vocational counseling, job placement, life-skills training, etc., would cost approximately \$20,000 to \$25,000 annually. Incarceration for the same adult would cost between \$55,000 and \$115,000, depending on the type of facility. Residence in a mental health facility costs about \$215,000 annually, per person, on average. Supporting a single homeless adult, living on the street, costs \$54,996 annually, according to the National Coalition for Homeless, because homeless people use expensive programs such as emergency shelters, jails, and hospitals.¹¹ It is reasonable to assume that these costs are now higher.

Tracking services and databases

To effectively provide services that homeless people need, the Grand Jury supports the idea that a tracking service is needed—a database containing individualized information about homeless people. Fortunately, tools exist for doing just that, and both the City and County are employing them. The Homeless Management Information System (HMIS) has been in use for several years. The goal is to assess the individual for his or her status and needs, and what programs might be available. Tracking individual access to the programs is also part of the system. What services a person has already accessed are recorded so that what should be done next is easier to see and accomplish.

The assessment tool that is used now in San Diego is the Vulnerability Index-Service Prioritization Decision Assistance Tool (VI-SPDAT), which allows a person whose information is being entered into the HMIS to be ranked in such a way that the most vulnerable are the first to have access to housing.

⁸ https://www.sandiego.gov/sites/default/files/2017-02-17_25_million_available_for_affordable_housing_in_sd.pdf (accessed 4/26/17).

⁹ <http://civicsd.com/programs/affordable-housing/projects/> (accessed 4/26/17).

¹⁰ San Diego Housing Commission FY 2018 Proposed Budget

¹¹ Karissa Erbes, "Emancipating Foster Youth," Southern Area Consortium of Human Services, San Diego State University, 2007.

The most vulnerable

According to a study conducted by Point Loma Nazarene University, for individuals who have been homeless for at least six months, one or more of the following markers place them at heightened risk of mortality:

- More than three hospitalizations or emergency room visits in a year
- More than three emergency room visits in the previous three months
- Aged 60 or older
- Cirrhosis of the liver/liver disease/Hepatitis C
- End-stage renal disease (ESRD) or dialysis
- History of frostbite, immersion foot, or hypothermia
- HIV+/AIDS
- Tri-morbidity: co-occurring psychiatric, substance abuse, and chronic medical condition¹²

In 2009, a nationwide effort began to provide housing to 100,000 homeless who were found to be at greatest risk of dying if left on the streets. San Diego's share of this total initially involved 125 individuals identified by using the Vulnerability Index survey. During a three-day long period in September 2010, homeless services providers and community volunteers surveyed 737 individuals living on the streets of downtown San Diego and created an initial registry of homeless individuals by name, including their vulnerability scores. Those identified as the most vulnerable were prioritized and targeted for outreach with the goal of placement into permanent housing. From these 737 individuals, 125 were selected; however, by the end of the third year, the number had dwindled to 114.¹³

Before entry into the program, the average of all public services used by the 114 individuals was approximately \$10,800 for a total of \$1.23 million. After the first full year of housing, the total expenses were cut to \$458,000. After two years in the program, where housing and other services were provided, the average expense per person was cut nearly in half from the \$10,800 before intervention to \$5,700.¹⁴

According to the County Medical Examiner's office, 111 deaths of homeless people were reported in 2016, the majority of which were due to drug and/or medication overdosing.

The Grand Jury acknowledges that there are no easy solutions to the homeless problem in San Diego County. Nevertheless, if all agencies and cities charged with alleviating homelessness work diligently and collaboratively, progress can be made. Officials from San Diego County's Health and Human Services Agency are convinced that the best path to success is for all cities within the County to combine resources and strategies and work together. The Grand Jury agrees with this assessment and encourages a climate of cooperation to help address one of the most pressing problems facing our County today.

¹² Lynn Reaser et al., "Housing San Diego's Homeless at Greatest Risk: A Cost Benefit Analysis," Fermanian Business & Economic Institute at Point Loma Nazarene University.

¹³ Ibid

¹⁴ Ibid

At this critical moment, San Diego, City and County, can grasp the opportunity for meaningful, significant change by applying all available efforts toward creating housing solutions. Let's not miss the tide.

FACTS AND FINDINGS

Fact: The 2017 point-in-time count reveals that San Diego County has grown to more than 9,000 homeless people.

Fact: Over the last six years, 10,000 affordable-living units have been removed from the City's inventory.

Finding 01: The need for low-income housing continues to increase while, at the same time, the inventory of affordable housing units is not keeping pace with the demand.

Fact: Several organizations, including Civic San Diego, the San Diego Housing Commission, and others, are helping to provide affordable housing in San Diego's communities.

Fact: The San Diego Housing Commission has reserves of \$84 million.

Fact: Studies have shown that when housing and services are provided to homeless people, the cost of their use of public services can be significantly reduced.

Finding 02: Agencies and funding exist that could combine to produce low-income housing, which ultimately could save taxpayers money by getting the most vulnerable off the streets.

Fact: Both the City and County of San Diego have surplus property.

Fact: The California Surplus Land Act requires cities and counties to give excess property holdings priority for low-income housing development.

Finding 03: State mandates need to be followed to make available the appropriate properties for low-income housing development.

Fact: Civic San Diego provides an annual listing of its development projects and their status.

Finding 04: The public would benefit from expanded opportunities to observe the progress the City and County of San Diego are making in developing moderate- and low-income housing.

Fact: Both the City and County of San Diego provide inducements to developers to include low-income/affordable units in their projects.

Fact: The Grand Jury was unable to find a verification process that ensures low-income/affordable units are built in such developments or that residents rightfully qualify.

Finding 05: The City and County of San Diego have the responsibility for ensuring that low-income/affordable housing units are appropriately included in developments when inducements have been provided to do so.

RECOMMENDATIONS

The 2016/2017 San Diego County Grand Jury recommends that the City of San Diego City Council, the City of San Diego Mayor, the San Diego County Board of Supervisors, and the San Diego County's Chief Administrative Officer:

- 17-xx:** Examine their process for disseminating information to potential developers about unused properties to ensure that those trying to create moderate- and low-income housing have access to them as the California Surplus Land Act requires.

- 17-xx:** Consider creating a means by which the public can observe the progress in creating moderate and low-income housing, including city, county, nonprofit, public-private and Housing Commission projects.

- 17-xx:** Request an audit to verify that buildings constructed with the stipulation that low-income/affordable units be included are occupied by people who qualify to live there.

REQUIREMENTS AND INSTRUCTIONS

The California Penal Code §933(c) requires any public agency which the Grand Jury has reviewed, and about which it has issued a final report, to comment to the Presiding Judge of the Superior Court on the findings and recommendations pertaining to matters under the control of the agency. Such comment shall be made *no later than 90 days* after the Grand Jury publishes its report (filed with the Clerk of the Court); except that in the case of a report containing findings and recommendations pertaining to a department or agency headed by an elected County official (e.g. District Attorney, Sheriff, etc.), such comment shall be made *within 60 days* to the Presiding Judge with an information copy sent to the Board of Supervisors.

Furthermore, California Penal Code §933.05(a), (b), (c), details, as follows, the manner in which such comment(s) are to be made:

- (a) As to each grand jury finding, the responding person or entity shall indicate one of the following:
 - (1) The respondent agrees with the finding
 - (2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.
- (b) As to each grand jury recommendation, the responding person or entity shall report one of the following actions:

- (1) The recommendation has been implemented, with a summary regarding the implemented action.
 - (2) The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.
 - (3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a time frame for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This time frame shall not exceed six months from the date of publication of the grand jury report.
 - (4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.
- (c) If a finding or recommendation of the grand jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the Board of Supervisors shall respond if requested by the grand jury, but the response of the Board of Supervisors shall address only those budgetary or personnel matters over which it has some decision making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.

Comments to the Presiding Judge of the Superior Court in compliance with the Penal Code §933.05 are required from the:

Responding Agency	Recommendations	Date
City of San Diego City Council	17-55 through 17-57	9/4/17
City of San Diego Mayor	17-55 through 17-57	9/4/17
San Diego County Board of Supervisors	17-55 through 17-57	9/4/17
San Diego County Chief Administrative Officer	17-55 through 17-57	9/4/17