



**SAN RAFAEL CITY COUNCIL AGENDA REPORT**

**Department: City Manager**

**Prepared by: Andrew Hening  
Director of Homeless Planning and Outreach**

**City Manager Approval:** \_\_\_\_\_

**TOPIC: HOMELESSNESS**

**SUBJECT: INFORMATIONAL REPORT ON STATUS OF HOMELESSNESS IN SAN RAFAEL**

**RECOMMENDATION:**

Accept Informational Report and provide direction to staff.

**BACKGROUND:**

In January 2017, according to a [report](#) from the Bay Area Economic Institute and McKinsey Consulting, Marin County had the seventh highest per capita rate of homelessness in the entire country. By January 2019, however, overall homelessness in Marin had fallen by 7%, long-term chronic homelessness had declined by 28%, and unsheltered homelessness in San Rafael had dropped by 30%. Over this same two-year period, approximately 80% of California counties saw [increases](#) in homelessness, including a 20% increase in San Mateo County, a 31% increase in Santa Clara County, and a 43% increase in both Alameda County and Contra Costa County.

These results were not an accident. Beginning in the spring of 2016, the City of San Rafael, alongside the County of Marin and local nonprofit partners, began implementing a series of pilot programs that ultimately became county-wide strategies for transforming Marin's homeless service system.

The initial drive for change was spurred by community concerns about the impacts of homelessness in Downtown San Rafael, specifically issues like disruptive public intoxication and untreated mental illness. As the City, County, and local providers began to focus on these issues, it became clear that these behaviors were not being generated uniformly across every person experiencing homelessness. Instead, a small number of very vulnerable, physically and/or mentally ill people were generating a hugely outsized impact in the community. Ironically, our providers knew all these people by name. In some cases, they had been serving these individuals for decades. In short, although we didn't have the language at the time, we realized our number one challenge was chronic homelessness.

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**FOR CITY CLERK ONLY**

**File No.:** \_\_\_\_\_

**Council Meeting:** \_\_\_\_\_

**Disposition:** \_\_\_\_\_

Chronic homelessness describes people who have experienced homelessness for at least a year — or repeatedly over a number of years — who also struggle with a disabling condition such as a serious mental illness, substance use disorder, trauma brain injury, and/or physical disability. Making up just 10-30% of the overall homelessness population at any given community, these individuals tend to generate significant public complaints, as well as substantial systemic costs. One [study](#) at that time, which focused specifically on homeless chronic inebriates, found that these high-needs individuals were costing the community \$60,000+ per year in public services (e.g. emergency room visits, EMS transports, criminal justice interventions).

Importantly, at the same time that people experiencing chronic homelessness are generating a significant community impact, these are also some of the most vulnerable people in the community, on average dying 20+ years earlier than their housed peers from treatable chronic illnesses.

To begin to serve this population, a team of local leaders, co-led by the City of San Rafael, began visiting other Bay Area communities to learn more about how this group could be helped. During those field trips, we discovered an outreach program in San Mateo which had essentially ended chronic homelessness in their downtown. The San Mateo Police Department led the effort by convening every local service provider, creating a by-name-list of the most challenging individuals in their community, and then meeting every two weeks to develop and implement customized housing strategies for each person. This effort seemed promising, so the City, the County, and local partners launched the Marin Homeless Outreach Team (HOT) in early 2016 with an initial focus on Downtown San Rafael.

In its first 18 months, HOT housed 23 of the most high-impact, long-term chronically homeless individuals in San Rafael. Because of the success, the [League of California Cities](#) named HOT a state-wide best practice for addressing homelessness.

Based on HOT's early success, our team started looking at ways to scale our impact. The tipping point was when we discovered [Community Solution's Built for Zero campaign \(BfZ\)](#). BfZ is a national movement of over 80+ communities who are working to end chronic and veteran homelessness by using a shared methodology and data standards. To-date, with the help of the BfZ model:

- 1 California community (Riverside City & County) has ended veteran homelessness
- 3 communities nationally have ended chronic homelessness
- 11 communities nationally have ended veteran homelessness
- 44 communities nationally have driven a community-wide reduction in homelessness

The BfZ methodology is predicated on:

- **Integrating the Local Team:** Traditionally, homelessness response systems are deeply siloed. BfZ communities build integrated, multi-agency teams which take responsibility for getting to zero.
- **Real-Time Measurement:** BfZ communities build privacy-protected, continuously updated, by-name lists of all those experiencing homelessness to track and respond to the problem in real time.
- **Rapid Cycle Testing:** Homeless is too dynamic for ten-year plans. BfZ communities use the same iterative problem-solving skills that have revolutionized global health efforts like the fight against polio to test, evaluate and scale the highest impact strategies quickly.
- **Targeted Housing Investments:** Many cities have ramped up affordable housing with no effect on homelessness. BfZ communities use real-time data to make targeted investments that yield reductions.

Encouraged by the example of BfZ communities who were farther along in the process than we were (e.g. Montgomery County, Maryland, a suburban community outside of Washington, D.C. had reduced chronic homelessness by 50%; Bergen County, New Jersey, a suburban community outside of New York City had ended chronic homelessness), in October 2017 we officially launched our new countywide “Coordinated Entry System”. Coordinated Entry took the by-name-list concept we piloted in San Rafael with HOT and made it a countywide system. We shifted from subjectively determining who the most high-needs individuals were and instead moved to more objective measurements of vulnerability to determine housing prioritization.

Of course, the by-name-list was just the first step – it was the organizing principle. To be successful, we needed more housing and services. Prior to the launch of Coordinated Entry, we had been reliant on one-off openings in existing supportive housing programs, as well as an occasional housing voucher from Marin Housing Authority (MHA). Impressed by our results, however, in the summer of 2017, MHA pledged annual slots on the Section 8 Waitlist for referrals from Coordinated Entry. This commitment, in turn, was contingent on the County of Marin providing sufficient supportive services to ensure these high-needs individuals were receiving sufficient assistance. Fortunately, at that same time, the State of California released new funding through “Whole Person Care”, which was designed to provide counties with the resources they needed to serve individuals who were high utilizers of the healthcare system. Because of the new vouchers and service dollars, our community was able to launch “Housing First” at scale.

[Housing First](#) is an evidence-based best practice for housing people experiencing chronic homelessness. Historically, communities often make housing contingent on a person first getting sober, getting medicated, getting employed, and thriving in emergency housing. The result is that the most high-needs people are unable to meet these requirements, precisely because they are high-needs, and, thus, they never get housed. Housing First flips that notion on its head. It treats the lack of permanent housing as *the* paramount, foundational challenge. Once someone is back inside, then they can begin to work on their sobriety, employment, etc. Interestingly, the long-term retention rates in Housing First programs are in some cases 200% higher than the status quo of “treatment first”.

Since October 2017, of the 330+ chronically homeless people we’ve housed, over 90% are still housed. For individuals who were homeless in San Rafael, based on data from the Police Department and Fire Department, we have observed a 54% reduction in EMS transports after people are housed and an 86% reduction in police interactions. Of note, thanks to the flexibility of the housing vouchers, the people who are being housed are finding units throughout the county, not simply in San Rafael, including in Mill Valley, Corte Madera, San Anselmo, Novato, and Inverness.

In addition to the City’s strategic efforts around chronic homelessness, over the last five years there have also been a number of tactical changes that have also gone into effect in San Rafael to mitigate the impacts of homelessness in our community.

- First and foremost is providing permanent housing. In 2020, Homeward Bound of Marin started construction on 32 new units of permanent supportive housing at their Mill Street Center. The City of San Rafael contributed \$750,000 through the Affordable Housing Trust Fund. Additionally, in November of last year, the City Council [approved allocating funding](#) from the Affordable Housing Trust Fund in the amount of \$1.54 million to support the County’s purchase of 3301 Kerner Boulevard through the State of California’s Project Homekey initiative. This will produce another 44 units of permanent supportive housing (3301 Kerner is currently being used as the temporary Mill Street Shelter as Homeward Bound finishes work at their current site). In total, the City of San Rafael has provided over \$2.2 million in funding to these homelessness-related sites. Additionally, the City allocated \$800,000 from the Affordable Housing Trust Fund

to the 67-unit Vivalon (former Whistlestop) senior housing project downtown (Eden Housing) which will be 100% affordable units.

- In 2017, based on a Memorandum of Understanding between the City of San Rafael and the Ritter Center, the Ritter Center stopped providing general mail services. The City now funds Ritter (\$10,000 per year) to administer PO Boxes at the San Rafael Post Office on Bellam Blvd, and the Ritter Center is still able to provide mail for people who would otherwise be unable to utilize this service (e.g. clients with significant disabilities).
- In 2018, based on the same Memorandum of Understanding, Ritter stopped providing shower services Downtown. This closure was coordinated with the launch of the [Marin Mobile Care](#) mobile showers, which are now operated by Downtown Streets Team in East San Rafael, Novato, Fairfax, and Sausalito. They are also approved to operate in Corte Madera and Larkspur. Given that over 70% of Marin's homeless community is located *outside* of San Rafael, this service has been able to help people who otherwise would not have any such hygiene support.
- Through continued leadership from the City, every city and town in Marin has been contributing to the Community Homeless Fund. Since 2018, the fund has been used to support the mobile shower program as an outreach platform for Coordinated Entry. With total annual funding of \$180,000, San Rafael contributes \$36,000 a year. The current three-year funding commitment ends after FY20-21; however, Marin Community Foundation has provided \$180,000 to cover FY21-22.
- The City continues to support the [Downtown Streets Team](#), which is a work experience program designed to beautify the community while helping people experiencing homelessness regain the skills and confidence they need to reenter the workforce. After starting as a pilot in Downtown San Rafael in July 2013, the program is now operating city and countywide. The City is currently considering a new contract with Downtown Streets Team for FY21-22 and FY22-23, which would not exceed \$100,000 per year.
- The City continues to provide proactive outreach to the homeless community through the Police Department's Special Operations Unit, which is led by Sgt. Carl Huber and includes San Rafael's Mental Health Outreach Liaison Lynn Murphy (and comfort dog Blue).

## **ANALYSIS:**

The last year has raised many new challenges and concerns in our community about homelessness, and it is yet again requiring a fresh look at the way the City and its partners address this complex issue.

The conventional benchmark for evaluating homeless services is the Homeless Point-in-Time Count, which is conducted in every odd year in January. Because of COVID-19 public health guidelines, communities could opt out of conducting the PIT in 2021, and that's what Marin County decided to do. However, in its place, the County coordinated [a dedicated vehicle count](#). It is commonly believed that people who are living in their vehicles are more recently homeless (i.e. if a person loses their housing, they are more likely to transition to their vehicle, if they have one, than directly to the street). From 2019 to 2021, there was a 91% countywide increase in the number of people living in vehicles, including a 119% increase in San Rafael specifically (58 vehicles to 127). Of note, the number of people experiencing homelessness in San Rafael remains less than 30% of the countywide total population, yet again showing the countywide nature of this problem.

Even while the number of people experiencing homelessness while living in their vehicles has risen substantially, the majority of the public feedback and commentary over the last year has arisen out of community frustration about growing encampments, most notably under the central San Rafael 101 viaduct and in Boyd Park, though staff is aware that there are encampments throughout the entire city.

Despite their outsized visibility and impacts, encampments remain relatively rare overall. Based on the best data we have (the 2019 Homeless Point-in-Time Count), just 15% of people experiencing homelessness in Marin County reside in tent encampments. It's also worth noting that, at least in San Rafael, it appears that upwards of 90% of people residing in encampments are in fact chronically homeless. Therefore, we again see a nexus with needing to provide support and services for the most vulnerable people in our community.

One of the biggest challenges over the last 12 months is that a number of evolving factors have been impacting local communities' ability to respond to these growing encampments, which has contributed to them growing in size and visibility:

- **Public Health Guidance:** At the start of the pandemic, when very little was known about the COVID-19 virus, the Centers for Disease Control (CDC) put out guidance to communities across the country regarding how to support people experiencing homelessness. Those guidelines specifically called out encampments. "If individual housing options are not available, allow people who are living unsheltered or in encampments to remain where they are. Clearing encampments can cause people to disperse throughout the community and break connections with service providers. This increases the potential for infectious disease spread."
- **Legal Guidance:** In recent years a court case called *Martin v. Boise* gradually worked its way through the federal courts, ultimately resulting in a decision by the 9th Circuit Court of Appeals holding that it is unconstitutional to impose criminal penalties on people experiencing homelessness for sitting, sleeping, or lying outside on public property if there is not sufficient shelter for those individuals. The Supreme Court declined to take up the case, and the original 9th Circuit precedent remains in place. When the 9th Circuit ruling was appealed to the US Supreme Court, a key question was sleep. The original ruling centered around sleep being a basic human right. It is cruel to wake people up or move them along if they're not doing anything wrong, especially if they have nowhere else to go. In the wake of this ruling, however, there is a serious question about the intersection of sleep and informal shelter. Are encampments – which essentially become permanent structures, a place for gathering during waking hours, and a location for storage and other personal belongings – the same thing as sleep? As Bay Area cities like Santa Cruz have been learning, over the past few months, as more litigation around encampments has been arising, rather than further refining the *Martin v. Boise* precedent, local judges have been focused on public health concerns (i.e. the CDC's guidance).
- **Jurisdictional Boundaries:** Both of these issues are further complicated by the intersection of public agency jurisdictional boundaries. For example, the San Rafael Viaduct Encampment is on State property controlled by Caltrans and monitored by the California Highway Patrol. Thus, the City must work with these agencies and navigate their interpretation of the factors above.

Given this new environment, the City of San Rafael and its partners have been working to mitigate the impacts of these encampments while continuing to focus on our core strategy of permanently housing the most vulnerable people in our community.

- City Elected Officials and staff have been meeting with Senator Mike McGuire, Caltrans, and the County of Marin since September to develop new approaches.
- Nonprofit providers including Downtown Streets Team, Community Action Marin, and the Ritter Center have been conducting regular outreach, as well as Lynn Murphy, the City's Mental Health Outreach Liaison.
- All of this outreach is ultimately about housing. The County, City, and local service providers are meeting weekly to case-conference the individual housing needs of the people living in the city's largest encampments.
- The City's Department of Public Works continues to assist with regular trash pickups.

- Marin Sanitary is now servicing trashcans that have been deployed throughout the park and ride.
- The City and County have deployed handwashing stations and bathrooms throughout the city.

To put it plainly, the scale of these challenges is beyond anything the City of San Rafael on its own can respond to. Compared to the County of Marin, as well as other larger cities in the Bay Area and California, the City of San Rafael does not have funding or capacity to provide health, human, and social service functions on any acceptable scale. While the City has played a leadership role in helping to shape local policy around homelessness, the City is ultimately dependent on the resources of other partner agencies to fully implement these strategies. Fortunately, in the wake of the COVID-19 pandemic, the State and Federal government are beginning to step up to offer unprecedented resources for local communities.

For example, based on the State of California's FY21-22 May Budget Revise, the State wants cities and counties to move away from strategies that just manage homelessness and instead focus on true systems-level solutions that prevent and end homelessness. New state funding in the coming year is expected to include:

- \$2.75 billion to cities and counties for additional Homekey acquisitions over two years, for a combined \$3.5 billion in total Homekey funding
- \$1.75 billion to support shovel-ready affordable housing projects, and another \$300 million for preservation of affordable housing units with expiring affordability covenants
- \$475 million to expand the CalWORKs Housing Support Program, which provides rental assistance, moving costs, and landlord recruitment activities to rapidly rehouse families
- \$150 million to support transitioning Project Roomkey participants into permanent housing
- \$50 million for an encampment strategy with grants to local governments to assist people in moving out of unsafe, unhealthy encampments

At a federal level, in addition to significant state and local government stimulus funding, the Biden Administration recently announced the rollout of 70,000 new housing vouchers for people experiencing homelessness, over 100 of which will come to Marin.

Given the urgency of the community's concerns, the health and safety of the people currently living in encampments, and the impending infusion of new financial resources, staff is recommending a three phased approach:

**Phase 1 – Immediate. Facilitate using Project Roomkey and Project Homekey existing beds to house people and match them with case management.**

There are currently 40 hotel room beds through Project Roomkey in San Rafael that the County of Marin is funding (and seeking full reimbursement through the State for the room cost) and is being operated by Catholic Charities. There are also beds that come available at our Project Homekey site in San Rafael on Kerner Boulevard that is being operated as a transitional facility while Homeward Bound's new project on Mill Street is under construction. The City would actively work with our homeless community to fill existing beds and also seek to expand the number of Project Roomkey beds through working with the County of Marin. As shown above, the State may be providing \$150 million to support transitioning Project Roomkey participants into permanent housing. It is unclear yet if that would allow an expansion of additional hotel rooms and how much would be available in Marin County. Staff could return with a recommendation to use additional American Rescue Plan Act (ARPA) funding if needed to facilitate a Project Roomkey expansion.

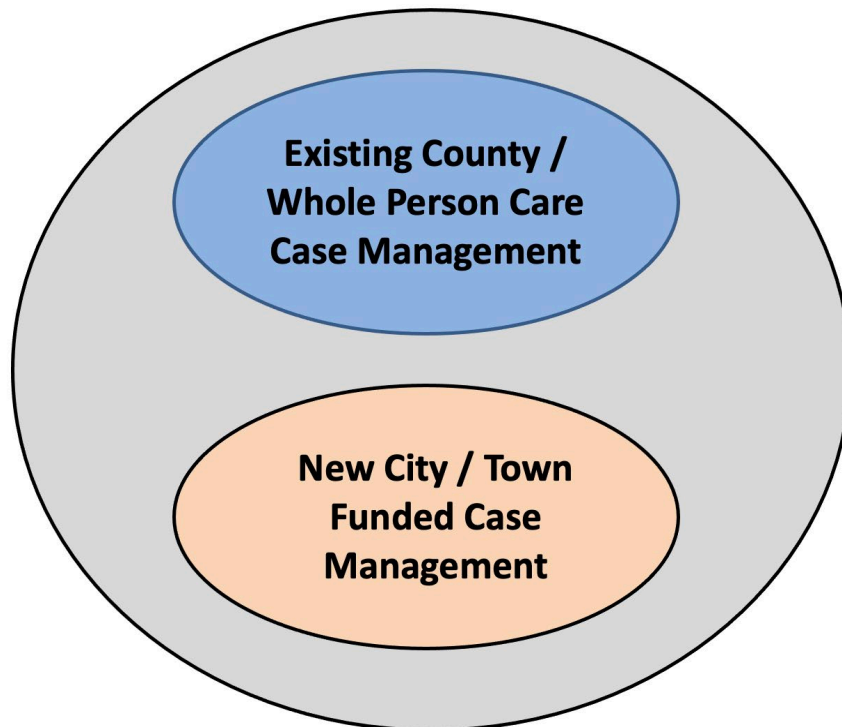
**Phase 2 – Leverage one-time stimulus monies to supercharge our existing Coordinated Entry system while also mitigating current health and safety concerns (beginning June 2021, subject to ability hire and operationalize case management capacity)**

As of May 2021, the number of people experiencing chronic homelessness throughout Marin County has dropped below 400 people. For people in this group, over the past few years the County has done an incredible job cobbling together different funding streams to create new case management capacity, most notably for medically fragile people. This new funding would create another subset of case management to help accelerate our progress (see Figure 1).

In order to ensure stability for any person entering housing, staff is recommending new Housing First-level case management capacity be funded for a 3-5 year period. Housing First case management typically requires one case manager to not have a caseload larger than 17 clients. The approximate all-in cost for a housing first case manager (i.e. salary, benefits, management) is \$100,000 per year. Staff is recommending that the cities and towns pool their resources to create such a program. Eight case managers, for example, would be able to provide services for 136 people throughout Marin County.

**Figure 1.**

## **Countywide Chronic Homeless Community**



This case management will allow local cities and towns to continue to support high-needs, chronically homeless individuals with transitioning back into permanent housing. At the same time, it is also critical for the City to continue to address the immediate health and safety concerns among people experiencing unsheltered homelessness.

Therefore, at the same time that the City, County, and local partners are scaling up increased case management, staff recommends that the City immediately launch a pilot safe-camping program. Communities throughout the state and country have been launching similar programs that create a designated area for people experiencing homelessness where they can have access to clean camping facilities, restrooms, and storage.

To address public health and safety hazards that are frequently associated with homeless encampments, City staff is studying possible City code amendments to restrict encampments in high fire risk areas and in certain critical use facilities. The Fire Chief already exercises his discretion under City codes to close City open space to public use and encampments during fire season due to extreme wildfire risk, but staff has noted a dramatic increase in fires and other hazardous activities or conditions stemming from encampments in other significant public use areas, such as City parking garages. Staff is looking at code amendments that would give City officials more power to restrict camping or related activities in such City facilities or in other highly sensitive public areas.

**Phase 3 – Leverage new housing monies to create additional permanent supportive housing (beginning summer 2021)**

The City of San Rafael has been a countywide leader on permanent supportive housing. As stated earlier, in 2020 Homeward Bound of Marin started construction on 32 new units of permanent supportive housing at their Mill Street Center. Additionally, in November of last year, the City Council [approved allocating funding](#) from the Affordable Housing Trust Fund to support the County's purchase of 3301 Kerner Boulevard through the State of California's Project Homekey initiative. This will produce another 44 units of permanent supportive housing.

The City of San Rafael has also been a supporter of the State's Project Roomkey program which provided funding (in our case, to the County of Marin) to rent hotel rooms for people experiencing homelessness and then provide services to seek more permanent housing. To the extent the State of California continues to provide Project Roomkey funding, the City supports participation with location(s) in San Rafael or other jurisdictions as it is one step towards getting people permanently housed.

Also, as stated above, the State of California is planning to allocate billions of new dollars to a possible Homekey 2.0. To the extent possible, staff recommends that the City of San Rafael pursue a second Homekey 2.0 project in San Rafael, while simultaneously supporting other community partners in creating a broad and robust countywide portfolio. Homekey 1.0 created 63 new units of housing. There is no reason that Homekey 2.0 could not create, 100, 200, even 300 new units of housing. Given the expedited timing of Homekey and the requirement that units be occupied within 90 days of acquisition, even on an interim basis, Homekey 2.0 could create hundreds of new housing opportunities over the next 6-12 months.

Notably, the County of Marin is expected to set aside an additional \$5 million for Homekey 2.0 and supportive services for such projects. This will help make Homekey 2.0 a reality in Marin County.

Based on Homekey's flexibility, staff also recommends that the City and its partners consider innovative housing models, including tiny home villages, modular construction, pallet shelters, and other creative housing units. Many communities are pursuing these models for interim housing, but as we've found, the fastest way to end someone's homelessness, particularly someone who is chronically homeless, is to create a permanent unit.



In conclusion, the City of San Rafael's new City Council is inheriting a strong foundation of strategies, tactics, and partnerships that have historically been driving measurable improvements to homelessness, and these proposed modifications could further accelerate our progress.

**FISCAL IMPACT:**

There is no fiscal impact associated with this report.

**RECOMMENDATION:**

Accept Informational Report and provide direction to staff.