Analysis of
Homeless System Performance

Prepared for
San Mateo County

focus
STRATEGIES

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San Mateo County
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EXECUTIVE SUMMARY

San Mateo County has engaged Focus Strategies to analyze available data on homelessness in the community and assess the performance of existing programs and projects designed to serve homeless people. While the County gathers and analyzes data from a variety of sources, to date there has not yet been a systematic effort to understand how the overall system is performing. The purpose of this project is to understand who is being served in the system and what results are being generated in relation to the funds being invested. This data will be used to inform a future system redesign and an update of *HOPE: San Mateo County's 10 Year Plan to Prevent and End Homelessness*.

To conduct this analysis, Focus Strategies collected data from three main sources: (1) the community's inventory of emergency shelter, transitional housing, rapid re-housing and permanent supportive housing units as documented in the annual Housing Inventory Count (HIC); (2) client data exported from the community's Homeless Management Information System (HMIS) for the two year period from July 2012 to June 2014; and (3) program budget data collected directly from homeless program providers. We uploaded data from these sources into a customized Excel tool we have developed which allows us to analyze the HMIS data quality of each project as well as the performance of each project across a range of measures. Our results are summarized in the table below:

Key Findings	
Data Quality	Overall the quality of data in the County's HMIS system is excellent. With a few exceptions, there is very little missing data and we were able to include data from all the programs identified for analysis.
System Capacity in Relation to Need	San Mateo County's Point in Time Count of homeless people shows that 90% are single adults, yet only 70% of the beds in the system are for single adults and only 80% of financial investment is dedicated to this population. While families with children are only 10% of the population, 20% of the inventory and 30% of the investment is for families. System investment and project capacity is not proportional to the composition of the homeless population.
Entries from Homelessness	To effectively reduce homelessness, available system inventory must be targeted to those who are literally homeless (living outdoors, in a vehicle, or in an emergency shelter), while people who are still housed should be diverted from the system wherever possible. Currently, San Mateo County's programs are admitting a large number of people from housed situations. Emergency shelters, in particular, have 44% of people entering from non-literally homeless situations while transitional housing programs show 33% entering from non-homeless situations. While these include some people entering from institutional settings, the majority of these non-literally homeless people are either living independently in unsubsidized or subsidized housing, with friends or families, or in motels.
Lengths of Stay	Achieving relatively short lengths of stay in shelter, transitional housing and rapid re-housing programs is essential to ending homelessness. In San Mateo County, the lengths of stay for emergency shelter and transitional housing are fairly short compared to national averages. Transitional housing, in particular, typically is 180 days or longer in many communities, while in San Mateo County it is 101 days for single adults and 107 for families. The community's rapid re-housing programs have a similar length of stay at 118 days for single adults and 82 for families.

Key Findings Continued	
Rate of Exit to Permanent Housing	Highly effective homeless systems have high rates at which people exit programs directly to permanent housing (meaning any housing situation that is not time limited, whether subsidized or unsubsidized). The rate of exit to permanent housing for emergency shelter programs in San Mateo County is very low at only 19% for single adults and 13% for families. The results for transitional housing for single adults are also low at 38%. Performance is better in transitional housing for families, with 68% exiting to permanent housing. HUD's standard is 65%. San Mateo County's rapid re-housing programs have a far higher success rate than either emergency shelter or transitional housing, with 80% of clients exiting to permanent housing.
Cost Per Permanent Housing Exit	Permanent housing exit rate is more meaningful when considered in the context of cost. Given the relatively high cost of operations and low rate at which clients secure permanent housing, San Mateo County's emergency shelters and transitional housing programs are far more costly than the rapid re-housing programs. This is particularly notable in the family programs, where each permanent housing exit from shelter costs $25,421 and each exit from transitional housing costs $18,329. By contrast, each rapid re-housing exit costs $4,190, or less than a quarter the cost of transitional housing.
Rate of Return to Homelessness	This metric looks at whether people who exit a program and enter permanent housing re-enter homelessness within a 12 month period. Tracking returns to homelessness allows communities to assess whether programs are helping place clients into permanent housing situations that "stick" and are appropriate for their needs. Of the program types analyzed, transitional housing performed the worst on this metric, with 36% of single adults and 26% of families returning to homelessness from permanent housing. Rapid re-housing programs, by contrast, demonstrated a far higher performance, with rates of return of only 9% and 10%. Overall, San Mateo County's rapid re-housing is much less costly, has a higher permanent housing exit rate, and lower rates of return that any other program type in the community.

The implications of these findings are significant and point to a number of ways that San Mateo County can strategically re-design programs and shift investments to serve many more homeless people more cost effectively and with better outcomes. Our report makes the following recommendations:

Recommendations	
1. Shelter Diversion	To make faster progress on ending homelessness, target available resources (particularly shelter, transitional and rapid re-housing) to people who are literally homeless, while developing capacity to offer shelter diversion to those who are still housed. Shelter diversion offers problem-solving, mediation and small amounts of flexible financial assistance to people who are one or two days away from becoming homeless and are seeking entry to shelter. The goal is to help preserve their existing housing situation or help them move directly to other housing.

Recommendations Continued	
2. Rapid Re-Housing	The existing rapid re-housing programs in the community far outperform shelter or transitional housing on all metrics and particularly on cost per permanent housing exit and rate of return to homelessness. The data strongly supports investing in rapid re-housing for both single adults and families.
3. PSH Targeting and Case Management	Currently the existing inventory of permanent supportive housing is not being well targeted to people who are chronically homeless and have the highest need for intensive services. While policy changes are already in place to better prioritize new and turnover units for this population, intensive case management will be needed to ensure that these clients can remain stably housed, particularly in the initial year or two of tenancy. San Mateo County should explore where there are resource gaps and identify ways to tailor case management to client needs, using mainstream or homeless system resources (or both).
4. Housing Location Services	As San Mateo County seeks to expand rapid re-housing and permanent supportive housing capacity, the high cost of housing will make it difficult for participants to locate appropriate units. This problem can be mitigated by investing in system capacity for landlord recruitment and housing location services, such as a community-wide landlord outreach/liaison or housing navigator program.

The data provided in this report can inform policy decisions as San Mateo County moves forward with planning for system re-design. By developing strategies that improve access for literally homeless people and investing in programs that help people exit to permanent housing as quickly and as cost effectively as possible, San Mateo County is likely to achieve a measureable reduction in homelessness within a relatively short time frame.

I.   INTRODUCTION/PURPOSE OF REPORT

San Mateo County engaged Focus Strategies to analyze available data on homelessness in the community and assess the performance of existing programs and projects designed to serve homeless people. Over the past several decades, the San Mateo County Board of Supervisors has made a strong local commitment to addressing homelessness, as demonstrated by their investment of local funds in a range of services, shelter and housing programs for this population. Yet despite these efforts, the numbers of homeless people in the community have not decreased over the last decade.

San Mateo County gathers data on homeless people and homeless programs from a variety of sources and this data is used in a number of ways for program assessment and planning. However, to date there has not yet been a systematic effort to understand how the overall system is performing. In July 2014, the Board of Supervisors held a Board Study Session on Homelessness and decided that the San Mateo County Human Services Agency should conduct a focused effort to analyze existing data to better understand who is being served in the system and what results are being generated in relation to the funds being invested. This data will be used to inform a future system redesign and update of *HOPE: San Mateo County's 10 Year Plan to Prevent and End Homelessness*.

Focus Strategies is a national consulting firm based out of Sacramento, California. Our business is dedicated to helping communities improve efforts to end homelessness by using local data to shape program and system design using a "systems thinking" approach. Our passion is helping communities empower themselves with the information and tools needed to end homelessness strategically. Much of our work involves helping communities use their existing data to better understand system performance. The frame we use for this work is that in many communities, homelessness can be significantly reduced, if not ended entirely, by making data-informed decisions about how to better use resources already available. Homelessness can be solved by improved targeting of existing programs so that we can reduce the number of people who enter the system, quickly re-housing people who become homeless, and minimizing returns to homelessness. This approach, sometimes called "system right sizing" has been proven to be effective in many communities, even those with significant challenges such as high housing costs.

In order to help San Mateo County make its own data informed decisions, we have conducted an analysis of the performance of the existing programs and services in San Mateo County. This report presents a summary of those results and their implications for future system re-design or right sizing.

II.   METHODOLOGY

A.   Programs Included in Analysis

The analysis presented in this report incorporates data on programs in the San Mateo County that provide housing, shelter and services to homeless people. The programs analyzed fall into four categories: (1) emergency shelters; (2) transitional housing; (3) rapid re-housing and (4) permanent supportive housing. Descriptions of these program types are provided in Section III. The scope of the analysis is limited only to these four program types and does not include homelessness prevention assistance for people at-risk of homelessness, or other types of safety net assistance or mainstream system services provided to people who are homeless.

The programs included in this analysis participate in the County's Homeless Management Information System (HMIS). The HMIS is a federally-required data system that collects and stores data on homeless

people served in homeless programs operated within the County. The HMIS system is operated by the San Mateo County Human Services Agency. Each participating provider and program is responsible for entering client level data on those households they serve. Any provider receiving federal targeted homelessness funding must participate in HMIS, including those receiving Continuum of Care (CoC), Emergency Solutions Grant (ESG), Supportive Services for Veterans Families (SSVF) and Veterans Affairs Supportive Housing (VASH) funds. Currently the majority of programs in San Mateo County that serve homeless people participate in HMIS and are included in this analysis. Details on the participation rate are provided in Section III.

B. Data Sources

The analysis in this report incorporates data from three main sources:

- The Housing Inventory Count (HIC): This is the community's official list of projects and programs serving homeless people that is submitted annually to HUD. Data from this table was used in our analysis as the basis for understanding the capacity of each program (number of beds and units) and the types of households served (i.e. single adults versus household with children).

- Homeless Management Information System (HMIS) data: We requested and received an export of client data from the San Mateo County HMIS system for all programs included in the analysis. This data export encompassed the two most recent years of client data (2012-2013 and 2013-2014) and included a selected subset of data elements (including demographic data, entry and exit dates, and exit destinations). All data was provided in de-identified form to protect client confidentiality.

- Program Budget Data: To understand program performance in relation to the level of financial investment, Focus Strategies worked with the San Mateo County Human Services Agency to collect data from individual providers about their project budgets, including the total annual operating cost of each program, its revenue sources, and amounts. Data was collected using a budget tool provided to providers in Excel, so that all data was consistently collected.

In addition to the above, we also reviewed data from the bi-annual San Mateo County Homeless Point in Time Count (PIT) for context on the size and composition of the homeless population.

C. Data Analysis Process

To perform the analysis included in this report, Focus Strategies uploaded data from the HIC, HMIS and budget information into a customized Excel tool we have developed which allows us to analyze the HMIS data quality of each project as well as the performance of each project across a range of measures.

To perform the analysis included in this report, Focus Strategies uploaded data from the HIC, HMIS and budget information into a customized Excel tool we have developed called the Base Year Performance Calculator (BYPC). The BYPC begins by defining the projects (from the HIC) that will be used in the analysis and includes decision points associated with project inclusion/exclusion. Next, project budgets are added, as is the performance data available from HMIS. The BYPC results in collapsed and organized data that is ready for analysis, and provides output showing data quality, project costs, and project performance.

The results of this analysis are summarized in Section IV of this report, with the individual project data presented at the level of program types: emergency shelter, transitional housing, rapid re-housing, and

permanent supportive housing. Results at the individual program level have been provided to San Mateo County Human Services Agency staff in a separate document.

III. BACKGROUND ON SAN MATEO COUNTY'S HOMELESS SYSTEM

In this section we provide some general information about the existing system of housing and services for homeless people in San Mateo County, which provides important context for the performance results.

A. Numbers and Characteristics of Homeless People in San Mateo County

The table below presents data from the most recent Homeless Point in Time Count (PIT), conducted in January 2013.[1] The data shows that the majority of the homeless population in San Mateo County is unsheltered, with 65% of those counted living in places not meant for human habitation and 35% living in shelters or transitional housing. The overall population is largely single adults without children (88% of all households counted). Of the homeless single adults counted, 53% are chronically homeless, defined as being: (1) currently unsheltered or in emergency shelter; (2) having been continually homeless for at least a year or four or more times within the last three years; and (3) having a disability that significantly impairs ability to secure and sustain housing.

2013 Homeless Populations				
	Sheltered		Unsheltered	*TOTAL*
Persons in Households with at least one Adult and one Child	Emergency	Transitional		
Number of Households	22	93	65	*180*
Number of Persons (Adults and Children)	63	314	244	*621*
Persons in Households with only Children				
Number of Households	6	3	5	*14*
Number of Persons (Children)	6	3	5	*14*
Persons in Households without Children				
Number of Households	169	130	1,050	*1,349*
Number of Persons (Adults)	171	139	1,050	*1,360*
All Households/All persons				
TOTAL HOUSEHOLDS	*197*	*226*	*1,120*	*1,534*
TOTAL PERSONS	*240*	*456*	*1,299*	*1,995*

[1] Note that this data in this table is the data reported to HUD from the 2013 PIT and differs slightly from the data reported to the community in San Mateo County's *2013 Homeless Census and Survey* report. The community data includes people living in some types of facilities (e.g. jails, hospitals, AOD programs) that are not included in the data reported to HUD.

2013 Homeless Subpopulations[2]			
	Sheltered	Unsheltered	*TOTAL*
Chronically Homeless Individuals	29	686	*715*
Chronically Homeless Families	1	45	*46*
Persons in Chronically Homeless Families	3	171	*174*
Veterans	114	131	*245*
Female Veterans	6	6	*12*
Severely Mentally Ill	46	440	*486*
Chronic Substance Abuse	39	869	*908*
Persons with HIV/AIDS	5	26	*31*
Victims of Domestic Violence	21	195	*216*

B. System Inventory

San Mateo County has a variety of services, shelter and housing for homeless people, which represent all parts of the range of primary interventions typical in most communities. A snapshot of the San Mateo County homeless system capacity is provided in the table below, including data on the participation levels in the HMIS system. This data is drawn from the most recent Housing Inventory Count (HIC) completed in January 2014.

System Inventory				
Program Type	Number of Providers	Number of Programs	Number of Beds	Percentage of Beds Participating in HMIS
Emergency Shelter	9	11	383	74%
Transitional Housing	7	13	476	89%
Rapid Re-Housing	2	2	24	100%
Permanent Supportive Housing	6	19	663	79%
Total		**45**	**1,546**	**81%**

Emergency Shelters
These are programs that offer very short lengths of stay, connections to a range of services and in some cases assistance with developing a plan to secure permanent housing. Most of San Mateo County's emergency shelters are congregate facilities (particularly those for single adults) or offer shared living arrangements (for families with children). This category of program also includes the County's motel voucher program which pays for short term motel stays for homeless families who are waiting to access shelter or transitional housing.

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[2] Subpopulation categories are not mutually exclusive so these figures do not sum to the total homeless population. People may be represented in multiple categories.

Transitional Housing

San Mateo County has a relatively large inventory of transitional housing programs for both single adults and families with children. These programs are designed to offer longer stays and intensive case management to help residents make the transition to permanent housing upon exit. HUD-funded transitional housing programs are allowed to have stays of up to two years, but the majority of programs in San Mateo County are designed to be much shorter. Many of the emergency shelter programs are designed as "feeder" programs into transitional housing, with residents moving directly from emergency to transitional, sometimes within the same building (as at Maple Street, Safe Harbor and First Step for Families).

Rapid Re-Housing

Rapid re-housing is a relatively new program type that provides homeless individuals and families with a short term rental subsidy (usually up to about six months) after which they take over responsibility for paying their own rent. Services include help with locating housing, as well as time limited case management focused on maintaining stability in housing. Only two rapid re-housing programs have been operating long enough in San Mateo County to be included in this analysis. There are additional new rapid re-housing programs being added to the inventory in 2014-2015.

Permanent Supportive Housing

Permanent supportive housing (PSH) is housing that is not time limited, provides a deeply affordable rent, and intensive ongoing support services. It is designed for those homeless people with the most acute needs, particularly those who are chronically homeless and have significant behavioral disabilities. Much of the San Mateo County inventory consists of Shelter Plus Care vouchers operated by the Housing Authority in which tenants rent units in the private market and receive a rent subsidy. There are also dedicated units in site-based PSH projects. The San Mateo County Housing Authority recently received a new CoC grant to expand the supply of PSH for chronically homeless people with the most severe housing and service needs.

Support Services Only (SSO)

San Mateo County has many programs providing services to homeless people, including a network of safety net agencies, employment programs, services for families and children, and many others. However, since none of these programs report data into the HMIS system, they are not included in this analysis. The only exception is that there is one services program that receives HUD funding under the "Support Services Only" (SSO) component of the Continuum of Care funding source. This program provides employment services and case management for homeless veterans and does report into HMIS, and has thus been included in our analysis.

Other System Components

Although not covered in this analysis, the San Mateo County homeless system also includes an array of homelessness prevention programs which provide financial assistance to households at-risk of losing their housing. The County has also invested in Homeless Outreach Teams to conduct outreach to unsheltered homeless people, mainly chronically homeless, and help link them directly to housing.

C. Households Served in HMIS Participating Programs

The table below shows the total people served in the HMIS participating programs in San Mateo County in 2012-2014. This shows that 5,207 people were served over the course of this two year period, of whom

about 63% were adults 25 and older, 8% were transition age youth (TAY) age 18 to 24, and 29% were children. About 39% had a disability, but only 12% were chronically homeless. As noted above, the PIT count shows that 35% of homeless adults in San Mateo County are chronically homeless, so this data would seem to suggest chronically homeless people are being underserved in the system. Conversely, while only 12% of those counted in the PIT are veterans, 20% of those served in the programs we analyzed were veterans.

Total Unduplicated People		5,207	
		#	%
Age	Adults 25+	3,297	63%
	TAY 18 - 24	419	8%
	Children	1,491	29%
	Missing	0	0%

Total Unduplicated Adults		3,716	
		#	%
Gender	Male	2,135	57%
	Female	1,576	42%
	Other	5	0%
	Unknown	0	0%
Disabled [1]		1,453	39%
Veteran		749	20%
Chronically Homeless		444	12%
Domestic Violence		384	10%

[1] *Disability as indicated by a "Yes" answer in the universal data element "Disabling Condition"*

The next set of tables illustrate the unduplicated number of people served in 2012-2014 by each program type. People who have received services from more than one program type are reflected more than once (i.e., in each of the service types they received). As would be expected, programs with short stays tends to serve a larger number of people than those with longer or unlimited lengths of stay. Emergency shelters housed 3,516 or 68% of all the people served in the system in 2013-2014, while permanent housing served only 520 or 10%.

		ES		TH		RRH		PSH		SSO	
Total Unduplicated People		3,516		2,348		623		520		205	
		#	%	#	%	#	%	#	%	#	%
Age	Adults 25+	2,085	59%	1,242	53%	430	69%	447	86%	204	100%
	TAY 18 - 24	322	9%	169	7%	30	5%	35	7%	1	0%
	Children	1,109	32%	937	40%	163	26%	38	7%	0	0%
	Missing	0	0%	0	0%	0	0%	0	0%	0	0%

		ES		TH		RRH		PSH		SSO	
Total Unduplicated Adults		2,407		1,411		460		482		205	
		#	%	#	%	#	%	#	%	#	%
Gender	Male	1,277	53%	747	53%	318	69%	250	52%	193	94%
	Female	1,129	47%	664	47%	139	30%	232	48%	11	5%
	Other	1	0%	0	0%	3	1%	0	0%	1	0%
	Unknown	0	0%	0	0%	0	0%	0	0%	0	0%
Disabled [1]		729	30%	401	28%	103	22%	352	73%	186	91%
Veteran		138	6%	306	22%	319	69%	77	16%	203	99%
Chronically Homeless		211	9%	101	7%	40	9%	140	29%	75	37%
Domestic Violence		307	13%	211	15%	0	0%	28	6%	1	0%

[1] Disability as indicated by a "Yes" answer in the universal data element "Disabling Condition"

D. System Investment

As part of this data analysis work, Focus Strategies has collected budget data on all the emergency shelter, transitional housing, rapid re-housing and permanent supportive housing programs included in this analysis. As is common in communities, permanent supportive housing makes up the largest component of system investment. Permanent housing has the greatest cost per participant served on average, both because it includes deeply subsidized rent and intensive services. Since the San Mateo County Board of Supervisors has also invested significantly in the homeless system, we have also shown the portion of the overall investment that comes from the Human Services Agency. This includes general fund dollars, as well as CDBG funds passed through from the Department of Housing.[3] As shown below, the County's investment is primarily in emergency shelter and transitional housing.

[3] The Human Services Agency also distributes some Emergency Solutions Grant (ESG) funds to shelters, transitional housing and rapid re-housing programs but these funds are not included in the calculation of San Mateo County investment, since in our analysis we categorize CoC and ESG funds as separate funding streams.

Program Type	San Mateo County HSA Investment	Total Investment	% of Total Investment
Emergency Shelter	2,051,461	3,448,900	19.5%
Transitional Housing	436,544	4,669,766	26.4%
Rapid Re-Housing	0	979,749	5.5%
Permanent Supportive Housing	0	8,575,134	48.5%
Total	2,488,005	17,673,549	100.0%

IV. RESULTS: ANALYSIS OF SYSTEM PERFORMANCE

A. HMIS Data Quality

Based on our analysis, overall we found the quality of data in San Mateo County's HMIS system to be excellent. The tables below provide information regarding the percent of key data fields which have no data. It is evident that with few exceptions (the disability related variables), there is essentially no missing data. For the rapid re-housing programs, however, ALL of the data on type of disability is missing and the County may want to facilitate improvement in that area.

	TOTAL DATASET	ES	TH	RRH	PSH	SSO
Total Cases	9,496	5,477	2,621	668	524	206
Total Adult Cases	6,575	3,762	1,627	494	486	206

Percent Missing

	# missing values	TOTAL DATASET	ES	TH	RRH	PSH	SSO
ClientID	0	0%	0%	0%	0%	0%	0%
Program Type	0	0%	0%	0%	0%	0%	0%
Prior Living	0	0%	0%	0%	0%	0%	0%
Entry Date	0	0%	0%	0%	0%	0%	0%
Destination *	0	0%	0%	0%	0%	0%	0%
Program Name	0	0%	0%	0%	0%	0%	0%
Organization Name	0	0%	0%	0%	0%	0%	0%
HouseHoldID	0	0%	0%	0%	0%	0%	0%
DOB	0	0%	0%	0%	0%	0%	0%
Gender	0	0%	0%	0%	0%	0%	0%
Disabled	0	0%	0%	0%	0%	0%	0%
Physical Disability	965	15%	9%	3%	100%	12%	2%
Developmental Disability	965	15%	9%	3%	100%	12%	2%
Chronic Medical Condition	970	15%	9%	3%	100%	13%	2%
HIV-AIDS	964	15%	9%	3%	100%	12%	2%
Mental Illness	964	15%	9%	3%	100%	12%	2%
Substance Abuse	973	15%	10%	3%	100%	12%	2%
Chronic Homeless	0	0%	0%	0%	0%	0%	0%
Vet	1	0%	0%	0%	0%	0%	0%
Domestic Violence	976	15%	10%	4%	100%	13%	2%
Income at Entry	323	5%	8%	2%	1%	0%	1%
Total Amount Income Entry	0	0%	0%	0%	0%	0%	0%
Employment at Entry	364	6%	9%	2%	1%	1%	1%
Income at Exit *	297	5%	7%	1%	1%	0%	1%
Total Amount Income Exit	0	0%	0%	0%	0%	0%	0%
Employment at Exit *	331	6%	8%	1%	1%	1%	1%

Adult Records Only (bracket spanning from Disabled through Employment at Exit)

Focus Strategies identified only one emergency shelter program with data quality problems that required considerable effort for its data to be included in this report. Specifically, some of the entry/exit data reflected bed nights (i.e. a three day stay was reflected as 3 separate stays), while some reflected shelter stays (a three day stay was reflected as a single stay). Shelter entry/exit data generally should be recorded as shelter stays, not bed nights, so we recoded those records from bed nights to shelter stays. There were other issues related to exit dates and exit destinations at this particular program that we were not able to address in preparing the data for analysis. For example, a number of exit dates were missing as were the

destinations associated with them. In addition, a number of exit dates had the same date (more than would be anticipated unless they were entered as part of a data clean-up effort), with the exit destinations coded as "unknown". Missing and unknown exit destinations take away from the power of performance analysis since permanent housing exits are such an important outcome.

B.   Alignment of Inventory and Investment with Need

The graph below illustrates the relationship between the proportions of San Mateo's adult only and family homeless populations, and the current capacity and investments for each. As is evident, although families comprise 10% of the homeless population, 30% of financial investments in the system are allocated to family households. A similar disparity is found in bed capacity, where 10% of the homeless population has almost 20% of the homeless beds. Looking at it from the perspective of adult households, 70% of investments and 80% of bed capacity is allocated to the remaining 90% of the homeless population.

Homeless Population, Capacity and Investment
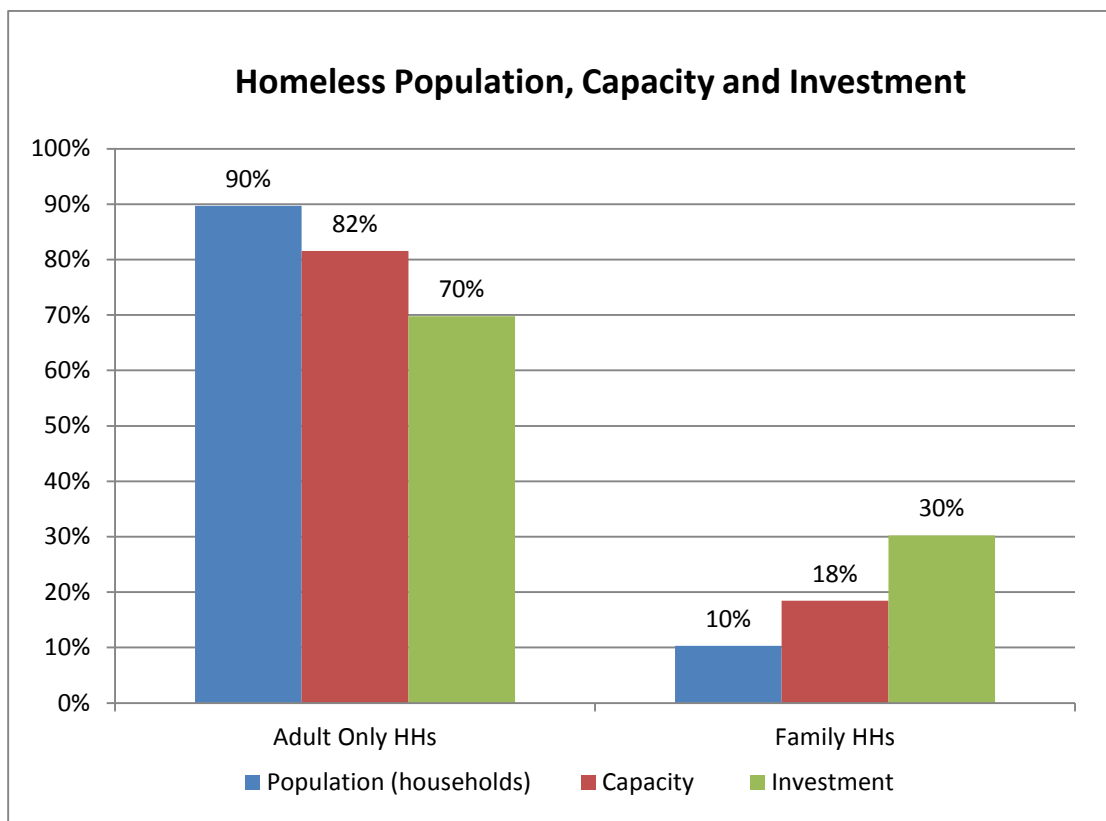
C.   System Performance

In recent years, federal homelessness policy has shifted increasingly to looking at how well communities are performing in their efforts to reduce homelessness. To further these objectives, HUD has strongly encouraged communities to evaluate the effectiveness both of individual programs as well as the overall system in meeting specific performance measures. Focus Strategies has developed a set of performance metrics that build upon HUD's measures as articulated in the HEARTH Act and *Opening Doors: The Federal*

Strategic Plan to End Homelessness. While the measures we use are all aligned with HUD's goals, we also incorporate cost effectiveness to the analysis, so that communities can understand not just system performance, but also performance in relation to the level of investment.

This section presents our analysis of San Mateo County's system performance on six measures:

1. Bed utilization rate
2. Program entries from homelessness
3. Lengths of stay
4. Permanent housing exit rate
5. Cost per permanent housing exit
6. Returns to homelessness

1. Bed and Unit Utilization Rate

This metric measures the average daily occupancy of programs in the system, as calculated using HMIS data. Maximizing the use of available bed capacity is essential to ensuring that system resources are being put to their best use and that as many homeless people are being served as possible in the existing inventory.

The table below presents the utilization rate for emergency shelter, transitional housing and permanent supportive housing. This data uses bed utilization for single adult programs, and unit utilization for family programs (because sometimes a unit in a family program might have unfilled beds simply due to housing a smaller sized family than the unit is designed to accommodate).

The utilization rates for emergency shelter and transitional housing do not appear to be a performance issue. Our analysis found a 106% rate for shelter and 85% for transitional. This result is impacted by the difficulty of categorizing some of the beds in the system, so the shelter utilization rate is probably actually lower while the transitional rate is higher, simply because this analysis counted too many beds as transitional rather than emergency. The average rate of utilization between the emergency shelters and transitional housing is about 95%, which reflects strong performance on this indicator.[4]

The utilization rate for permanent supportive housing is 90% which is also a fairly strong performance. However, there is room to improve the utilization rate in this program type. Fully leasing all available units, including maximizing the funds available for tenant-based rental subsidies (e.g. Shelter Plus Care subsidies) can help the community serve a greater number of very high need, chronically homeless people.

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[4] Focus Strategies relied on data reported by program providers on how to categories beds in facilities where there are both short- and long-term stays (i.e. programs that include a mix of shelter and transitional beds). Some of this data appears to have been inaccurate. In the next round of analysis, to be conducted in summer/fall 2015, we will work with providers to ensure any capacity data they provide is accurate.

Average Utilization Rate

Program	Utilization Rate
ES	106%
TH	85%
PSH	90%
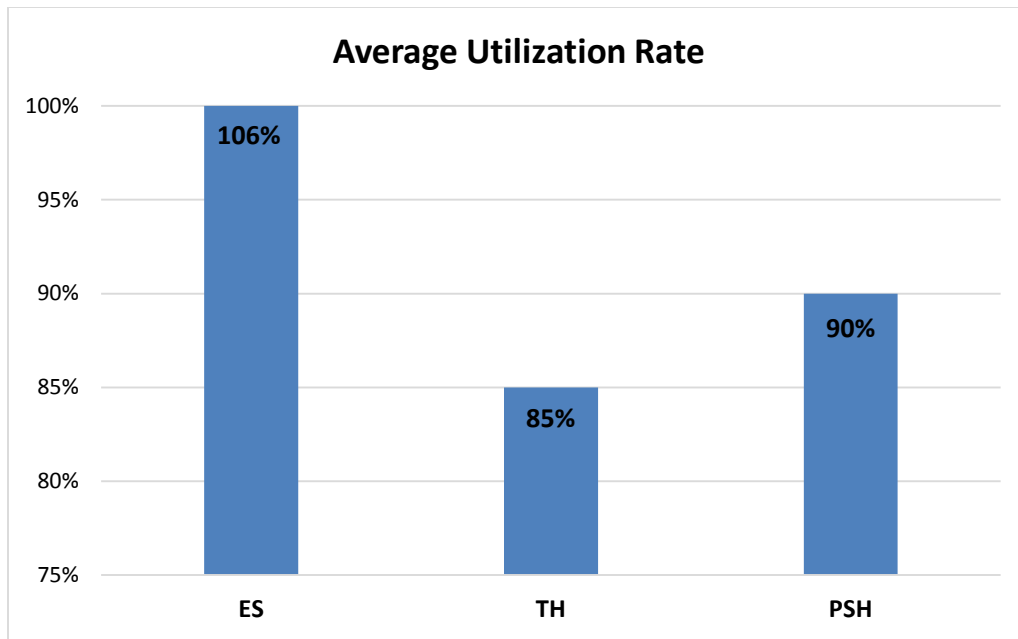
Note: Rapid re-housing is not included in this analysis because this program type does not have a fixed bed capacity and so the methodology applied to the other program types does not generate a comparable result.

2. Entries from Homelessness

This measure looks at the degree to which programs are serving people with the most acute housing situations, namely those who are *literally* homeless (meaning they are living outdoors, in a vehicle, or in an emergency shelter). While programs may be allowed by their funders to serve people who are living in other situations (for example, people who are housed but at risk of homelessness), successfully reducing homelessness depends on communities prioritizing those with the highest needs for available units. This measure also reflects the federal policy goals of ending chronic homelessness and prioritizing literally homeless people for permanent housing. To create a "right sized" system in which there is an appropriate housing intervention for all homeless people, those who are not literally homeless must be diverted from entering the homeless system to begin with, thereby making resources available for those with nowhere to live.

The charts below show the situations at entry for people entering emergency shelter, transitional housing, rapid re-housing, and permanent supportive housing in San Mateo County. The pie charts show the percentage of people coming from non-homeless situations (e.g. living with friends and family, living in subsidized or unsubsidized rental housing, in a motel or in an institution). Currently, all of the system components except permanent housing are admitting far too many people from housed situations. Emergency shelters, in particular, have 44% of people entering from non-literally homeless situations. The transitional housing programs show 33% entering from non-homeless situations, but this likely underrepresents the numbers since many people entering transitional housing are coming directly from a shelter and many were housed when they entered shelter. Given that 65% of San Mateo County's homeless population is unsheltered and 35% are chronically homeless, system resources should be better targeted to serve those who have nowhere to live.

We also noted that the existing rapid re-housing programs are taking 46% of people from non-homeless situations. This seemed unusual, given that HUD-funded rapid re-housing is required to serve people who are literally homeless. However, much of the existing rapid re-housing inventory in San Mateo County is the Support Services for Veteran Families (SSVF) program which is allowed to admit veterans who are at-risk of homelessness. We would recommend the County explore with the SSVF providers whether this resource is being appropriately targeted to those veterans with the highest needs.

	Total Household Program Entries to Emergency Shelters	
	Number	Percent
Emergency Shelter	890	27.1%
Unsheltered	822	25.0%
Family/Friends	596	18.1%
Unsubsidized Housing	329	10.0%
Institutional*	291	8.9%
Hotel/Motel	167	5.1%
Other	46	1.4%
Don't Know	44	1.3%
Transitional Housing	42	1.3%
Subsidized Housing	32	1.0%
Perm. Supportive Hsg.	16	0.5%
Refused	12	0.4%
Missing	0	0.0%
Total	3,287	100%

	Total Household Program Entries to Transitional Housing	
	Number	Percent
Emergency Shelter	796	59.0%
Institutional*	139	10.3%
Family/Friends	132	9.8%
Unsheltered	95	7.0%
Unsubsidized Housing	76	5.6%
Transitional Housing	49	3.6%
Hotel/Motel	44	3.3%
Other	8	0.6%
Subsidized Housing	7	0.5%
Perm. Supportive Hsg.	2	0.1%
Don't Know	1	0.1%
Refused	0	0.0%
Missing	0	0.0%
Total	1,349	100%

Percentages are rounded to the nearest tenth

*Institutional includes: Psychiatric hospital or other psychiatric facility; substance abuse treatment facility or detox center; hospital (non-psychiatric); jail prison, or juvenile detention center; foster care of foster care group home
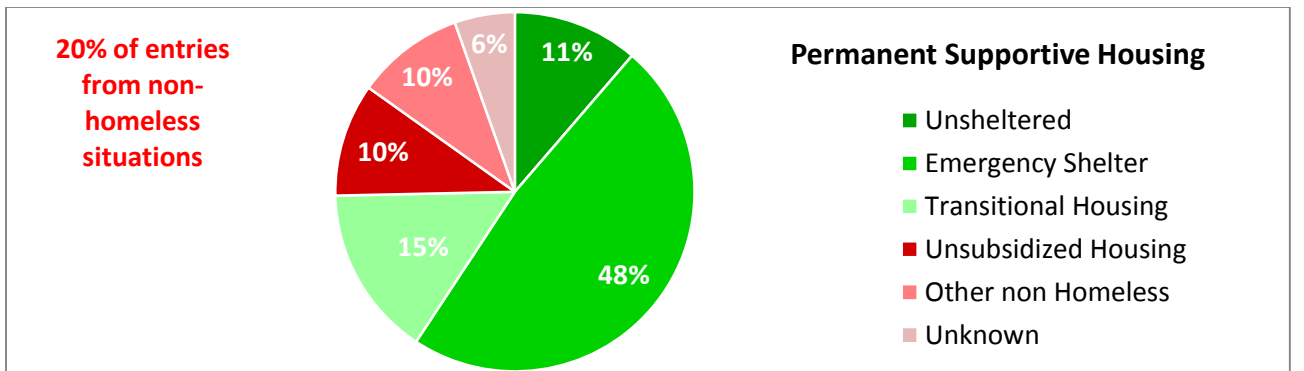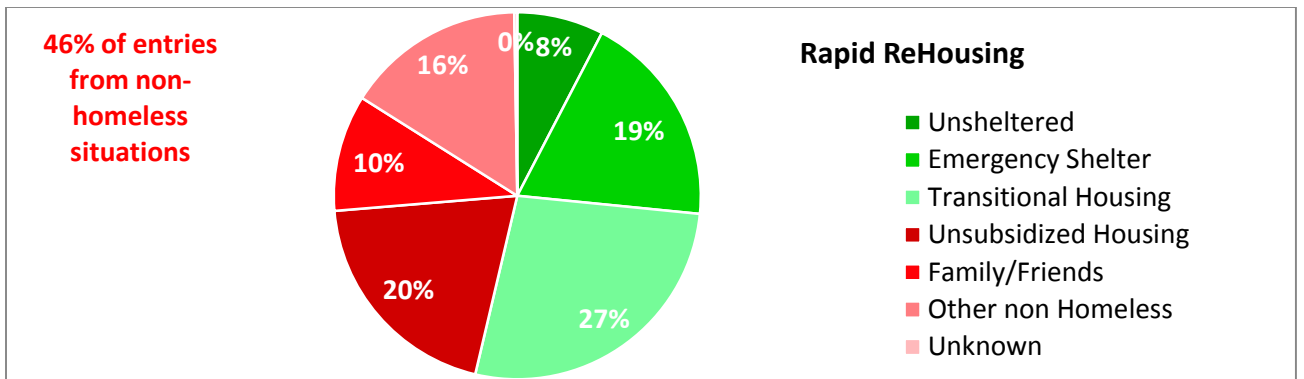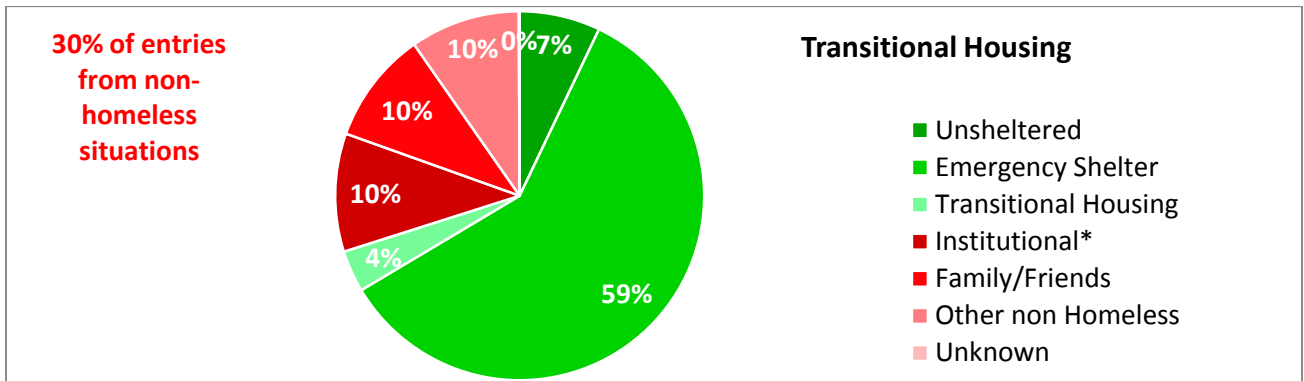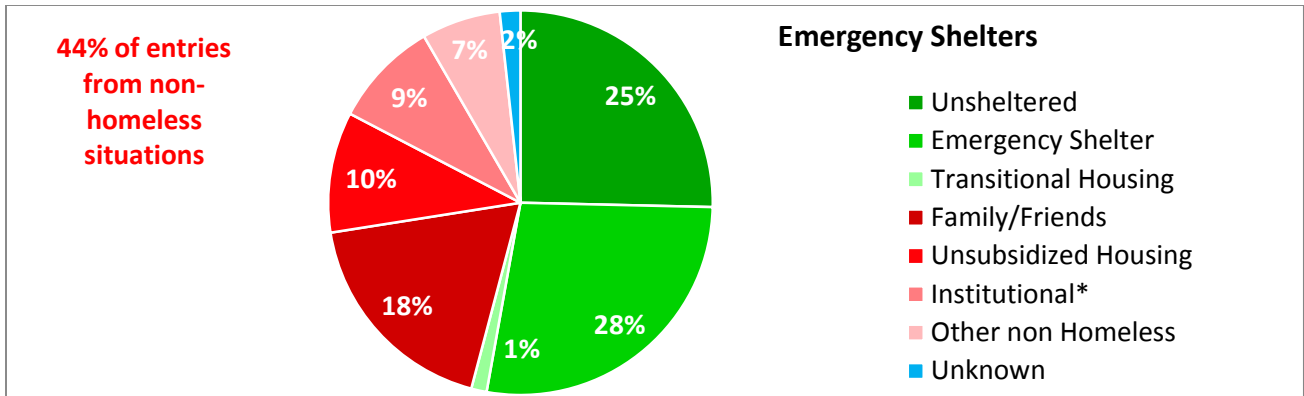
	Total Household Program Entries to Permanent Supportive Housing	
	Number	Percent
Emergency Shelter	212	46.3%
Transitional Housing	68	14.8%
Unsheltered	50	10.9%
Unsubsidized Housing	45	9.8%
Don't Know	24	5.2%
Family/Friends	18	3.9%
Other	16	3.5%
Perm. Supportive Hsg.	10	2.2%
Institutional*	6	1.3%
Hotel/Motel	5	1.1%
Subsidized Housing	4	0.9%
Refused	0	0.0%
Missing	0	0.0%
Total	458	100%

	Total Household Program Entries to Rapid ReHousing	
	Number	Percent
Transitional Housing	103	25.8%
Unsubsidized Housing	76	19.0%
Emergency Shelter	72	18.0%
Family/Friends	39	9.8%
Subsidized Housing	39	9.8%
Unsheltered	29	7.3%
Other	20	5.0%
Institutional*	13	3.3%
Hotel/Motel	8	2.0%
Don't Know	1	0.3%
Perm. Supportive Hsg.	0	0.0%
Refused	0	0.0%
Missing	0	0.0%
Total	400	100%

Percentages are rounded to the nearest tenth

*Institutional includes: Psychiatric hospital or other psychiatric facility; substance abuse treatment facility or detox center; hospital (non-psychiatric); jail prison, or juvenile detention center; foster care of foster care group home

Emergency Shelters

44% of entries from non-homeless situations

- 25% — Unsheltered
- 28% — Emergency Shelter
- 1% — Transitional Housing
- 18% — Family/Friends
- 10% — Unsubsidized Housing
- 9% — Institutional*
- 7% — Other non Homeless
- 2% — Unknown

Legend:
- Unsheltered
- Emergency Shelter
- Transitional Housing
- Family/Friends
- Unsubsidized Housing
- Institutional*
- Other non Homeless
- Unknown

Transitional Housing

30% of entries from non-homeless situations

- 7% — Unsheltered
- 59% — Emergency Shelter
- 4% — Transitional Housing
- 10% — Institutional*
- 10% — Family/Friends
- 10% — Other non Homeless
- 0% — Unknown

Legend:
- Unsheltered
- Emergency Shelter
- Transitional Housing
- Institutional*
- Family/Friends
- Other non Homeless
- Unknown

Rapid ReHousing

46% of entries from non-homeless situations

- 8% — Unsheltered
- 19% — Emergency Shelter
- 27% — Transitional Housing
- 20% — Unsubsidized Housing
- 10% — Family/Friends
- 16% — Other non Homeless
- 0% — Unknown

Legend:
- Unsheltered
- Emergency Shelter
- Transitional Housing
- Unsubsidized Housing
- Family/Friends
- Other non Homeless
- Unknown

Permanent Supportive Housing

20% of entries from non-homeless situations

- 11% — Unsheltered
- 48% — Emergency Shelter
- 15% — Transitional Housing
- 10% — Unsubsidized Housing
- 10% — Other non Homeless
- 6% — Unknown

Legend:
- Unsheltered
- Emergency Shelter
- Transitional Housing
- Unsubsidized Housing
- Other non Homeless
- Unknown

3.   Lengths of Stay

Achieving relatively short lengths of stay in shelter, transitional housing and rapid re-housing programs is essential to ending homelessness. Every day a person is homeless has an associated cost, and reducing lengths of stay results in a quicker rate of exit and a lower cost per exit, allowing more people to be served. The HEARTH Act has established a goal that no one is homeless longer than 30 days. As part of system right-sizing, the entire system must strive for the shortest stays needed to get to this goal.

Length of stay in San Mateo County programs was calculated based on HMIS data using the entry and exit dates for each program stay recorded in the system. Generally speaking, the lengths of stay we found for emergency shelter and transitional housing are fairly short compared to national averages. Transitional housing, in particular, typically is closer to 180 days or longer in many communities, while in San Mateo County it is 101 days for single adults and 107 for families. We would qualify that finding by noting that many people are moving directly from emergency shelter to transitional housing, so likely the total length of stay for a typical household is longer than this data suggests. And, these average stays still need to be shortened if the system is to achieve better results. Nevertheless, this is an impressive level of performance and demonstrates a commitment by the community to help people exit these programs as quickly as possible.
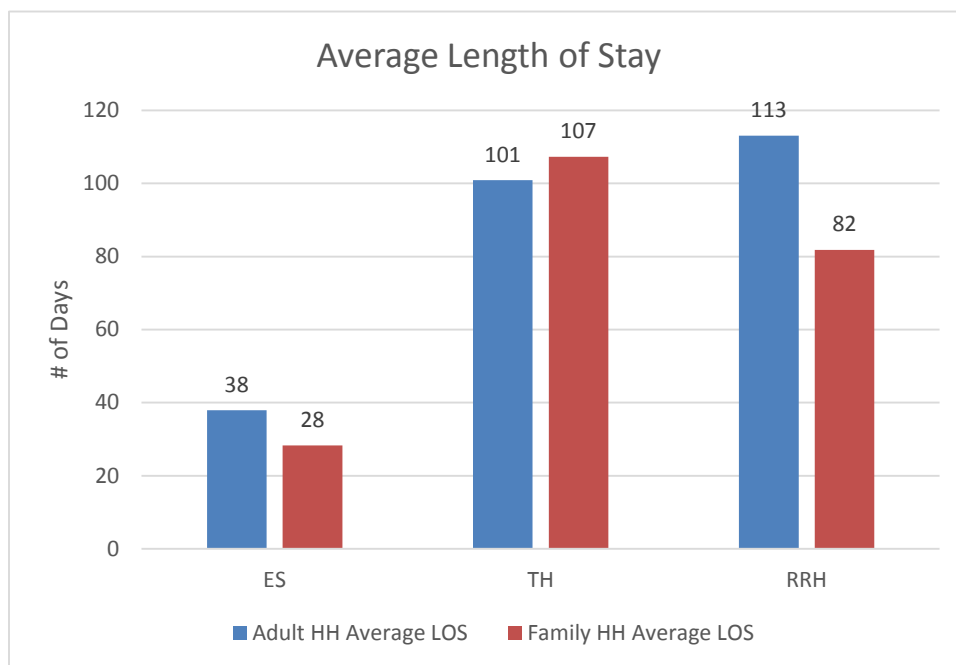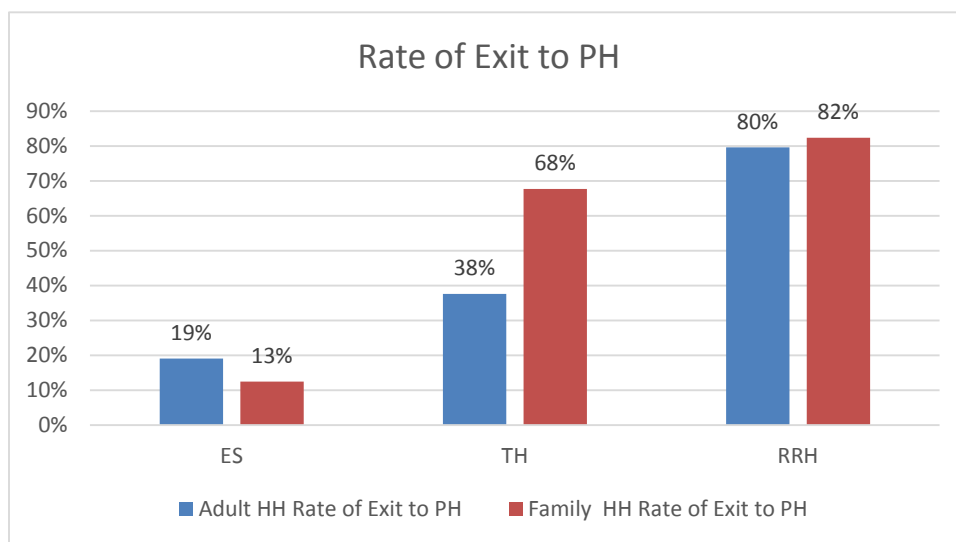

4.   Exits to Permanent Housing

While helping households exit shelter and transitional housing quickly is a key strategy to end homelessness, it is just as important to understand where people go when they exit. The rate of exit to permanent housing is a very important metric and one that HUD has asked communities to report on for several years. This measures the degree to which a project assists clients to move to a housed situation, and is a critical aspect of project performance.

The table below shows the rate of exit to permanent housing for all emergency shelter, transitional housing, and rapid re-housing programs in San Mateo County. For the purpose of this measure, "permanent housing" includes any housed situation that is not time-limited, such as a market rate apartment, a subsidized housing unit, shared housing with a roommate, or staying with family and friends (as long as the arrangement is not temporary).

As shown in the table below, the rate of exit to permanent housing for emergency shelter programs in San Mateo County is very low at only 19% for single adults and 13% for families. The results for transitional housing for single adults are also low at 38%. As discussed in the next section, emergency shelters and transitional housing are not cost-effective strategies to reduce homelessness in general, and low performance on the rate of exit further reduces cost effectiveness. Typical performance for exits from emergency shelter to permanent housing are 20%[5], while the HUD standard for transitional housing exits to permanent housing is greater than 65%.

We also noted that rapid re-housing has a far higher success rate, with 80% of clients exiting to permanent housing. This is true even while the lengths of stay in rapid re-housing are not substantially longer than in transitional housing and the subpopulations of clients served are similar. Thus, there is no evidence that staying longer in a given program results in a higher rate of successful exit.

5. Cost Per Exit and Cost Per Exit to Permanent Housing

To create a more efficient system, it is essential that investments are aligned with the objective of ending homelessness. Scarce system resources must be spent in a way that achieves the maximum possible results. Cost per permanent housing exit is a key performance measure because it assesses not only whether a program is helping clients to move to permanent housing but also whether they do so in a cost effective manner. As funders shift funds from programs that are very expensive to those that are more

[5] National Alliance to End Homelessness, Performance Improvement Calculator (PIC), Sample data from 14 communities. http://www.endhomelessness.org/library/entry/performance-improvement-calculator

cost effective per person served, system capacity will increase and the numbers of homeless people will be reduced.

The table below shows the average cost per each exit for all program types, and then the cost per permanent housing exit. These are calculated using the total program cost divided by the total people who exit (for the cost per exit) and divided by the total people who exit to permanent housing (for cost per exit to permanent housing).

As shown in the chart below, the emergency shelter and transitional housing program types in San Mateo County are far more expensive per housing exit than rapid re-housing. This is particularly notable in the family programs, where each permanent housing exit from shelter costs $25,421 and each exit from transitional costs $18,329. By contrast, each rapid re-housing exit costs $4,190, or less than a fourth the cost of transitional housing. The numbers are less stark in the single adult programs, but the cost per exit to permanent housing from transitional housing is nearly double the cost per exit from rapid re-housing. If investments were to shift from these more costly interventions to those that are more cost effective, the overall system would be able to house many more homeless households.
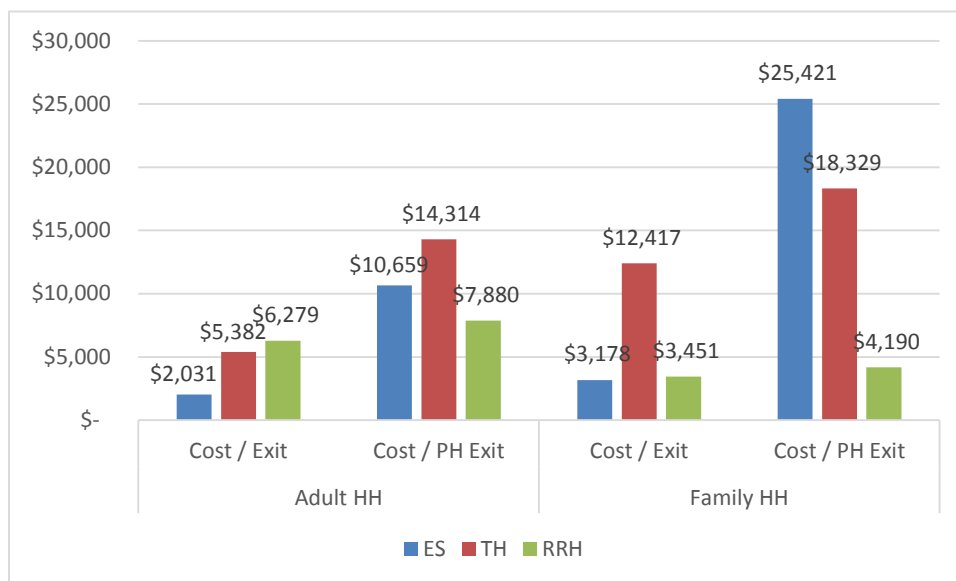

6. Returns to Homelessness

Reducing lengths of stay and increasing rates of exit to permanent housing has to be balanced by ensuring that people who exit programs do not return to homelessness. Tracking this metric allows communities to assess whether programs are helping place clients into permanent housing situations that "stick" and are appropriate for their needs.

For the purpose of this analysis, returns to homelessness is calculated by looking at all households served in a given year (in this case 2012-2013) and seeing whether any had a new program entry in 2013-2014.

The chart below presents rate of return to homelessness for people who exited emergency shelter, transitional housing and rapid re-housing in San Mateo County in 2012-2013 with an exit destination that was a permanent housing situation. Among these three program components, transitional housing performed the worst on this metric, with 36% of single adults and 26% of families returning to homelessness from permanent housing. Rapid re-housing programs, by contrast, demonstrated a far higher performance, with rates of return of only 9% and 10%. This data again supports the premise that rapid re-housing is just as effective, if not more so, in helping people move quickly to a permanent housing situation that sticks. Investing system resources in more costly transitional housing beds does not result in improved rates of permanent housing exit, and those who do exit are more likely to return to homelessness.
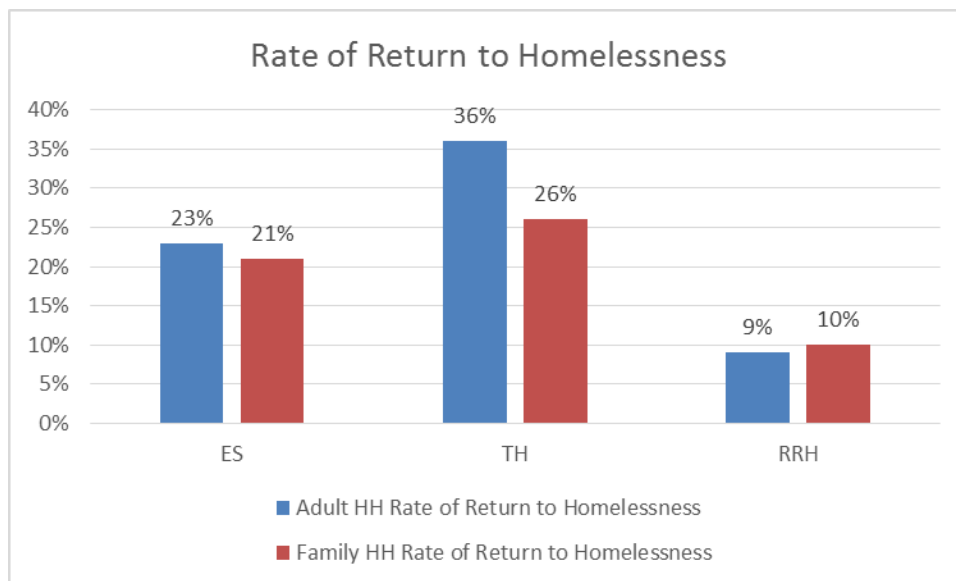
V. IMPLICATIONS FOR SYSTEM RE-DESIGN

The data analysis presented in this report identifies key areas where San Mateo County's homeless programs are underperforming. The implications of these findings are significant and point to a number of ways the community can strategically re-design programs and shift investments to serve many more homeless people more effectively and with better outcomes. Following are our main recommendations that the community should consider implementing in the near future:

1. Serve More Literally Homeless People and Provide Diversion To Those Who Are Still Housed. To make faster progress on ending homelessness, we encourage San Mateo County and the Continuum of Care decision-making bodies to adopt policies that require programs to prioritize people who are living outdoors and in vehicles or in emergency shelter, while offering shelter diversion to those who are still housed or who can move directly to other housing. Shelter Diversion is a strategy for preventing homelessness that targets households at the point at which they contact the homeless system seeking emergency assistance. Typically households are only eligible for shelter diversion if they are imminently going to be homeless within one to three days. Generally, this intervention is targeted to households that do not have their own rental unit but are living informally with friends or family or in a motel. Shelter diversion programs provide

problem solving, mediation, and small amounts of flexible financial assistance to help "divert" these households from entering shelter. The purpose of diversion is to prevent unnecessary entries into emergency shelter and freeing capacity in the shelter system for those who have no other place to go. Diversion differs from traditional homelessness prevention, which generally provides assistance with back rent for those who are living in their own rental unit and facing a potential eviction. While traditional prevention programs may be effective at preventing evictions, data suggests that few of the households assisted would ever enter the shelter system even if they did not receive prevention help.

2. Invest in High Performing Rapid Re-Housing. The performance data we analyzed demonstrated that the existing rapid re-housing programs in San Mateo County far out-perform shelters or transitional housing on all key metrics, particularly cost per exit to permanent housing and rate of return to homelessness. Compared to rapid re-housing, transitional housing for families is four times more expensive per successful exit, and people who leave are more than twice as likely to return to homelessness. Focus Strategies is aware that San Mateo County is looking at ways to pilot more rapid re-housing projects in the community for both single adults and families with children, and we believe this analysis provides strong support for that strategy.

3. Target Permanent Supportive Housing to Chronically Homeless People and Provide Case Management Tailored to Need. San Mateo County has a large number of chronically homeless single adults, yet only about 29% of the people currently being served in permanent supportive housing are chronically homeless. The CoC recently adopted a policy that as units turn over, they will be prioritized for people who are chronically homeless. This practice will begin to slowly increase the number who can be housed. We further encourage the CoC to explore whether some of the existing PSH tenants who are stable and require minimal services can be served using a "move up" strategy in which they remain in their existing units but their subsidy is transitioned to the Housing Choice Voucher (HCV) program. This will free up additional PSH units for chronically homeless people. We also note that the utilization rate for the existing PSH program is 90% (and the Housing Authority has just been awarded an additional 34 unit bonus project). The underutilization is due in part to the difficulty of identifying resources to provide the intensive case management these clients need to remain housed once they secure a unit. To ensure that PSH capacity can been maximized and targeted to those most in need, we encourage the County to explore where there are resource gaps for the needed case management functions. Typically chronically homeless people need intensive behavioral health services and wrap around case management in the first year, after which the need for intensive services tends to taper off. Case management should be tailored to client needs, and can be provided either through mainstream systems or as part of the homeless services system.

4. Increase System Capacity in Landlord Recruitment and Housing Navigation. As San Mateo County seeks to expand rapid re-housing and permanent supportive housing capacity, the high cost of housing will make it difficult for participants to locate appropriate units. Experience from other communities suggests that this problem can be mitigated through expending system resources on staff who are dedicated to cultivating relationships with landlords and to helping clients with searching for and securing housing. Some providers in the community have already developed some of this expertise in-house, but it is fragmented and not available to all clients. A community-wide landlord outreach/liaison or housing navigator program would be more effective. It would also allow for these resources to be accessed in a fair and transparent manner and used to best target help to those who need it most.

By developing strategies that improve access for chronically homeless and literally homeless people, and investing in programs that help people exit to permanent housing quickly, and as cost effectively as possible, San Mateo County is likely to achieve a measureable reduction in homelessness within a relatively short time frame.