



City of Salinas

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August 21, 2018

Honorable Stephanie E. Hulsey
Judge of the Superior Court
240 Church Street
County Counsel
Salinas, California 93901

RE: 2017-2018 Monterey County Civil Grand Jury Final Report –“WHO’S IN CHARGE? Stepping up on Homelessness: The need for strategic leadership and comprehensive planning”. Letter dated June 4, 2018 from the Monterey County office of the County Counsel

Dear Judge Hulsey:

This letter is the City of Salinas’s response to the Findings and Recommendations of the 2017-2018 Monterey County Civil Grand Jury Final Report: “WHO’S IN CHARGE? Stepping up on Homelessness: The need for strategic leadership and comprehensive planning.” I would first like to thank the members of the Civil Grand Jury for their time and effort taken to assist us in addressing homelessness. In the Final Report, the Civil Grand Jury overall made a total of twelve Findings and ten Recommendations. Per the June 4th letter from the office of the Monterey County Counsel, the City is responsible for Findings F1-F12 and Recommendations R1-R10.

As requested by the Civil Grand Jury, the City of Salinas respectfully submits the following responses to the Findings and the Recommendations in the Final Report.

Findings

Finding F1. Homelessness is a bigger problem in the County than the biennial homeless census would suggest.

Response:

The City agrees with finding F1. According to the 2017 Point In Time (PIT) Count for Monterey County, the number of homeless is estimated to be 2,837. The PIT Count is a count completed in one night in January and does not capture the entire homeless population over the course of a year. The City also understands that this count does not include the Monterey County Office of Education’s estimate of 6,278 homeless students in the public-school system.

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Finding F2. The County's homeless problem has the potential to get worse if we do not invest in accessible housing solutions. Growing housing insecurity will only increase demand on our underfunded, over-stressed public services.

Response:

The City agrees with finding F2. Cities in Monterey County need to invest in housing solutions for different populations and varying income levels. Overall, there is a lack of housing stock in all of Monterey County and in the City of Salinas. Based on Salinas's 2015 Housing Element, 49% of Salinas homeowners pay more than 30% of income for housing and 24% pay more than 50% of their income on housing. Renters in Salinas are additionally burdened with 52% of renters paying more than 30% of their income on housing.

The shortage of units and cost of housing particularly affects very low-income households (less than 50% of area median income) who often are always on the edge of homelessness. This is evident by the 2,232 individuals in the County that are homeless due to factors such as job loss, alcohol or drug use, rent increases, mental health or other medical conditions, incarceration, family conflict, or aging out of foster care. These individuals typically need assistance in finding and paying for housing. The County also has a chronically homeless population of 605 persons. The chronically homeless and those with disabilities and addiction need more than just housing, they need supportive services. Permanent supportive housing for this population is especially needed, but it takes a much more significant investment. For example, the City committed nearly \$4.5 million to support Moongate Plaza, a 90-unit permanent supportive housing project in Chinatown with a cost of approximately \$39.9 million.

Finding F3. The County's strategy for addressing homelessness needs a clearer focus, accountable leadership and enhanced capacity.

Response:

The City agrees with finding F3. The County contracts with the Coalition of Homeless Service Providers (CHSP) to serve as the Continuum of Care (CoC) administrator. The CoC is responsible for implementation of the Lead Me Home Plan, the regional 10-year plan for ending homelessness. CHSP and Monterey County Department of Social Services (DSS) convene the Leadership Council, the governance body for the CoC. While these meetings include elected officials, they only occur every other month and typically include few actionable items. Much of the meeting time is spent updating the Council on very technical work conducted by CHSP's five or six committees.

The complex structure of the CoC and its very technical committees has weakened the voice of the Leadership Council. The CoC committees are mostly dominated by service providers and meet so often that it is difficult for local jurisdictions to participate, particularly the smaller cities. Most of the work occurs at the committee level, where recommendations are formulated and then forwarded to the Leadership Council to authorize. Because committee discussions are so technical

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in nature, the Leadership Council is not always fully apprised of this work making it difficult for the Leadership Council to truly guide the CoC. Integrating county and local jurisdiction staff into the committee structure could improve the transmission of information from the committees to the elected officials in the Leadership Council.

The HEARTH Act, which established the Continuum of Care identifies those who are to be representatives "including nonprofit homeless providers, victim service providers, faith-based organizations, governments, businesses, advocates, public housing agencies, school districts, social service providers, mental health agencies, hospitals, universities, affordable housing developers, law enforcement, organizations that serve homeless and formerly homeless veterans, and homeless and formerly homeless persons". Continuums are expected to be geographically representative. Unfortunately, membership in the CoC is heavily weighted towards homeless service providers with limited participation from other leaders in the region. In fact, not every city in Monterey County is a member of the CoC and only Salinas regularly participates in meetings. Consequently, the regional perspective is not being fully represented.

The functional structure of the CoC as outlined above results in funding decisions being directed by non-profit agencies. While the non-profits are doing good work, the programs do not have a regional focus and do not always align with best practices defined by research and outcomes. A better approach would be to work with all jurisdictions to understand community data and needs, update the Lead Me Home Plan to address these needs based upon what works, and establish metrics to evaluate performance of the non-profits. The CoC could measure the results annually and focus funding on those programs that are actually reducing homelessness. This is how the CoC can evolve and the strategy can have "*a clearer focus, accountable leadership and enhanced capacity*".

Finding F4. Structuring the Continuum of Care administrator as a 501(c)(3) nonprofit organization is conducive to securing funding and coordinating homeless services. However, a nonprofit organization cannot establish public policy and planning needed to end homelessness.

Response:

The City partially disagrees with finding F4 that the CoC cannot establish public policy and planning needed to end homelessness.

The CoC is required under HUD's definition to secure and administer HUD funding in addition to setting policies and procedures necessary to end homelessness. The annual CoC Program application, which the CoC submits each year, is filled with questions that focus on setting policies and procedures to prevent and end homelessness. The PIT count provides the CoC with the data to assist in evaluating whether policies and procedures are working. Due to the steady increase in homelessness within Monterey County, it is imperative that policies and procedures are reevaluated, and it is determined what policies and procedures are working and which are failing and why. The CoC and County are responsible, the nonprofits are responsible, and the cities are responsible.

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In contrast to Monterey County, San Benito County, which is part of our CoC, was able to reduce homelessness. The homeless population in 2017 was 527 as compared to 651 persons in 2015. One likely reason for this difference is that San Benito County established a successful shelter with integrated county services and successful rapid rehousing programs. The leadership in San Benito County had decided that a permanent year-round shelter was a critical component of their homeless strategy. With little non-profit capacity, the County assumed responsibility for providing the year-round shelter and even secured \$5 million in CDBG funding for capital improvements. San Benito County also received support from the CoC. Even though San Benito ultimately transitioned shelter operations to a non-profit, their example underscores how important government leadership is.

Finding F5. The County has unofficially established the Coalition of Homeless Service Providers as the central organization for addressing homelessness. Making any nonprofit the center of homeless solutions effectively creates the perception there is governmental leadership when there is, in fact, no formal political leadership. This arrangement provides elected officials with a way to avoid accepting political responsibility for addressing homelessness.

Response:

The City partially disagrees with Finding F5. HUD has designated the role of the CoC to coordinate efforts to reduce homelessness. Thus, the CoC is the central organization for addressing homelessness and the Coalition of Homeless Service Providers (CHSP) is officially the CoC administrator. The purpose of the CoC program, as codified in Federal statute, is to promote a communitywide commitment toward the goal of ending homelessness.

Through Lead Me Home, the 10-Year Plan to end homelessness in Monterey and San Benito Counties, the Leadership Council provides direction to the CoC. The Leadership Council was recently changed to include more elected officials. These elected officials are interested and willing to take on a larger role in governance, but as described above the meetings must be structured differently to allow the Leadership Council to assume more responsibility for the overall direction of the CoC and Lead Me Home Plan.

In the City of Salinas, City Council has shown strong leadership by taking on an active role in advocating for implementation of best practices to end homelessness throughout the region. City funding has been directed to programs known to work such as street outreach, housing navigation, and rapid rehousing. In addition, City Council has approved millions in funding for affordable housing projects such as Moongate Plaza and the final phase of Haciendas, 50 units of affordable family housing. When the regional Emergency Solution Grant (ESG) was almost lost, City Council authorized staff to administer the grant program for San Benito and Monterey Counties, the only City in the State administering regional ESG funds. This has resulted in nearly \$1.2 million of additional funding for homelessness services in San Benito and Monterey Counties over the last two years.

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Finding F6. The Coalition of Homeless Service Providers is a small nonprofit that does not have sufficient capacity to administer the County's strategic plan to end homelessness and its continuum of care for both Monterey and San Benito counties. It does not provide political leadership to coalesce public support and government commitments around a concrete action-plan to end homelessness.

Response:

The City of Salinas partially disagrees with Finding F6. While the Coalition of Homeless Service Providers (CHSP) has been effective in obtaining and administering CoC grant funds in compliance with HUD, it has been unproductive in updating the Lead Me Home Plan and coalescing public support around ending homelessness. Unfortunately, CHSP has been too bogged down in administrative details and consequently, has not been able to articulate a clear vision or inspire action. As described above, the CoC meetings lack focus and often are so technical in nature that the elected officials are unable to participate fully. Empowering the Leadership Council to drive the agenda will enhance political leadership. City staff also should be included in these meetings as a technical support to the elected officials on the Leadership Council. Finally, every jurisdiction in both counties should participate on the Leadership Council. CHSP should move its meeting to new venues in order to facilitate greater geographic participation. All jurisdictions need to feel responsible for addressing regional homelessness.

Another challenge is that CHSP has limited influence on homeless services and funding, which is spread throughout different county and city agencies. While CHSP has done a good job of promoting the use of the Coordinated Entry System, the data provided is not always consistent across service providers and not broadly shared to tailor interventions. Although HIPAA laws safeguard medical information making it difficult to coordinate health and housing resources, other CoCs have been able to comply with HIPAA and provide comprehensive care to homeless individuals. It will be important for CHSP to explore these innovative models and determine how the County may implement and incorporate into the 10-year plan.

CHSP, like other CoC administrators throughout the country, has the opportunity to convene various partners and facilitate sharing of resources to address regional homelessness. The Leadership Council is comprised of many elected officials whom have influence and could be better utilized to coalesce public support. With all of the new funding resources for homelessness, CHSP could collectively map these opportunities and with the Leadership Council convene meetings with its partners to discuss how to leverage and incorporate into the 10-year plan.

Finding F7. The composition of the Leadership Council and its location within the Coalition of Homeless Service Providers has affected the focus of the leadership council. The Leadership Council's critical opportunity of generating and executing a strategic plan to end homelessness has narrowed to providing oversight of the Continuum of Care.

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Response:

The City of Salinas mostly agrees with Finding F7. However, we also believe that critical staff from communities in Monterey County are missing at CoC meetings including the Leadership Council. These staff members can provide technical support to their respective elected official and data about critical community needs to empower the Leadership Council to make informed decisions.

Finding F8. The structure of the Leadership Council does not provide authority to design and execute a regional plan to end homelessness, and it does not support full public accountability for meeting stated targets.

Response:

The City of Salinas partially disagrees with Finding F8. The Leadership Council has the authority to design and execute the regional plan. However, the meetings as currently structured are largely driven by CHSP, which deters discussion on evaluating and updating the 10-year plan. The City of Salinas has emphasized the need to update the 10-year, Lead Me Home Plan and even offered to fund it. An update of the Plan would also enable us to create more specific benchmarks to measure our success like the Santa Clara County CoC. Unfortunately, there has been little momentum among CHSP staff and the Leadership Council to move forward with the Plan, partially because the meetings are so focused on administrative responsibilities of the CoC.

Finding F9. Political leadership is necessary to secure public support, enact policy and planning decisions that capitalize on state legislation, and execute a regional homeless plan.

Response:

The City agrees with Finding F9. With the passage of recent state legislation that involves new funding opportunities, it is even more critical to have an updated regional homeless plan with actionable steps. Without political leadership, public support, and a regional plan, it is doubtful that Monterey County will be able to secure maximum funding or use it effectively.

Finding F10. Government decision-making is essential for making choices about resource commitments.

Response:

The City of Salinas agrees with Finding F10.

The City of Salinas has taken its role in addressing homelessness very seriously and as a result, hired Urban Initiatives (UI) in 2016, a non-profit based out of Pasadena. UI has assisted the City in formalizing a strategy based upon the best practices for ending homelessness and has helped us direct funding to have the greatest impact with limited resources.

Finding F11. To meaningfully change the course of homelessness and housing insecurity, there must be a regional approach to homelessness and the creation of a new governing body with the power to oversee

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implementation of the plan.

Response:

The City partially disagrees with Finding F11. The City would suggest that the Leadership Council already serves as the governing body on the regional approach and has the power to oversee implementation of the plan. Changes to the structure of the CoC as described above, such as enabling the Leadership Council to set the CoC agenda and push forward the update of the Lead Me Home Plan, would allow for clearer focus and more accountability.

In terms of the Coalition of Homeless Services Providers (CHSP), the Leadership Council selected CHSP as the CoC administrator or "Collaborative Applicant" to manage implementation of the Lead Me Home Plan. CHSP does not necessarily have to serve as this "Collaborative Applicant". In fact, in roughly 75% of CoCs in California, the "Collaborative Applicant" is a local form of government or Joint Powers Authority. Thus, if there is dissatisfaction with CHSP, the Leadership Council could replace the CHSP with a new "Collaborative Applicant".

F 12. The strategic plan to end homelessness serves as an informal guide rather than a definitive regional plan. It needs to be updated and fully implemented.

Response:

The City agrees with Finding F12. As mentioned above, the Salinas City Council agreed to work with Urban Initiatives (UI) and the Coalition on an update of the 10-year plan. The Salinas City Council approved funding to update the regional plan on June 20, 2017. After funding was approved, the City offered to collaborate with the CoC to update the regional 10-year plan with the support of UI. The CoC has yet to accept this offer. At the Leadership Council meeting where the offer was presented, the City recommended that the plan be revised to provide more specific actions, address new and changing needs of the region's homeless population, and incorporate the known best practices in reducing homelessness. The City hopes that the Leadership Council will eventually accept this offer since an actionable regional plan is so vital to our successes in ending homelessness.

RECOMMENDATIONS

Recommendation R1. Elected County and City officials should provide government leadership to address homelessness.

Response:

The City mostly agrees with Recommendation R1. However, there are notable elected officials who have stepped up and are providing greater leadership on homelessness including Supervisors Alejo and Phillips and the Salinas City Council.

Although some government leaders have been actively involved in homelessness, others have

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been missing at the table entirely. It is important that government leaders from all jurisdictions are involved in a regional approach, otherwise not everyone equitably share in its responsibility for homelessness. Ultimately, implementation of this recommendation will require further analysis and depend on the CoC and Leadership Council for implementation.

Recommendation R2. The County and its Cities should form an accountable leadership body that has the power to oversee a regional approach to ending homelessness and address housing insecurity in Monterey County.

Response:

This recommendation has already been implemented through the CoC Leadership Council. The City has been a partner in the Leadership Council and is attending CHSP Board. I, as the Mayor, serve on the Executive Committee of the Leadership Council. The City will continue in its partnerships with the County and the CoC.

Recommendation R3. The County and its Cities should enter into a binding, enforceable agreement, such as a Memorandum of Agreement, to secure commitment to the plan and ensure responsibilities of each jurisdiction.

Response:

This recommendation has not been implemented but would first require an update to the 10-year regional plan. Through the update process, jurisdictions could agree to specific actions and enter into Memorandum of Agreements that outline responsibilities.

In the meantime, the City is focused on securing an agreement with the County on the development of a permanent, year-round shelter. The City proposed to be the Project Manager to develop this shelter at 1220 Natividad Road and hopes to finalize an agreement with the County soon. The City also anticipates the development of agreements related to the new state funding under the Homeless Emergency Assistance Program (HEAP). The CoC will be responsible for identifying how these emergency funds are spent on our most pressing needs.

Recommendation R4. The Lead Me Home Leadership council should clearly define its purpose and goals.

Response:

The recommendation has largely been implemented based on the mission of the CHSP, which is to eliminate homelessness in Monterey and San Benito Counties by promoting interagency coordination to develop and sustain a comprehensive system of housing and support services designed to maximize the self-sufficiency of individuals and families. The Leadership Council supports the Coalition and therefore the mission and purpose to end homelessness are clear.

With the update of the Lead Me Home Plan, it is possible to revise and clarify purpose and goals. However, this must be accomplished under the regulations of the CoC.

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Recommendation R5. There should be a clear distinction between governance of the Continuum of Care-as an integral part of the broader strategic plan-and the leadership body charged with implementing a regional strategic plan to end homelessness.

Response:

This recommendation requires further analysis as the CoC, Leadership Council and County need to determine the distinction between governance of the CoC in the broader strategic plan and the leadership body charged with implementing a regional strategic plan to end homelessness. The City of Salinas would participate in any discussions on the strategic plan and will assist in implementation.

Recommendation R6. If the County effectively exerts control of Coalition for Homeless Service Providers through the Leadership Council, then the County should clearly define the purpose and role of the Coalition for Homeless Service Providers. It also follows that the Coalition for Homeless Service Providers should be adequately funded and staffed in proportion to its level of responsibilities with respect to securing resources and performing services for the county.

Response:

This recommendation has partially been implemented as the CHSP and County DSS work together and the County funds staffing for the CoC. However, the Leadership Council's authority is not always clear and CHSP too closely manages meetings and the agenda. This stifles regional dialogue and the opportunity for the Leadership Council to exert more control on the direction of the CoC and implementation of the plan.

Recommendation R7. The newly created regional leadership body (see R2) should update and implement a regional strategic plan to end homelessness by defining its purpose, goals and assessments to measure and track progress.

Response:

This recommendation has not yet been implemented. As highlighted above, the City is willing to fund its consultant, UI, to collaborate with the CoC and update the regional strategic plan to end homelessness. In addition, the City would like to work more carefully with the CHSP on measuring and tracking progress by evaluating data in the Coordinated Entry System and HMIS. As the administrator of regional Emergency Solutions Grant funding, the City plans to continue its coordination with Monterey County DSS on funding to ensure goals and housing outcomes are being met by our collective service providers.

Recommendation R8. The strategic plan should be revisited annually using outcome measurements to evaluate and adjust strategies for meeting goals.

Response:

This recommendation has not yet been implemented for the 10-year regional plan. Outcomes

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should be the primary method of evaluating and adjusting strategies.

The City of Salinas does evaluate the homeless programs we fund through our Annual Action Plan and annual Consolidated Annual Performance Evaluation Report (CAPER). The Action Plan establishes our goals and objectives and is completed annually and submitted to HUD in May. The CAPER measures and evaluates our progress in achieving the goals in the Action Plan, which is submitted in October. There also is a specific measurement tool, which is integrated with HMIS reporting, which allows the City to measure outcomes of our Emergency Solutions Grant.

Recommendation R9. Reports that assess which goals are, or are not, being met should be generated and made publicly available.

Response:

This recommendation has not yet been implemented for the 10-year regional plan. Other CoCs in California are producing these publicly available reports utilizing the data from the Coordinated Entry System.

However, as described above the City generates its annual Action Plan and CAPER, which report on federally funded programs including the Emergency Solutions Grant for homeless services. These reports are publicly distributed and available on the City website. The City believes that Homeless Management Information System (HMIS) data has not been used to its fullest to assess which goals are met or not.

Recommendation R10. The new regional leadership body should produce a transparent consolidated budget to maximize resources and identify expenditures. All municipalities should demonstrate their commitment to the regional plan to end homelessness in an equitable, or proportionate, manner.

Response:

This recommendation has yet to be implemented. The City agrees that all municipalities should demonstrate their commitment to the regional plan to end homelessness in an equitable or proportionate manner.

Clarification

The City would like to clarify its understanding of the following statement on Page 10 of the Report:

When it learned CHSP was not applying for 2017 ESG funding, the City of Salinas took over the administration of Federal and State Emergency Solutions Grant Funding from CHSP. The City serves as the Administrative Entity (AE) to secure and distribute State ESG funding for Monterey and San Benito County, which amounts to \$1,166,582 for over 2 years. Federal ESG amounts to \$670,562 over 4 years.

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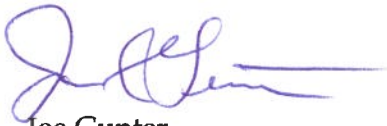
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Originally, Monterey Council Department of Social Services had agreed to administer the State ESG funding for Monterey and San Benito Counties. Monterey County as the AE was a more natural choice than the City. After the application deadline to administer State ESG funds had passed, the City learned the County decided to back out without notifying the City or CHSP. At that point, the City worked with CHSP and the State to extend the deadline and apply as the Administrative Entity (AE). The City completed the application with the approval of the CoC and began administering the grant in FY16-17.

The City is committed to implementing a regional approach to end homelessness and continuing its active involvement in the CoC and on the Leadership Council. The City has invested significantly in strategies that have been proven in ending homelessness. Thank you for the opportunity to respond to the Civil Grand Jury's Report on this issue.

Respectfully submitted,



Joe Gunter

Mayor

cc: City Manager
City Attorney
Community Development Director