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San Francisco's Care Not Cash Program for the Homeless: An Evaluation of Care Not Cash Transitioning the Chronically Homeless to Permanent Housing

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of Care Not Cash Transitioning the Chronically Homeless to Permanent
Housing**

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ABSTRACT

In 2002, the homelessness crisis in San Francisco commanded the attention of local government officials, which led to the development of the Care Not Cash initiative (Proposition N). In the November 2002 election, the voters passed the Care Not Cash program (Proposition N), which proclaimed it would significantly alter how General Assistance is provided to single adults who are homeless. The program is designed as such that homeless people who receive cash aid from the City's County Adult Assistance Program (CAAP) is phased into the Care Not Cash program over a seven month period. After which, those homeless CAAP clients are offered shelter in lieu of the cash benefits received through CAAP.

This paper proposes to evaluate the progress of the Care Not Cash program by analyzing the strategic plan, implementation and results produced thus far. There will be interviews conducted with local level officials, key program managers from the Department of Human Services, homelessness advocates and Care Not Cash Program beneficiaries.

INTRODUCTION

Homelessness is a visible, controversial social problem that most metropolitan and small pockets of suburban cities grapple with on a daily basis. A significant number of homeless individuals and families live on the street because they have no permanent housing and no access to emergency shelter. This social problem has also tremendously impacted tourism in certain main attraction cities, as some tourists tend to refrain from visiting those high concentrated areas where homeless people reside. This, in turn, has greatly affected businesses located in those areas that thrive off of tourism spending. California, but more specifically, San Francisco has been dealing with overwhelmingly high numbers of homeless people who live in the Downtown area, which is a main tourist attraction.

Unfortunately, homelessness has also divided our society into the "have" and the "have not". Even more disappointing is that there are a number of people who frown down upon the less fortunate. There are a myriad of speculations from individuals as to the causations of homelessness. Some people believe homelessness is a result of poor decisions made throughout life. Others believe that refusal to seek treatment for alcoholism, drug addiction and mental illness lead a person to live on the streets. Other opinions of the causations of homelessness can be contributed to job loss, physical abuse, abandonment and permanent disabilities. However, no matter what the circumstances may be, homelessness is a social problem, not a personal problem, that requires the attention of the local, state and federal officials.

Problem Statement

The homelessness crisis in San Francisco has long perplexed local government officials, local businesses and advocacy groups in developing appropriate public policy to combat homelessness. Granted, it is virtually impossible to completely abolish homelessness; however, incremental steps can be taken to effectively provide the necessary services to homeless individuals and families.

San Francisco's History on Homelessness

Over the last decade, past city mayors, other governing bodies and local advocacy groups have developed policy to combat homelessness in San Francisco. The following is a timeline summary of the History of Homelessness in San Francisco provided by the San Francisco Old First Presbyterian Church (www.oldfirst.org/welcomeministry/main.com).

Jordan Administration

- 1992 - Prop J was passed which outlaws aggressive panhandling.
- 1992 - Prop V was passed which required all single adult welfare recipients to be fingerprinted.
- 1995 – Jordan planned Matrix II “Take Back Our Parks”, a multi-departmental intensive sweep of Golden Gate Park. The plan resulted in homeless people becoming displaced and losing their property.

Brown Administration

- 1996 – Did away with the Matrix plan established by the previous Administration. It was replaced by “Operation Park” which was formed by

SFPD. Dedicated police officers were assigned to roust and cite homeless people in the parks.

- 1997 – Massive sweeps on homeless at Golden Gate Park.
- 1998 – Signage was placed in public parks around the City. Police officers were assigned to monitor the park in the newly renovated Civic Center Plaza.
- 2000 – San Francisco City Attorney began prosecuting homeless people in traffic court for "Quality of Life" offenses. This program was a major failure and cost the city upwards of \$250,000.
- 2001 – Police began cracking down on homeless and the District Attorney began prosecuting them for misdemeanors, such as lodging on private and public property.
- 2002 – San Francisco Board of Supervisors passed a new law prohibiting urinating and defecating in public.
- 2002 – Prop N (Care Not Cash) placed on the ballot.
- 2003 – Signs were placed in China Basin and Bayview districts to deter homeless people from habitating in their vehicles between 10 pm – 6 am.
- 2004 – Implementation of Care Not Cash.

Care Not Cash Program Development

In 2002, the homelessness crisis in San Francisco commanded the attention of local government officials, which led to the development of the Care Not Cash initiative (Proposition N). Former Supervisor and current Mayor Gavin Newsom served on the Board of Supervisors and were largely responsible for authoring Proposition N and

securing its place on the ballot. In the November 2002 election, the voters passed the Care Not Cash program (Proposition N), which proclaimed it would significantly alter how General Assistance is provided to single adults who are homeless. "The primary goal of Care Not Cash is to reduce homelessness and improve the health and welfare of homeless indigent adults receiving cash assistance through permanent housing opportunities and enhanced services" (City and County of San Francisco Office of the Mayor, Department of Human Services). Furthermore, it is the intention of this program to target those homeless individuals who represent the "chronically" homeless, which are people who have not had a permanent residence in more than one year.

The program is designed as such that homeless people who receive cash aid from the City's County Adult Assistance Program (CAAP) be phased into the Care Not Cash program over a seven month period. After which, those homeless CAAP clients are offered shelter in lieu of the cash benefits received through CAAP. In other words, the Department of Human Services becomes responsible for offering support services such as identifying affordable permanent housing, mental and substance abuse counseling in place of receiving cash aid estimated at \$349 per month. Additionally, approximately \$50 per month would be given to CAAP clients after being transitioned into the Care Not Cash program. According the Care Not Cash February Progress Report prepared by the Department of Human Services, "Care Not Cash establishes a fund (the "Human Services Care Fund") to provide these services to homeless individuals. The fund results from savings due to caseload decline and the reduced cash grant. The fund totals about \$14.5 million annually" (Care Not Cash Progress Report, March 2005).

This research proposes to study that there may be a relationship between the services offered through the Care Not Cash Program and other homeless services has contributed to the reduced number in the homeless count conducted in January 2005.

The research is also designed to answer the following:

- Is the Care Not Cash program is adequately meeting the immediate needs of the CAAP recipients?
- Is there an effective funding mechanism in the Care Not Cash program?

Furthermore, this research proposes to study the mixed reactions of the community in relation to the Newsom Administration's plight to end chronic homelessness in San Francisco. Finally, this research proposes to survey a random sample size of Care Not Cash participants to garner personal feedback about the services they receive through the program.

REVIEW OF LITERATURE

There is a wealth of relevant literature pertaining to the Care Not Cash Program. Several local newspapers have staff journalists who write primarily about Care Not Cash as it has become a political hot button item since it was passed by the voters in 2002 and even more so since it was implemented in May 2004. The large outcry of those individuals and coalitions who strongly oppose Care Not Cash have also had their fair share of news coverage and published literature to support their arguments.

However, before delving into the current issues stemming from Care Not Cash, it is imperative to examine the data reported on homelessness cases prior to the launch of the program. In November 2002, the City and County of San Francisco's Annual Homeless Count Report indicated that approximately 8,640 people were declared homeless (Mayor's Office on Homelessness, 2002 Homeless Count Report, www.sfgov.org). In comparison to the previous year's count, this was an increase of 18 percent. These totals were calculated from three categories (Mayor's Office on Homelessness, 2002 Homeless Count Report, www.sfgov.org):

1. People who live on the streets.
2. People who live in shelters, transitional housing, and resource/drop-in centers.
3. People who are residing in treatment facilities and/or hospitals.

The 2002 homeless count utilized the geographic boundaries of the 11 supervisory districts in the city. The Mayor's Office on Homelessness recruited volunteers from all San Francisco communities. These figures were predicated on a one-night homeless count that began at 9 p.m. and concluded by 9 a.m.

Oddly enough, another homeless count had not been conducted until three years later in January 2005. During this time, numerous CAAP recipients had been phased into the Care Not Cash Program seven months prior to the January 2005 homeless count. The data gathering process followed the same standard as that conducted in 2002 homeless count. Volunteer teams canvassed the areas most inhabited by homeless individuals living on the streets, shelters, rehabilitation centers and jail. "The new figures reported were also based on a one-night homeless count taken between 8 p.m. and 8:00 a.m. and it revealed that the city now has 6,248 homeless people" (SF Gate, February 15, 2005). The Mayor's office reported that this number was a 28 percent decline as compared to the last homeless count in 2002 (SF Gate, February 15, 2005). Furthermore, the Newsom Administration reported that of the 6,248 count, 2,655 were actually homeless people living on the streets, which is a 41 percent drop from the 4,535 count in 2002.

Mayor Gavin Newsom has made ending homelessness a top agenda item since his election. He has organized several coalition efforts throughout the city to provide the homeless people with the necessary assistance to gain permanent housing and medical services. For instance, Mayor Newsom launched www.projecthomelessconnect.com in October 2004, which is a new website that will serve as an information system to engage San Franciscan's about the Mayor's plight to combat homelessness. More importantly, Project Homeless Connect assists homeless people in the city with obtaining the services needed to get off the streets and into permanent housing. "The Mayor's Office of Homelessness, the Department of Human Services, Department of Public Health and the Department of Telecommunications and

Information Services have collaborated to create a centralized information technology solution called – CHANGES – to provide homeless citizens with easier access to these services” (City and County of San Francisco Mayor’s Office on Homelessness, CHANGES). C.H.A.N.G.E.S is an acronym for **C**oordinated **H**omeless **A**ssessment of **N**eeds and **G**uidance through **E**ffective **S**ervices.

Conversely, Care Not Cash has not received a warm welcome from some homeless advocates and homeless individuals. In early September 2002, homeless advocates filed a lawsuit against the San Francisco Department of Elections claiming that “San Francisco’s official voter guide will mislead voters into believing a controversial proposal to slash welfare payments to the homeless comes with guaranteed housing and services” (SF Gate, September 7, 2005). Homeless advocates Religious Witness with Homeless People demanded that the legislative summary be changed prior to being mailed out to the voters. Sister Bernie Galvin, long time activist and leader of Religious Witness, asked the courts to strike the word “guarantee” from the voter guide because Care Not Cash could not guarantee housing for all homeless people who received a welfare check (SF Gate, September 7, 2005). In response to this claim, Supervisor Gavin Newsom responded by stating “the guarantee is to provide the full \$320 to \$395 check if the city cannot provide housing or food” (SF Gate, September 7, 2005). Nevertheless, the homeless advocates lost the first of many more battles to come from the Care Not Cash initiative.

Once Proposition N was successfully passed by the voters in November 2002, opponents immediately filed a lawsuit to overturn the measure on the basis that voters should have no right to make a decision about how much welfare a poor or homeless

person should receive. As a result, in May 2003, California Superior Court Judge Ronald Quidachay said, "only county officials, not voters, can set welfare standards for the downtrodden" (SF Gate, May 9, 2003). Furthermore, Judge Quidachay commented "state law made it clear that only the Board of Supervisors of each county or an agency of the county should adopt standards of aid for the poor" (SF Gate, May 9, 2003).

Thus, the San Francisco City Attorney's office argued that state law didn't permit the voters from adopting welfare reform (SF Gate, May 9, 2003). Nevertheless, homeless advocates cheered in support of the ruling, as they believed justice had been achieved. During this time, critics of then Supervisor Gavin Newsom speculated that the political controversy of Proposition N served as a catapult in his upcoming race for Mayor of San Francisco. Essentially, opponents believed the Care Not Cash initiative was merely a political stunt to gain popularity with the voters to win the race for Mayor. Newsom declined to respond to those allegations.

As a result of the ruling, the Department of Human Services had to delay implementation of Proposition N. The city had spent several months revamping the homeless shelters in preparation of giving Care Not Cash participants first priority of beds beginning in July 1. In turn, homeless advocates began warning people who didn't receive General Assistance, which include seniors and persons with disabilities who receive other forms of aid, they would be displaced from overcrowded shelters and left to sleep on the streets.

One day after Judge Quidachay's ruling throwing out Proposition N, San Francisco city attorney, Dennis Herrerd announced the city's intention to appeal the ruling. The appeal argued, "a state law, which authorizes supervisors to regulate the

aid program, does not prohibit voter initiatives" (SF Gate, May 10, 2003). The city also argued that local government and their residents who pay for General Assistance through their tax dollars have the authority to regulate payment levels. An appeals process would take several months to reach a judgment, so the implementation of Care Not Cash would continue to be delayed.

Not surprisingly, opponents of Proposition N were not pleased with the news of an appeals process. The opponents of the measure referred to the California State Statute 17001. "Standard of aid and care: the Board of Supervisors of each county, or the agency authorized by county, charter, shall adopt standards of aid and care for the indigent and dependent poor of the county or city and county" (SF Gate, May 10, 2003). Jennifer Friedenbach of the Coalition on Homelessness presented this statement: "We firmly believe that this is a matter that should be decided by the Board of Supervisors and not the electorate, because we're talking about a group of people who are discriminated against and who are a minority" (SF Gate, May 10, 2003).

After a lengthy appeals process, on April 1, 2004, a state appellate judge reversed a lower courts ruling and found that Proposition N was valid. The ruling was brought down with a unanimous vote by three California Supreme Court justices" (SF Gate, April 1, 2005).

On May 3, 2004, the Department of Human Services officially launched the Care Not Cash program. Thus, before doing so, several reforms had been made to the initiative. More specifically, Supervisor Chris Daly sponsored an alternative version of the initiative, which reduced cash benefits only once permanent housing became available. Basically, monthly cash aid would not be reduced if a recipient resided in a

housing shelter. At the time, it was estimated that nearly 2,500 homeless people in the CAAP program would be receiving this benefit" (SF Gate, April 30, 2004).

Still, the battle continued as attorney Oren Sellstrom filed papers in June 2004 with the California Supreme Court on behalf of a homeless woman and a nurse requesting that the court review an appeals ruling brought down in favor of Proposition N. Thus, on April 1, 2005, "the Court of Appeal in San Francisco upheld the decision brought down last year stating that the remainder of the program could stand on its own" (SF Gate, April 1, 2005).

Care Not Cash Update

DHS reported in the March 2005 Care Not Cash Monthly Update that 754 of 1,018 CAAP clients have moved into "housing". However, 38 homeless CAAP clients are currently active in the housing referral process. In theory, this suggests that over 700 CAAP clients are being housed in shelters until permanent supportive housing becomes available. According to the March 2005 Care Not Cash Monthly Statistical Report, "shelter is offered to all homeless CAAP clients until they actually move into housing (i.e. clients referred to housing are offered shelter while they complete the expedited referral process, and the clients awaiting a housing referral are also offered shelter)".

On May 3, 2005 the Care Not Cash program celebrated their first year anniversary. The Department of Human services happily reported that nearly 800 CAAP recipients have been "moved into supportive housing and general assistance rolls for the homeless have been slashed by 73 percent" (S.F. Gate, May 2, 2005). One CAAP recipient said "I've been waiting four months for my room, and I'm getting it in a

few days" (S.F. Gate, May 2, 2005). Based on the aforementioned, the program has received positive feedback from not only this client, but also many others who have been transitioned into housing. On the contrary, opponents of the program remain critical of this latest report and speculate as to how many of the CAAP clients have been placed into permanent supportive housing, which is promised by the program.

RESEARCH METHODS

The hypothesis for this research project is that the Care Not Cash program has reduced the recidivism rate of the chronically homeless in San Francisco since its implementation in May 2004. As previously mentioned, there are a myriad of circumstances that contribute to individuals or families becoming homeless. The Care Not Cash program has stirred up a great deal of political controversy in San Francisco. This initiative was held up in numerous court battles, as opponents of this measure did not agree with reducing cash assistance to needy recipients in order to provide them with supportive services (i.e. housing placement assistance, health care services, job placement assistance, etc.).

Therefore, the researcher intends to administer a survey of a small sample size of sixty-four (64) Care Not Cash participants. A team of graduate students were provided with copies of the survey instrument along with instructions on how to implement the survey. The survey will be conducted outside of the SRO facilities, the San Francisco Food Bank and recreation centers. The Department of Human Services, Housing and Homelessness Division provided the list of SRO facilities that participate in the Care Not Cash housing program. The SRO's that were visited by the survey team were the Arlington Residence, Pierre Hotel, Mentone Hotel, Seneca Hotel. The purpose of the survey is to gather and analyze the feedback received by the participants and draw a conclusion as to whether or not the program is adequately provided housing assistance, which would reduce the recidivism rate of homelessness.

A pre- survey draft and focus group was administered on April 10, 2005 to five persons to garner feedback on the proposed set of questions to be utilized in the

survey. After which, a few adjustments were made to the survey tool based on the feedback received in the focus group session.

The researcher also intends to study the arguments presented by both the supporting and opposing sides of the Care Not Cash program and determine if these arguments are plausible. Initially, numerous phone calls and emails were transmitted to the Mayor's Office to request either an in person or telephone interview with Mayor Gavin Newsom or an appointed representative from his Administration to discuss the various issues regarding the Care Not Cash program. Consequently, neither Mayor Newsom nor anyone from his Administration were available for comment. However, San Francisco Board of Supervisor Chris Daly agreed to a telephone interview to discuss the Care Not Cash program. In addition, Mr. Dariush Kayhan, the Director of Housing and Homelessness at the Department of Human Services was available for an interview via email. Mr. Kayhan is one of few key program administrators of the Care Not Cash program who was more than willing to share valuable information in support of the program. A set of interview questions were transmitted through electronic mail (e-mail) to Mr. Kayhan for his response.

In order to present a comprehensive study of the Care Not Cash program, interviews were conducted with locally based organizational leaders who strongly oppose the components of the program. A telephone interview was conducted with Mr. Oren Sellstrom who is an attorney affiliated with the Lawyers' Committee for Civil Rights of the San Francisco Bay Area. Mr. Sellstrom represents several CAAP clients who have filed a lawsuit against the City opposing Care Not Cash.

A telephone interview was also conducted with San Francisco County Board of Supervisor Chris Daly who opposes the Care Not Cash initiative. Supervisor Daly authored the Real Housing, Real Care initiative in 2002, which was an alternative version of the Care Not Cash Initiative that was signed into law, but never implemented.

A brief telephone conversation was conducted with Jennifer Friedenbach, who is the Project Coordinator at San Francisco Coalition for Homelessness. The Coalition is an advocacy group that strongly opposes the Care Not Cash initiative.

- For the purpose of this study, homelessness is defined as:
 - 1) an individual who lacks a fixed, regular and adequate nighttime residence
 - 2) an individual who has a primary nighttime residence that is: supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill...(Stewart B. McKinney Homeless Assistance Act, 1987).
- For the purposes of this study, chronic homelessness is defined as: people who have not had a permanent residence in more than one year.

"The U.S. Department of Housing and Urban Development defines a "chronically homeless person" as "an unaccompanied disabled individual who has been sleeping in one or more places not meant for human habitation or in one or more emergency homeless shelters for over one year or who has had four or more periods of homelessness over three years" (The San Francisco Plan to Abolish Chronic Homelessness, pg. 7).

- For the purposes of this study, recidivism rate is defined as: people who return to a homeless status after completing the Care Not Cash program.
- For the purposes of this study, County Adult Assistance Program (CAAP) are those homeless individuals who receive a monthly cash benefit through the Department of

Human Services and have now been transitioned to the Care Not Cash program.

CAAP recipient and Care Not Cash recipient will be interchanged within the study.

- For the purposes of this study, temporary housing is defined as: a shelter bed in a homeless service facility.
- For the purposes of this study, Single Room Occupancy (SRO) hotel is defined as: permanent housing placement for homeless Care Not Cash participants.
- For the purposes of this study, local level officials is defined as: Mayor Gavin Newsom and the City and County of San Francisco Administration, San Francisco County Board of Supervisors, San Francisco City Attorney's Office, San Francisco Superior Court, California Supreme Court and San Francisco Court of Appeals.

RESULTS AND FINDINGS

Has the Care Not Cash program reduced the recidivism rate of the chronically homeless in San Francisco since its implementation in May 2004? Is the Care Not Cash program adequately meeting the immediate needs of the CAAP recipients? Is there an effective funding mechanism in the Care Not Cash program?

Key Informant Interviews

An interview was conducted via electronic mail with Mr. Dariush Kayhan who is the Director of Housing and Homeless Programs at the Department of Human Services. Mr. Dariush Kayhan has been serving in this role for nearly 3 years. In 1998, DHS changed its General Assistance program by developing three additional programs to better serve the needs of various low-income adults who are San Francisco residents. One of which, the County Adult Assistance Programs (CAAP) consists of four independent programs: Personal Assisted Employment Services (PAES), Supplemental Security Income Pending (SSIP), Cash Assistance Linked to Medi-Cal (CALM) and General Assistance (GA). According to literature on the DHS website, CAAP determines eligibility and issues benefits to clients who are not eligible for other State and Federal cash aid programs. These recipients are typically needy adults without any dependents. Though, all of these programs are very intricate in servicing persons in need, the questions raised primarily focus on CAAP clients who have transitioned into the Care Not Cash program.

When asked what key issues that brought about the development of the Care Not Cash program, Mr. Kayhan (personal communication, April 13, 2005) stated,

"a large percentage of the CAAP clients were remaining homeless for years and the proposal was to serve these folks with services, including supportive housing, instead of giving the cash". Mr. Kayhan explained that an initial barrier to the development of the Care Not Cash program was developing all of the regulations and processes so that it would be "smooth" for the clients. When asked if the Care Not Cash program offers the recipients grants for educational/vocational training, he referred to the DHS website which provides this information. Based on the literature provided on the DHS website, the PAES Program provides employable adults with education, training, mental health, substance abuse and supportive services necessary to gain lasting employment and become self-sufficient. The recipients are required to complete a 12-week Group Employment Preparation course. After which, they will be assigned to an Employment Specialist who will develop and employment plan. This may include, but not limited to activities such as job training, career counseling, job search assistance, G.E.D. preparation and English as a Second Language (ESL) classes and vocational training.

Moreover, it was pertinent to identify if there were any incentives provided to the SRO hotels that participate in the Care Not Cash program. Mr. Kayhan acknowledged that the SRO's receive a steady stream of funding in exchange for a 10-year lease of their building. Unfortunately, the amount of funding was not disclosed in the interview. When asked how the program monitors the success of the Care Not Cash program, Mr. Kayhan responded "it is monitored both by my staff in the Housing and Homeless Unit and also monitored by the CAAP staff. We also report regularly to advocacy groups, the Local Homeless Coordinating Board and the 10 Year Plan to End Homelessness Committee" (personal communication, April 13, 2005). He also mentioned that the

department has received both positive and negative feedback from about the Care Not Cash program and that they try their best to address any of the concerns raised by the clients. The department also has a fair hearing process in the CAAP program and a client advocate that brings issues to their program. Finally, when asked how the Care Not Cash program is adequately servicing the needs of the recipients, Mr. Kayhan stated that the department is doing this "principally through the provision of permanent supportive housing" (personal communication, April 13, 2005).

A telephone interview was conducted on May 13, 2005 with San Francisco County Board of Supervisor Chris Daly. Supervisor Daly has served on the Board for four years working on issues such as affordable housing, tenants' rights, homelessness, public health, kids and seniors. More specifically, Supervisor Daly has not only publicly voiced his strong opposing view on Care Not Cash; he does not deny having a very "strained" relationship with Mayor Newsom.

Supervisor Daly was very involved with the issues concerning the development of the Proposition N initiative. He, along with several other supervisors was extremely opposed to some of the policy language set within the initiative. When asked what specifically about the Care Not Cash program he finds problematic, Supervisor Daly (personal communication, May 13, 2005) replied, "the financial mechanism utilized is not good enough to subsidize housing". He mentioned that it costs 2.5 CAAP benefits to pay for permanent housing for one person, which equates to \$1000 per month. Basically, Supervisor Daly is inferring that the Care Not Cash program is "robbing Peter to pay Paul" and not necessarily housing all of the CAAP recipients.

Furthermore, Supervisor Daly publicly addressed his conflicting views about the Care Not Care program in his May 6, 2005 Daly-blog:

"The news for Care Not Cash gets worse. The cost of the program per housed recipient is about \$1000/month. In other words, it takes 2 people on the reduced Care Not grant in the shelters to subsidize one new person that can get housed. Despite Newsom's repeated promises that Care Not Cash would work with no new funds, this is being proven untrue. Robbing Peter to pay Paul is not enough. Care Not's real magic is the millions of new dollars pumped into the program through the little-known "Care Fund". This fund not only captures the dollars saved from those kicked off the rolls, but it double counts formerly homeless CAAP recipients who have found their own housing. But as this fund is drawn down, new Care Not Cash master leases will grind to a halt".

In closing, when asked what policy recommendations are needed for improving the Care Not Cash program, Supervisor Daly (personal communication, May 13, 2005) said "DHS shouldn't reduce cash aid to CAAP recipients if they have not been placed in permanent housing". Supervisor Daly mentioned his Real Housing, Real Care initiative, which was signed into law during the same time as Care Not Cash, as a compromise to the controversial program. Under Real Housing, Real Care, homeless people who received General Assistance could not have their aid reduced or cut until they received more permanent accommodations other than emergency housing at a shelter.

A telephone interview was conducted on Friday, April 8 with Mr. Oren Sellstrom who is a staff attorney at the Lawyers' Committee for Civil Rights (LCCR). "The LCCR is devoted to advancing the rights of people of color, poor people and immigrants and refugees, while maintaining its historical commitment to provide legal advocacy for African Americans" (www.lccr.com). This San Francisco based organization was founded in 1968, not long after the assassination of Dr. Martin Luther King, Jr.

Mr. Sellstrom has been affiliated with the LCCR since 1997. He litigates cases on LCCR's poverty and race dockets, and provides legal counsel to community groups who advocate for social justice. More recently, Mr. Sellstrom has been dedicating a great deal of his time representing numerous homeless individuals that have been transitioned into the Care Not Cash program and given a shelter bed.

Mr. Sellstrom explained some of the reasons why his clients have filed a lawsuit against the City. "The Proposition N initiative is very misleading. The proposition is reducing welfare benefits for Care Not Cash recipients from \$349 to \$50 per month and placing them in a homeless shelter and not permanent housing (Interview, April 8, 2005)". Mr. Sellstrom strongly opposes the initiative and continues to be largely involved in the appeals process to overturn Proposition N.

Moreover, Mr. Sellstrom mentioned that the Board of Supervisors passed a more acceptable alternative version of Proposition N entitled Real Housing, Real Care initiative, which eliminates emergency shelter as a housing option for recipients in the Care Not Cash program. For all intents and purposes, if the program promises to provide "permanent supportive housing" to Care Not Cash recipients, then they should not be temporarily housed in shelters. In addition, cash benefits should not be cancelled or reduced until permanent housing becomes available. In closing, Mr. Sellstrom explained that he would continue to provide legal advocacy efforts for his clients until justice is served.

Another rising opponent of the Proposition N initiative is the San Francisco Coalition on Homelessness. Mr. Chance Martin provided a briefing on the organization's background on a telephone conversation conducted on May 13, 2005. The Coalition is

a locally based organization that was founded in 1987. One of the primary missions of the Coalition is to organize the homeless and front line staff who service the homeless to have a voice in creating policy and programs (Interview, May 13, 2005). What is most interesting and unique about the Coalition is that 50% to 75% of the staff is either homeless or formerly homeless people. The Coalition focuses on issues such civil rights, families and immigrants and community health equality. Additionally, the Coalition publishes one of the oldest news publications in the Bay Area, which is the Street Sheet. The Street Sheet is an outreach tool utilized by the Coalition to educate the public. Most importantly, it provides an income opportunity to homeless people to sell on the streets.

The Coalition has opposed the Care Not Cash initiative since it was first introduced in 2002. The Coalition has coordinated dozens of rallies, produced informational mailers and worked in unison with the LCCR and other advocacy groups to persuade San Francisco citizens to vote against Proposition N. Ms. Jennifer Friedenbach was not available for an interview, however, she provided via electronic mail a Care Not Cash Fact Sheet, which clearly outlines the rationale for organizations strong opposition against the initiative. The organization has been monitoring the implementation of the Care Not Cash program through data gathering, surveys of homeless people and interviews with service providers.

The following is a summary of the Care Not Cash Fact Sheet (April 2005) provided by the Coalition, which includes very pertinent information:

1. **Care Not Cash recipients are primarily housed in shelters.**

A shelter bed is reserved for the Care Not Cash recipient for up to 45 days whether they show up to sleep there or not.

2. **Shelter instability and empty shelter beds.**

Approximately 60-80 shelter beds are empty on any given night. This, in turn, affects those individuals who do not receive cash aid through CAAP, such as those receiving veterans or disability benefits, those with earnings and undocumented immigrants. They cannot access those empty shelter beds that are reserved for Care Not Cash recipients.

- a. For example, at Episcopal Sanctuary 144 out of a total of 198 beds are reserved for Care Not Cash recipients. From 10/1/04 – 10/3/04, 65 out of 83 vacancies were Care Not Cash recipients.

3. **Shelter displacement.**

Homeless people who cannot access a shelter bed that is reserved for a Care Not Cash recipient must travel, often times at a distance, to a crowded resource center for an assignment to a facility with an open space. This can present a substantial hardship for persons with disabilities, as well as those who carry their belongings or have small children to care for. There is also no guarantee that anyone will be able to access a shelter bed once they arrive. Therefore, this would lead a homeless person or family to sleep on the streets.

- a. The Coalition surveyed 200 homeless people, 30% responded they had been displaced from shelter as a result of Care Not Cash, on an average of three different times.
- b. In the same survey of 50 front line service providers, 52% reported that a negative outcome from Care Not Cash was displacement from shelters.

4. **Missed dinner, services and medical care.**

Non-CAAP, homeless clients who cannot access a shelter bed often times miss dinner and medical care that is provided at the shelter. Clients who are receiving outpatient treatment for substance abuse disorders, mental illness, or who are on waiting lists for residential treatment are missing these services.

- a. The Coalition conducted an outreach survey, which indicated that this has led to an increase in the number of people sleeping on the streets.
- b. The results of a Coalition study reported that 64% of 200 homeless individuals stated that their shelter stay had been reduced on an average of 7 days.

5. **Undocumented Immigrants displaced from shelter system.**

Undocumented Latinos have been displaced from shelters since Care Not Cash was implemented because they are not eligible for General Assistance or other CAAP programs and are therefore excluded from long-term shelter placement.

- a. According to a study conducted by the Coalition, 70% of immigrants felt they had been displaced from shelter due to the implementation of Care Not Cash.

6. **Violation of McGoldrick Anti-Displacement Legislation.**

This legislation references that no shelter beds shall be set aside, reserved or prioritized based on income source. The current practices of the Care Not Cash program fundamentally violate this legislation, as numerous shelter beds are reserved for CAAP recipients for at least 45 days.

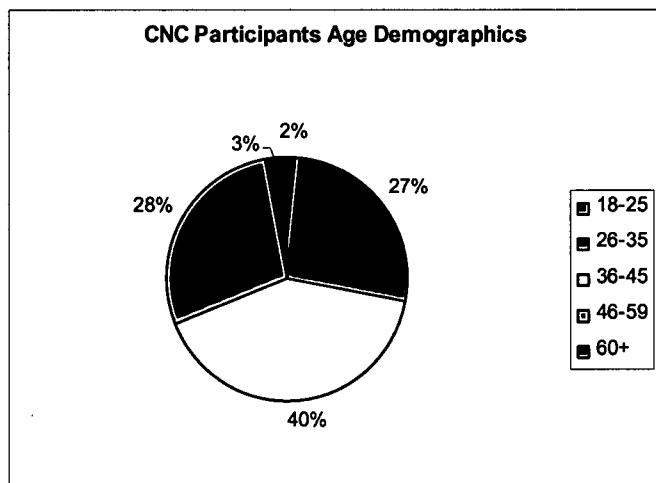
According to the Coalition, the funding that is received from the reduction in CAAP assistance is utilized to pay for housing at the Single Room Occupancy (SRO) hotels. Thus, "2.5 homeless welfare checks pay to house only 1 Care Not Cash recipient" (Care Not Cash Fact Sheet, April 12, 2005).

Survey Results

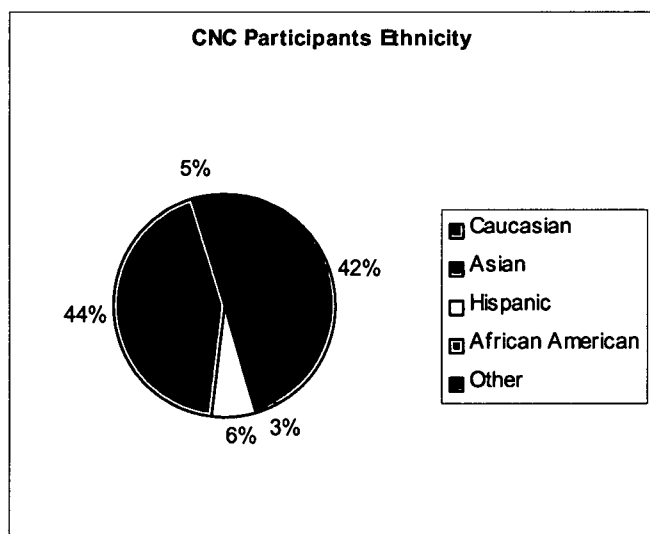
Before revealing the survey results that specifically address the research question, it was essential to obtain general demographic information about the 64 respondents who are Care Not Cash participants.

When asked what their gender was, approximately 70% of the respondents were male, 28% were female and 2% declined to respond.

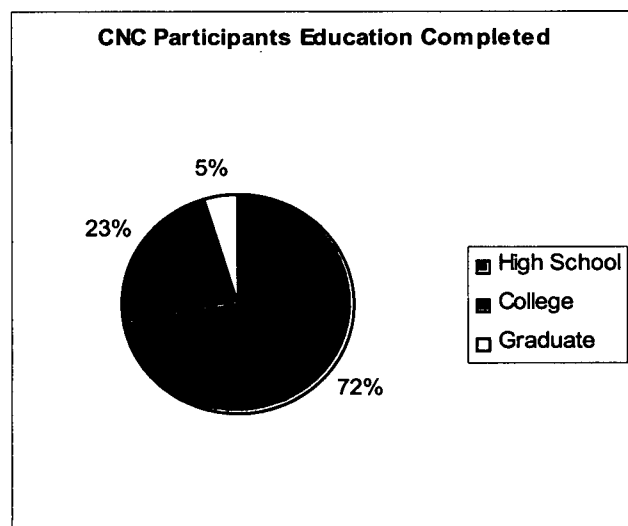
When recipients were asked to provide their age, approximately 40% of the respondents were between 36-45 years. Approximately 28% of the respondents were between 46-59, which tied with the 26-35-age range.



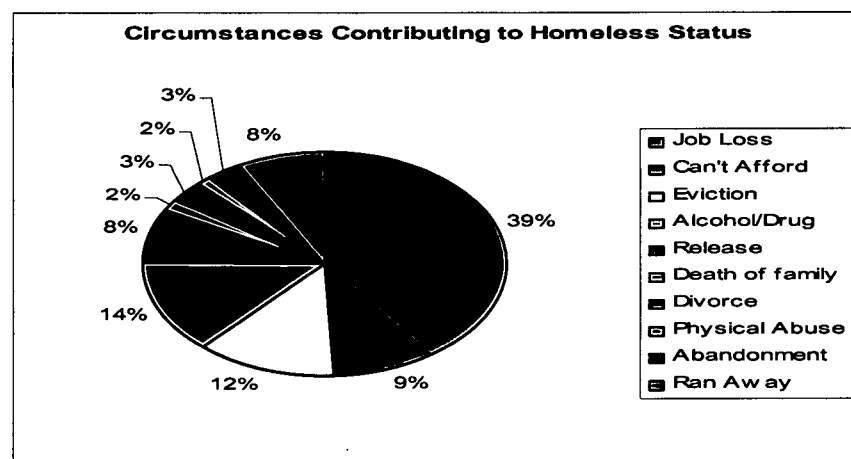
When asked to state their ethnicity, approximately 44% of the respondents were African American and 42% were Caucasian. Respondents of Asian and Hispanic ethnicities were a very small percentage of the random sample.



Respondents were asked to provide their educational background. In terms of highest level of education completed by the respondents, 72% were high school graduates, 23% completed college and 5% earned graduate degrees.

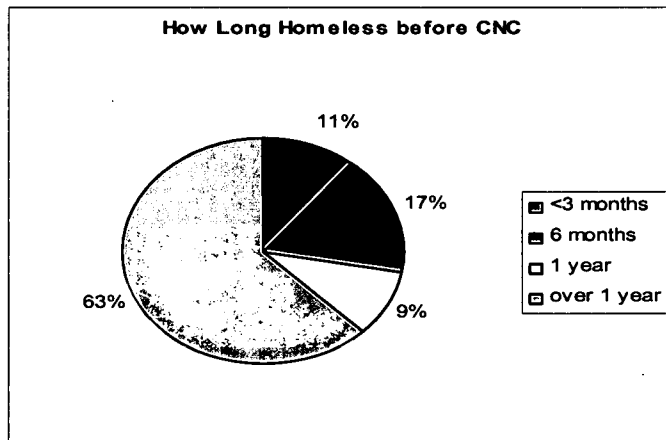


Often times, people who come in contact with a homeless person or family wonder what life circumstances have caused their homeless situation. Not surprising, approximately 40% of the survey respondents became homeless due to loss of employment, 14% have alcohol and/or drug addictions and 12% were evicted from their homes.

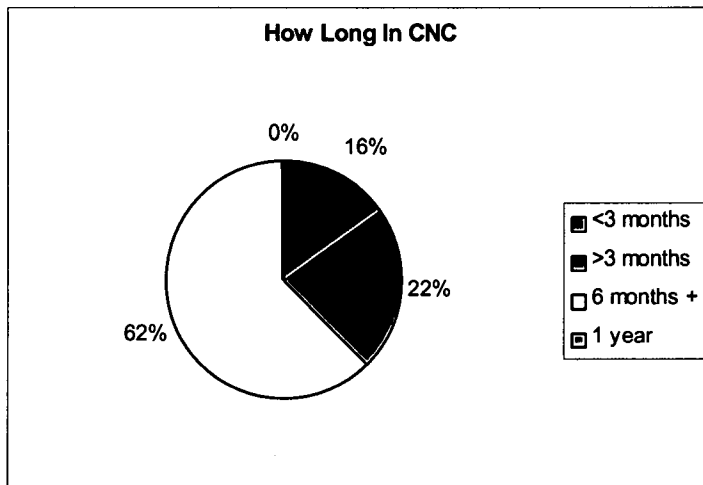


Since the Care Not Cash program primarily focuses on finding permanent housing for the chronic homeless, respondents were asked how long they had been homeless before joining the program. Interestingly, the results from this survey supported the mission of the Care Not Cash program. Over 63% of the respondents were homeless

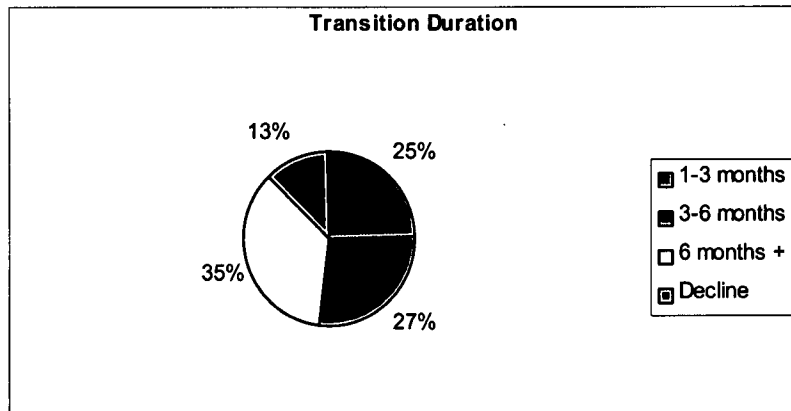
for at least one year before transitioning into the program. Additionally, 17% were homeless for nearly 6 months before transitioning into Care Not Cash.



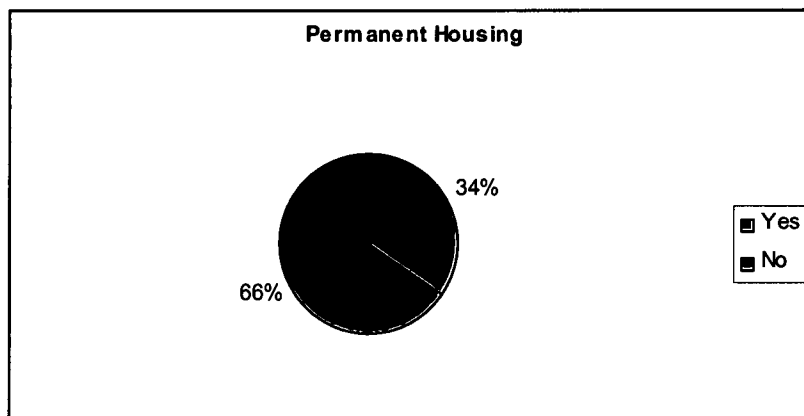
When asked how long they had been in the program, over 60% of the respondents reported that they had been in the Care Not Cash program for at least 1 year or greater.



Approximately 35% of the respondents reported that they had been homeless for over six months before they were placed in temporary shelter. According to the Department of Human Service emergency shelter is offered to all homeless CAAP clients until they actually move into housing (Care Not Cash Monthly Statistical Report, March 2005). On the contrary, this data supports

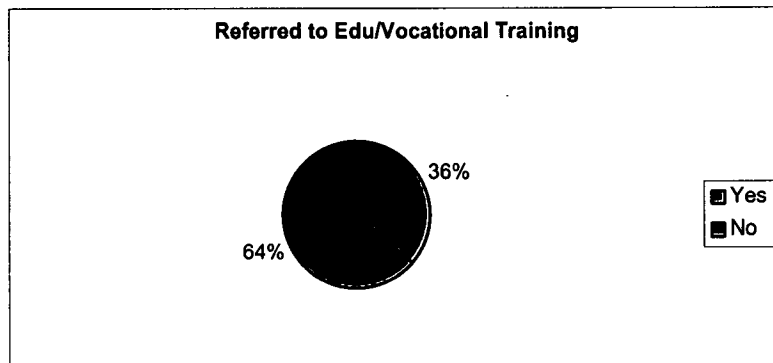


When asked if the program has assisted them with finding permanent housing, only 34% of the respondents have been placed in permanent housing. Nearly 66% of the respondents stated that the program has not assisted them with finding permanent housing. As previously mentioned, to date, over 800 CAAP recipients have been taken off the streets, but 653 still remain in homeless shelters (Interview, Chris Daly). This data also supports the statements made by advocates at the Coalition that a large percentage of CAAP recipients are still residing in shelters and have not been placed into permanent housing.

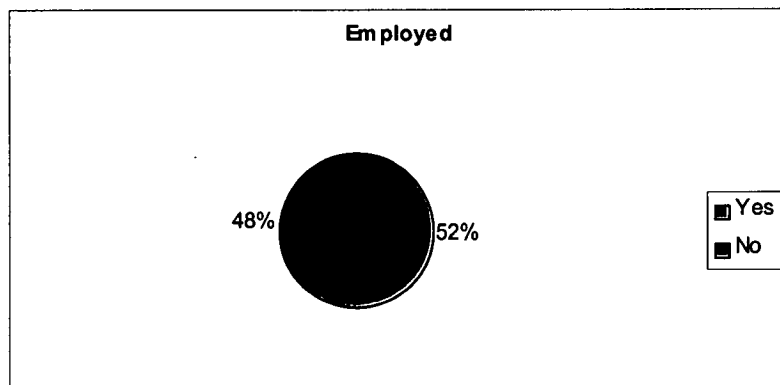


When asked if they had been referred to a educational/vocational training program, 64% of the respondents said Care Not Cash service providers have not offered their clients referrals to any program that would promote educational and/or job training.

Approximately, 36% have not received any referrals. This data assumes that those respondents who have not been referred are deemed as non-employable as the DHS Personal Assisted Employment Services (PAES) is responsible for providing employable adults with education, training, etc.

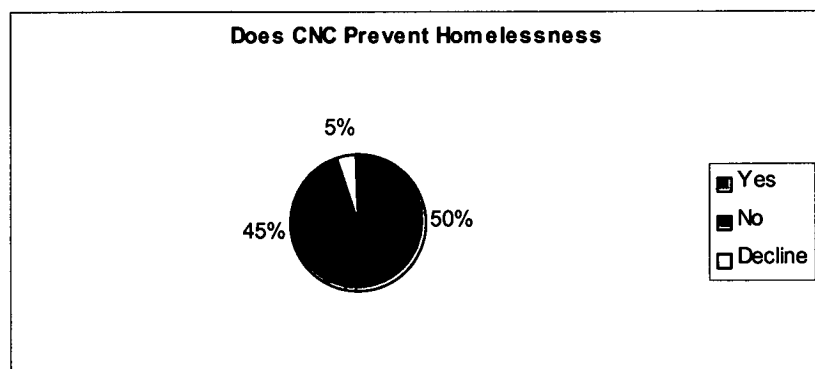


When asked if they had become employed since joining Care Not Cash, approximately 52% of the have not obtained employment while 48% said they are employed.

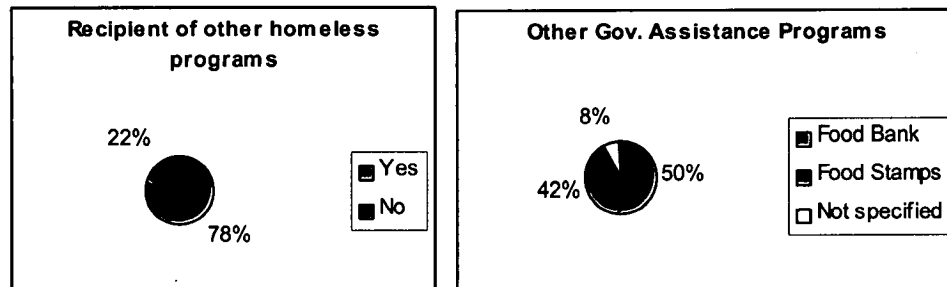


The survey results indicated that approximately 50% of the respondents believed that their transition into Care Not Cash has been an effective preventative measure in keeping them from a homeless situation. Conversely, 45% believed that the program has not provided them with the assistance to keep from returning to the streets. Though approximately half of the respondents believe the program has been effective, this data proves that the other portion of the respondents is still displaced. This inevitably

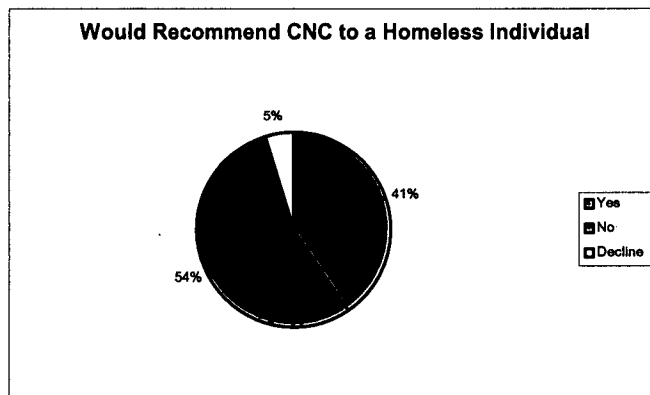
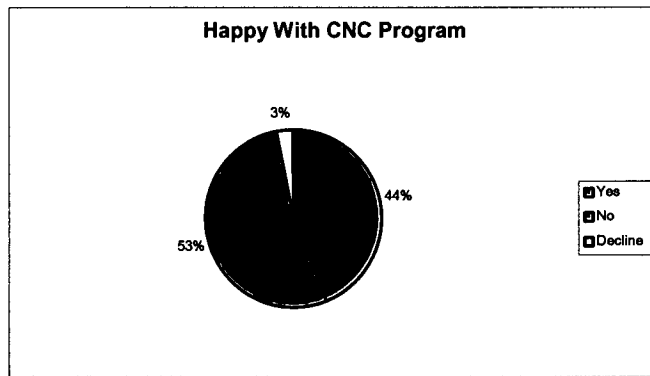
supports the theory raised by the opponents that Care Not Cash is “robbing Peter to pay Paul” (Care Not Cash Fact Sheet, April 12, 2005).



The results indicated that 78% of the respondents reported that they are receiving other government assistance in conjunction with the Care Not Cash program. Of those that are receiving other assistance, 50% are receiving Food Stamps and 42% regularly visit the San Francisco Food Bank.



Overall, the results from the survey indicated that over 50% of the respondents were not happy with the services they have been receiving through Care Not Cash. As a matter of fact, 54% agreed that they would not be eager to recommend the program to another homeless individual. Conversely, 44% indicated that they were happy with the services they were receiving and 41% would most definitely recommend the program to another homeless individual.



Based on the survey results, approximately 50% of the respondents agree that Care Not Cash has kept them from returning to a homeless situation. Therefore, this data supports the stated hypothesis that Care Not Cash has reduced the recidivism rate of the chronically homeless in San Francisco. However, based on the information gathered from the key informant interviews, there are more CAAP recipients in the Care Not Cash program who are presently in emergency shelters than those recipients who are in permanent supportive housing. In this situation, emergency shelter does not necessarily qualify as permanent housing, which is what Care Not Cash promises.

Based on the data collected, the program is not adequately meeting the immediate needs of the clients. Again, the reduction of cash assistance and placement in an emergency shelter does not necessarily qualify as meeting the immediate needs of their clients.

Once more, based on the statistical data collected, the "savings" DHS is generating by reducing the cash aid of CAAP recipients appears to have no equity. Basically, the program reduces cash aid of 2.5 CAAP clients to permanently house 1 CAAP recipient. The following is a fictitious scenario: Jane, John and Jack are homeless CAAP recipients that have been transitioned into the Care Not Cash program. As a result, their cash aid has been reduced and each of them now resides in emergency housing/shelters. At the same time, Bob is a CAAP client who has been successfully placed into permanent supportive housing. This scenario represents the reality of the Care Not Cash program. As previously mentioned, DHS reported that over 800 CAAP clients have been moved off the streets. However, 653 of those clients are currently residing in emergency shelters. Clearly, there is no equity in this scenario.

CONCLUSION

Historically, city officials in San Francisco have enacted a myriad of public policies that focus on the homelessness crisis that has overtaken large pockets of communities. Previous administrations had formulated very aggressive policy to combat homelessness; in which some failed in practice because they violated the civil right of the indigenous population. As the homeless count continues to rise in San Francisco, local officials are charged with the task of developing a better system of ways and means to not only deal with the issue but to also satisfy the concerns of their constituency.

More recently, Former Supervisor and current Mayor Gavin Newsom authored and campaigned for Proposition N (Care Not Cash) which is a proposal to reform welfare in the County Adult Assistance Program (CAAP). Prop N is an extremely controversial initiative in San Francisco that was placed on the ballot and successfully passed by the voters' in November 2002. Essentially, the measure would allow the Department of Human Services to take the monthly cash aid of \$349 per month and reduce it to \$59 per month for CAAP recipients in exchange for permanent supportive housing. The Newsom Administration proclaimed that Care Not Cash would reduce the rate of the "chronically" homeless. Even though Prop N was signed into law, implementation was delayed as a result of multiple legal court battles as homeless advocates, legal advocates and community leaders strongly opposed welfare reform for homeless CAAP clients. Program implementation did not begin until May 2004 when a judge finally overturned a superior court decision to throw out Care Not Cash.

Nevertheless, legal advocates filed individual lawsuits on behalf of several CAAP clients deeming that their client's civil rights had been violated. At the same time, over 1,000 CAAP clients were phased into the Care Not Cash program awaiting a referral for permanent housing. Additionally, homeless advocacy groups continued to rally against Care Not Cash proclaiming that the initiative is misleading and results in shelter displacement for those homeless individuals and families who do not qualify for cash aid.

In May 2005, Care Not Cash celebrated its one-year anniversary. The Department of Human Services gladly reported that the first year of Care Not Cash was a successful as over 800 CAAP clients have been taken off the streets. However, the homeless advocacy groups and certain community leaders who strongly oppose Care Not Cash warns the public about the update, as 653 of the 800 CAAP recipients are still residing in emergency shelters and have not been placed into permanent supportive housing.

Although voters in San Francisco successfully passed Proposition N, The Care Not Cash Program continues to be a political "hot button" item. The coalition effort between San Francisco Mayor Gavin Newsom, the Department of Human Services and community- based organizations around the city to launch this program is currently making small strides to combat homelessness. On the other hand, those who oppose Care Not Cash present extremely valid arguments in terms of their being major flaws to the program. It will be interesting to continue to follow the events associated with this most controversial social issue.

POLICY RECOMMENDATIONS

Overall, the Care Not Cash program appears to be great in concept. However, there are several significant flaws in the program that have been identified. According to the Care Not Cash February 2005 Monthly Report, "the homeless CAAP caseload has decreased by 1,868 persons, which is 75%". Although these numbers are strongly challenged by critics of the program, DHS stands firmly by the figures reported. Advocates complained "you can't cut off welfare payments (the cash) in exchange for housing (the care) if there isn't enough decent, affordable housing available (San Francisco Bay Guardian, Dec. 22-28, 2004)". Significantly reducing the aid to those persons in need resulted in a large outpour of disagreement by not only the homeless advocates, but also certain members of the homeless population. Clearly, there is a huge disconnection between the Newsom Administration, certain homeless advocacy groups and other community leaders. According to John W. Kingdon (2003), "the negative public opinion effects – the constraints imposed on government rather than the positive forces prompting government action – are probably more noticeable (pg. 65)".

As a result of extensive research, numerous interviews with key informants and administering a survey to Care Not Cash clients, the following policy recommendations are suggested to improve the overall program design:

First, CAAP clients should not receive a reduction in their cash aid until they have been placed into permanent supportive housing. Supervisor Chris Daly's Real Housing, Real Care plan that was signed into law the same year as Care Not Cash, supports this policy recommendation. Furthermore, this policy recommendation has the full support of the advocates at the San Francisco Coalition on Homelessness. It is predicted that

this would significantly modify the current funding structure of the program, which is most important and much needed.

Second, presently DHS requires homeless shelter workers to reserve a majority of their shelter beds for CAAP clients. However, shelter workers have reported that a significant number of the beds reserved for CAAP clients are empty on any given night. This, in turn, reduces the number of available beds for non-CAAP clients. It is suggested that DHS revise the current policy and develop a "deadline for arrival" policy for CAAP recipients to access the reserved shelter beds. If they do not meet the deadline, shelter workers should be given the provisional authority to allow other needs non-CAAP individuals to access the empty shelter beds. This policy would significantly reduce the high count of shelter displacement of non-CAAP clients.

Last, the Newsom Administration and the Department of Human Services should formulate a working group that would include representatives from the Coalition, other advocacy groups, civil rights attorneys' and the homeless community. The purpose of a working group would allow the groups who oppose Care Not Cash to voice their serious concerns with the program and to strategize on a compromise to improve the program elements. A civil gathering of all of the key stakeholders would provide for a more successful program that can be supported by all parties.

The person who conducted this research is a San Francisco native who recently relocated to the Sacramento area. The researcher worked in the Downtown San Francisco area and was exposed to numerous homeless cases on a daily basis.

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Title: San Francisco's Care Not Cash Program for the Homeless: An Evaluation of Care Not Cash Transitioning the Chronically Homeless to Permanent Housing

Survey Questions

1. Are you a participant of the Care Not Cash Program?
☐ Yes ☐ No ☐ Decline to answer
2. What is your gender? ☐ Male ☐ Female ☐ Decline to answer
3. How old are you? ☐ 18-25 ☐ 26-35 ☐ 36-45 ☐ 46-59
☐ 60+ ☐ Decline to answer
4. What is your ethnicity? ☐ Caucasian ☐ Asian ☐ Hispanic ☐ African American ☐ Other, please specify ☐ Decline to answer
5. What is the highest level of education you completed? ☐ High School ☐ College ☐ Graduate or above ☐ No education
6. Prior to joining Care Not Cash, how long had you been homeless?
☐ less than 3 months ☐ 6 months – 1 yr ☐ over 1yr
7. What circumstances contributed to your housing situation?
☐ Job loss
☐ Can't afford housing costs
☐ Eviction
☐ Alcoholism/Drug Abuse
☐ Release from correctional facility/transitional housing
☐ Death of family member
☐ Divorce
☐ Physical abuse
☐ Abandonment
☐ Ran away/left home
☐ Decline
8. How long have you been participating in the Care Not Cash Program?
☐ less than 3 months ☐ over 3 months ☐ 6 months + ☐ Decline

9. How long was your transition from being homeless to finding temporary shelter?
_____ 1-3 months _____ 3-6 months _____ 6 months + _____ Decline
10. Has the Care Not Cash program assisted you with finding permanent housing?
_____ Yes _____ No _____ Decline
11. Have you been referred to an educational/vocational training program?
_____ Yes _____ No _____ Decline
12. Have you become employed? _____ Yes _____ No _____ Decline
13. Has the Care Not Cash program kept you from returning to a homeless situation?
_____ Yes _____ No _____ Decline
14. Have you participated in any other homeless assistance programs (i.e. SF Food Bank, Food Stamps, etc)?
_____ Yes _____ If yes, which one? _____ No _____ Decline
15. Are you happy with the services you have received from the Care Not Cash program? _____ Yes _____ No _____ Decline
16. Would you recommend this program to another homeless individual or family?
_____ Yes _____ No _____ Decline

Thank you for taking the time to complete this survey!

Gantt Chart

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