

# Report on Approaches and Programs to Address Homelessness And Their Impacts and Outcomes

Prepared for the City of Chico  
By Hope Street Coalition as Part of a Strategic Plan on Homelessness

## Introduction

The City of Chico has been addressing homelessness and the challenge of affordable housing for years. Within the City, public and private organizations, as well as individuals and informal efforts provide shelter, housing, and a variety of formal and informal services intended to assist individuals and households living in places not intended for human habitation.

In addition to city utilization of federal Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME), the city is also a partner with Butte County to implement homelessness assistance through the Continuum of Care Program and other County services to support the indigent and, specifically, the unhoused. While the City has created thousands of affordable housing units and supports shelter and assistance programs, coordination and understanding of programmatic impact can be illusive.

This report reviews the approaches that have influenced policy and led to how federal and state funding is made available to programs intended to reduce homelessness. It identifies the largest programs serving the unhoused in Chico and asks how they impact the increase or decrease of homelessness. The last section of this report considers how the impact and outcomes of programs is unknown without an accurate understanding of the number of individuals and households experiencing homelessness.

## Approaches to Address Homelessness

### Housing, Mental Illness, and Drug Use

Three social developments have evolved over the last half century that have led to the current approaches and policies intended to house those living in places not meant for human habitation. The first development is the de-institutionalization of the mentally ill from state mental hospitals and the creation of community behavioral health. The second was the creation and abandonment of public housing projects to house the poor. The third development is the growing normalization and acceptance of drug use.

The de-institutionalization of the mentally ill is a well-documented phenomenon that has resulted in a lack of treatment and appropriate housing for those with mental illness.<sup>1</sup> Following the publicity surrounding the deplorable conditions of many state mental hospitals, public policies were enacted to end mass institutionalization of the mentally ill. In their place, community health programs were developed, but they were never funded.

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<sup>1</sup> Torrey, E.F. (1988). *Nowhere To Go – The Tragic Odyssey of the Homeless Mentally Ill*. Perennial Library, Harper & Row.

The unrealized promise of community mental health programs and the destruction of psychiatric treatment hospitals have contributed to homelessness by reducing the number of clinical beds and psychiatric capacity in general. The most seriously challenged are often too sick or psychotic to understand the gravity of their illness and approaches and programs maximizing choice are left to deteriorate and often end up on the streets or in prison.

The second social development was the creation, expansion, and ultimate abandonment of public housing projects as a means of providing housing to the poor. The creation of public housing projects resulted in failure as exemplified by the Cabrini-Green projects in Chicago.<sup>2</sup> There, government-provided low-cost units exacerbated crime, drug use, and poverty. Their demise shifted the provision of housing from government provision to community-based voucher models and created housing assistance reliant on local housing markets, the provision of affordable housing units, and willing landlords.

As governments attempted to reign in dynamic and ever-shifting markets for housing, subsidized affordable housing, rent control, and the provision of housing vouchers created a publicly funded market distortion that has ratcheted up housing costs and led to a scarcity of affordable housing units.<sup>3</sup> Housing vouchers appear to have the least distorting effects on housing markets but are often limited in their ability to scale and provide housing in tight markets, such as California.<sup>4</sup>

The last social development is the increase and acceptance of drug use and the human and social costs of addiction and drug-induced psychosis<sup>5</sup>. The increased potency of narcotics such as methamphetamine and fentanyl increase the likelihood of addiction and drug dependency and lead to increased morbidity and mortality among drug users. The result has been a devastating and cruel history of destitution, crime, and death that often transpires on city streets and homeless encampments.<sup>6</sup>

These three streams have developed into policy approaches on homelessness that: 1) prioritize the utilization of housing subsidies, and 2) minimize the connection of mental illness and substance use disorder in homelessness. The challenge of scarce affordable housing, inadequate treatment for mental illness, and few addiction services combine to increase homelessness and make it more difficult to solve. According to UCLA's PolicyLab, those living unsheltered on the streets are mostly untreated addicts and the unhoused mentally ill.<sup>7</sup>

## **Homelessness**

The dominant narratives surrounding homelessness is that housing solves homelessness and that most homelessness is caused by the inability to pay the rent.<sup>8</sup> These narratives treat

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<sup>2</sup> <https://www.nytimes.com/2018/02/06/magazine/the-towers-came-down-and-with-them-the-promise-of-public-housing.html>

<sup>3</sup> <https://apps.urban.org/features/cost-of-affordable-housing/>

<sup>4</sup> <https://www.strongtowns.org/journal/2018/4/26/what-housing-vouchers-can-and-cant-do>

<sup>5</sup> <https://www.cbpp.org/research/health/medicaid-is-key-to-building-a-system-of-comprehensive-substance-use-care-for-low>

<sup>6</sup> <https://www.dhcs.ca.gov/services/Documents/CA-Overdose-Increases-2020.pdf>

<sup>7</sup> <https://www.capolicylab.org/wp-content/uploads/2019/10/Health-Conditions-Among-Unsheltered-Adults-in-the-U.S.pdf>

<sup>8</sup> <https://endhomelessness.org/ending-homelessness/solutions/>

homelessness as largely an economic problem to be solved with subsidies, low-barrier housing, and services. The popularity of this narrative has resulted in the adoption of public policies that promote housing at the expense of clinical treatment and work requirements.<sup>9</sup>

In 2009, Congress made significant changes to how federal homelessness funding is made available to communities. Congress codified the Continuum of Care program as the main mechanism to allocate funding to communities and prioritized the creation of permanent supportive low barrier housing systems as the primary intervention to end homelessness.<sup>10</sup>

The U.S. Department of Housing and Urban Development (HUD) administered these changes and funding priorities to communities, which resulted in the disinvestment in shelter beds and transitional housing and programs, and the prioritization of a region-wide systems of stakeholders focused on the development and utilization of permanent supportive housing.<sup>11</sup> HUD has established data collection requirements, evaluation and vulnerability protocols, requirements for collaboration and planning, and priorities that weigh heavily on communities seeking federal homelessness assistance funds.

In many communities, significant campaigns were conducted to convert traditional approaches to the new low-barrier PSH approach. What resulted was two sets of programs: those that elected to follow federal and state mandates and receive federal and state funds, and privately funded programs that maintained programs based on sobriety, developing employment skills, and increasing self-sufficiency.

Often, as unsheltered homelessness and its attendant challenges of encampments, public intoxication and psychosis, trash and refuse, and other issues has increased, communities have split into three general camps: Those seeking greater support for shelter and housing, those seeking to regulate public spaces and increase cleanliness and safety, and those seeking to reduce dependency on public assistance through personal transformation. In many ways, these conflicting views contributed to the most significant decision affecting homelessness in the western United States – the *Martin v. Boise* decision by the 9<sup>th</sup> Circuit Court of Appeals.<sup>12</sup>

### **Federal and State Funding**

An approach that cannot be overlooked is the way in which government assistance is provided to communities. Government policies dictate the allocation and delivery of critical funding to and these policies create strong incentives and priorities for community-based programs as they seek to address needs.

For example, with the changes in homelessness assistance priorities, communities that invested in transitional housing programs were strongly pressured to transform these programs into permanent supportive housing or use local funds to continue these programs. The way that federal and state funding was provided to communities significantly affected this decision.

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<sup>9</sup> <https://www.manhattan-institute.org/housing-first-effectiveness>

<sup>10</sup> <https://www.hudexchange.info/homelessness-assistance/hearth-act/>

<sup>11</sup> <https://www.foundationhomeless.org/expanding-the-toolbox>

<sup>12</sup> <https://www.lexisnexis.com/community/casebrief/p/casebrief-martin-v-city-of-boise>

In the case of federal Continuum of Care funding, Congress provides project categorical grants to communities on a competitive basis through an application process governed by a Notice of Fund Availability (NOFA) from HUD. The Emergency Solutions Grant program, that funds creation and operation of emergency shelters, is a formula categorical grant provided to states and regions.

Federal agencies have significant discretion in the administration of project categorical grants. They can change priorities, funding levels, and requirements yearly and reflect those changes in the annual NOFA. These types of grants leave little discretion on the use of funds for recipients and contain many conditions on the performance of the grant.

Because states and regions are often major recipients of this type of funding, they often must mimic federal requirements and performance conditions in making federal funding available to local communities. In this way, federal policy is implemented at the state and local levels. According to the Congressional Research Service report, *Federal Grants to State and Local Governments*, “grant conditions, historically the predominant means used to impose federal control over state and local government actions, have also continued to be used to promote national goals.”<sup>13</sup>

In summary, the last sixty years of social development, public policy, and changes to funding have created a highly prescriptive and challenging scenario for communities. Understanding of these approaches is important to the development of effective planning and the support of community programs and assets. It also broadens the issues that communities are working to address from simply an issue of housing to more complex realities such as the treatment of mental illness and substance use disorders for those living in places not meant for human habitation.

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<sup>13</sup> Congressional Research Service, *Federal Grants to State and Local Governments: A Historical Perspective on Contemporary Issues*, R40638, Updated May 22, 2019.

## Programs

The City of Chico is served by a variety of organizations and programs attempting to address the needs of the unhoused. These services are provided by the County of Butte, private organizations, individual efforts, and the city itself. Each program or service attempts to solve different aspects of the homelessness crisis.

The Chico Consolidated Plan lists more than 25 public and private organizations that provide mainstream services that include mental health, employment services, and the provision of housing and shelter.<sup>14</sup> The following list is not exhaustive but represents the significant provision of housing, shelter, and services to those experiencing homelessness in the city of Chico.

**Butte County Continuum of Care** – “The Butte Countywide Homeless Continuum of Care (CoC) coordinates the implementation of a housing and service system that meets the needs of persons experiencing or at risk of homelessness throughout the Butte County geographic region, otherwise known as a Homeless Prevention and Response System.

The Homeless Prevention and Response System encompasses:

- Outreach, engagement, and assessment.
- Shelter, housing, and supportive services; and
- Homelessness prevention and diversion strategies.”<sup>15</sup>

The CoC is required to conduct a census of sheltered and unsheltered people experiencing homelessness. It also is required to report the housing inventory intended to serve those experiencing homelessness.

The CoC receives direct awards from the federal government to implement HUD programming designed to end homelessness. Over the last six years, the CoC has received an average of \$575,000 per year to address homelessness in the region.

### **Butte County Departments, Programs, and Services -**

**Mobile Medical Unit** – The Butte County CoC funded the acquisition and operation of a no-fee mobile medical unit staffed and managed by Ampla health. The van provided mobile medical services, such as primary medical care, wound care, screenings, referrals to healthcare facilities. An attack by an individual experiencing homelessness resulted in the resignation of medical staff. The van provided telehealth services from then on.

**Behavioral Health Outreach** – Butte County Behavioral Health provides a variety of services for the general public from walk-in counselling to crisis teams to help for runaway and homeless youth. The Homeless Emergency Action Response Team provides street outreach services, emergency shelter, and other services but appears to be limited to youth under the age of 18. The County is limited in serving the unhoused addicted and mentally ill

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<sup>14</sup> <https://chico.ca.us/sites/main/files/file-attachments/draft2020-2024conplanrv.pdf?1598997537on> see page 96 and 97.

<sup>15</sup> <https://www.buttehomelesscoc.com/>

because drug and alcohol treatment are not reimbursed by the state if services are done in the field, which is where the unhoused who need that treatment are living.

**Housing Authority** – The Housing Authority of the County of Butte provides subsidized housing is provided to families, seniors, and disabled individuals whose income is between 50% and 80% of median area income. This threshold is often higher than what most individuals experiencing homelessness can qualify. The Housing Authority administers the Veterans Affairs Supportive Housing Program to qualified Veterans experiencing homelessness. The Housing Authority also provides rental assistance to the unhoused through emergency housing vouchers. 116 emergency housing vouchers have been awarded to serve Butte and Glenn Counties.

**Caring Choices** - Caring Choices is a provider of case management, social work, and nursing services in multiple northern California counties. They administer contracts under the Housing Opportunities for People with AIDS (HOPWA) and Ryan White CARES Act programs. They provide emergency services disaster preparedness response services and rental assistance through Butte County

Caring Choices provides a food pantry which serves about 390 people on average per week. It provides homelessness outreach through privately funded sources. Caring Choices contributes to the Butte County CoC Homelessness management Information System (HMIS) and Coordinated Entry data collection programs.

**Catalyst Domestic Violence Services** – Catalyst provides emergency shelter of 28 beds, 4 transitional housing units, rapid re-housing from CoC funds, and financial support for non-housing services through a state grant through the Office of Emergency Services.

**Chico Housing Action Team (CHAT)** - CHAT operates about 60 houses for its shared housing program. It rents bedrooms in larger houses to individuals, families, and Camp Fire survivors. CHAT is entirely volunteer run and provides case management and life-skills training to its residents.

CHAT is developing an alternative shelter project consisting of 20 individual shelter units for people with mental illness called Everhart Village. The collection of tiny houses will be operated in collaboration with Butte County Behavioral Health, which will handle the selection and referral of shelter guests to the project. Behavioral Health will also be working closely with their clients as they work on stabilizing their mental health condition and finding permanent housing.

**City of Chico, Community Development and Housing** – The City of Chico’s Department of Community and Development and Housing supports to development of affordable housing in Chico. It also administers the process for developing the City’s Consolidated Plan and Action Plan for Community Development Block Grant and HOME program funding. These funds are the primary resource for the City of Chico to develop affordable housing and address the needs of the City’s low-income residents.

In utilizing CDBG, HOME, and Tax Credit funds, the City has supported and is supporting a total of 2,485 units of affordable housing from 1983 to 2023 and is supporting the creation of an addition 145 shelter beds to serve the unhoused. As a part of its process to develop its plans, the Department invites citizen participation.

**Chico Police Department Target Team** – The Chico Police Department Target Team has developed a sole focus on homelessness in Chico. They have undergone crisis intervention training and regularly offer referrals to local programs offering housing and services.

**Downtown Chico Business Alliance Ambassador Program** - The Downtown Chico Property-Based Business Improvement District (“PBID”) is an assessment district that supports the Downtown Chico Ambassadors program. The program provides hospitality, cleaning, and safety services in downtown Chico. Ambassadors focus on discouraging petty crime and aggressive panhandling, while maintaining the cleanliness and presentation of the downtown area.

**Esplanade House** – Esplanade House is a transitional housing program of Community Action Agency of Butte County focusing on providing solutions to family homelessness. Esplanade House provides 60 units of housing, an onsite licensed childcare center, onsite laundry facilities, and an array of programming to overcome the root causes that contributed to their experience of homelessness. Its focus is providing support services to help individuals break a cycle of homelessness.

**Haven of Hope on Wheels** - Haven for Hope on Wheels provides showers and laundry services to individuals experiencing homelessness through a mobile trailer that serves Butte County.

**Jesus Center** – The Jesus Center is a 20,000 sq. foot facility on Fair Street offering 58 beds of 24/7 sheltering for men and women. The Jesus Center is a sober facility that offers a trauma informed care model with a strengths-based approach. The Jesus Center also provides food services.

In addition to a shelter, the Jesus Center also provides transitional housing in 7 houses for stays up to two years. Case management focuses on income stabilization, family reunification, and the acquisition of permanent housing.

The Jesus Center is developing a 27,000 sq feet Renewal Center providing low barrier services and housing with 14 family mini-apartment units and 28 individual/couple shelter units for specialized populations. Job training and life skills development are planned for both Renewal Center and the Jesus Center campus.

**Point of Contact** - Point of Contact is a private non-profit organization that conducts outreach efforts to those living unsheltered in Chico. Point of Contact works to connect people with a positive support system.

**Safe Space** – Safe Space Chico is a volunteer driven program utilizing a rotating facility model to provide low-barrier emergency shelter from December through March for people experiencing homelessness.

**Salvation Army Adult Rehabilitation Program** – The Salvation Army provides a 6-month rehabilitation program to assist individuals overcoming substance abuse disorders. The program offers fifty beds of transitional housing.

**True North Housing / Torres Shelter Description** – The Torres Community Shelter is a free, non-faith based, nonprofit shelter that serves individuals 18 and older in Butte County. The Torres Shelter provides meals, showers, and a place to sleep for up to 160 people experiencing homelessness. The Shelter provides case management to secure permanent housing. The Torres Shelter is expanding to provide a total of 195 beds.

**Informal Efforts** - In addition to these and other organizations, many informal efforts purport to services for those living unhoused in Chico. These efforts provide food, hygiene kits, clothing or other material needs, transportation, and some level of assistance in obtaining records or other documents. Often, these efforts are the result of an individual or group of individuals taking it upon themselves to engage the unhoused to meet their needs.

As the incomplete list above demonstrates, there is no shortage of housing, shelter, and services to assist individuals and households in Chico. These programs represent hundreds of shelter beds and thousands of housing units to address homelessness in Chico. They also provide a significant array of services including case management, life skills training, addiction and mental illness services, meals, showers, and opportunities to engage in job training, mental health treatment, and family unification and stabilization.

With such a significant community effort to solve homelessness, it begs the question: “Why is homelessness increasing in Chico?”



## Impacts and Outcomes of Approaches and Programs

### Number of People Experiencing Homelessness

Butte County has experienced an increase in people experiencing homelessness. A common belief is that the increase in people experiencing homelessness is due to the significant loss of housing caused by the Camp Fire. The Point in Time Count does not reflect that increase, necessarily. In fact, it shows a significant increase in homelessness of 108 percent from 2016 to 2017. Any increases in homelessness caused by the Camp Fire would have been reflected in the 2019 count.

**Chico / Butte County CoC Awards and Point In Time Count Trends**

Year	CoC Award	% Chng \$	PIT Count	% Chng PIT
2015	\$533,470		571	
2016	\$528,301	-1%	574	1%
2017	\$559,817	6%	1,195	108%
2018	\$552,718	-1%	1,125	-6%
2019	\$611,447	11%	1,266	13%
2020	\$666,115	9%	1,274	1%
<b>Total</b>	<b>\$3,451,868</b>	<b>25%</b>		<b>123%</b>

**Chico / Butte County Subpopulation Point in Time Count Trends**

Chronic	% Chng Chronic	Unhoused Mentally Ill	% Chng MI	Unhoused SUD	% Chng SUD
257		180		147	
251	-2%	193	39%	160	9%
531	112%	440	75%	299	87%
506	-5%	354	-20%	241	-19%
256	-49%	243	-31%	124	-49%
278	9%	282	16%	176	42%
	<b>8%</b>		<b>57%</b>		<b>20%</b>

Sources: <https://www.hudexchange.info/programs/coc/awards-by-component/> and <https://www.hudexchange.info/programs/coc/coc-housing-inventory-count-reports/>

According to the 2019 report by the Butte County CoC, the number of people experiencing homelessness in Chico was 864, broken down to 571 unsheltered and 293 sheltered. Compared to the 2017 Point in Time Count, Chico saw a 11.7 percent decrease in people experiencing homelessness from 1,093 to 864. Therefore, the data does not support the notion that the Camp Fire increased the number of people experiencing homelessness in Chico.

Point in Time data, however, has been criticized locally and nationally for its lack of accuracy. In fact, the 2020 Government Accounting Office (GAO) report, *Better HUD Oversight of Data Collection Count Improve Estimates of Homeless Population*, states that “HUD’s counts likely underestimates the homeless population.”<sup>16</sup>

<sup>16</sup> Government Accounting Office, *Homelessness: Better HUD Oversight of Data Collection Count Improve Estimates of Homeless Population*, GAO -20-433, July 14, 2020.

In addition, according to interviews with members of the government board of the Butte County CoC, the Camp fire and COVID impacted the consistency of data collection as have wide variations in the number of volunteers recruited for the count.

### **Program Efficacy and Impact**

The reliability of data estimating the number of individuals and households experiencing homelessness in Chico is a significant matter. Without accurate data, it is unclear how effective programs are in ending homelessness. It also provides little direction as to how additional housing, treatment, and other service gaps can be filled. Without understanding the true need, how can appropriation interventions be correctly designed and delivered? Without a north star, all directions are equal.

It is hard to know which programs are having the most significant impact on reducing homelessness in Chico. Part of this is the nature of organizations. Programs often measure their success by the amount of services provided rather than whether the provision of those services reduced the number of individuals experiencing homelessness. A soup kitchen may celebrate that it served 100 more meals than the previous month, but that may be an indication that the problem of hunger is getting worse, not that the program is more effective in reducing hunger.

The other part of the question of impact and efficacy is the backdrop within which these programs are working. With more than 25 programs working hard to provide shelter, housing, and services, it is frustrating at the least and counter-productive at the worst to have no idea as to their impact on homelessness.

The federal approach to homelessness created a program designed to assist local communities by incentivizing, through federal funding, a community-wide system to end homelessness. The system consists of tools to:

- Estimate the number of individuals and families experiencing homelessness,
- Analyze the demographics of the homeless population,
- Develop and maintain collaboration between stakeholders,
- Create housing, and
- Measure the performance of the system.

The program prides itself on data and evidence to support its approach to ending homelessness. Yet, the most significant data set, derived from communities and aggregated at the national level by HUD, shows that homelessness is increasing – driven particularly by the increases in unsheltered homelessness in the western United States. According to the Annual Homelessness Assessment Report to Congress (AHAR) for 2020, homelessness in California has increased by 10,270, an increase of nearly 7 percent since 2019.<sup>17</sup>

California spends more money than any other state attempting to assist those experiencing homelessness. It also has the worst outcomes of any state.<sup>18</sup>

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<sup>17</sup> <https://www.huduser.gov/portal/sites/default/files/pdf/2020-AHAR-Part-1.pdf>

<sup>18</sup> <https://www.latimes.com/california/story/2021-07-16/california-budget-homelessness-spending>

In 2016, SB 1380 was signed into law creating the California Homeless Coordinating and Financing Council and requiring that all state funding for homelessness assistance programs follow a Housing First low barrier approach by July 1, 2019. All state funds for homelessness, therefore, prohibit the requirement of any type of participation in programming, sobriety, or treatment as a condition of state funding. The approach strongly supports the creation of permanent supportive housing, as opposed to the creation of shelters.

It is important to consider whether the system required by the federal government and implemented by the state of California has contributed to the increases in homelessness. But the system does not exist without context. Housing policy, mental illness policy, and law and policy on substance use, petty theft, and municipal ordinances regulating public spaces surely contribute to the challenge of homelessness.

How then, should communities, governed by state law and receiving federal assistance, address homelessness in an effective, outcomes-based way? By focusing on outcomes, Chico can begin to reign in the disparity between resources spent and outcomes produced. The significant gap between data and outcomes is at the foundation for determining what works and what doesn't work. It also speaks to which efforts are most deserving of scarce resources.

## Summary

This report describes the societal developments that have resulted in the current approaches to providing housing for low-income individuals and families, the connection of mental illness treatment and homelessness, and the normalization of drug use. It summarizes the current policy on providing homelessness assistance and how federal and state government's make funding available to address community needs. The report lists many of the programs in Butte County and Chico that attempt to address homelessness. Lastly, it identifies gaps in the outcomes and impacts of the efforts intended to address homelessness and suggests that accurate data and metrics can help determine effective programs and how those programs impact homelessness.

Just like any endeavor, what gets measured gets done and effective programs that are well resourced produce positive impacts.



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