EXECUTIVE SUMMARY | OCTOBER 2020

CENTERING RACIAL EQUITY IN HOMELESS SYSTEM DESIGN

Oakland-Berkeley-Alameda County Continuum of Care
Between 2017 and 2019, homelessness in Alameda County increased by 43%. This upsurge took place in the context of population growth and a tight housing market. Between 2010 and 2019, Alameda County experienced a 10.7% increase in population\(^1\) and a 48% decrease in rental vacancies.\(^2\) The growing population and low vacancy rate have rapidly escalated the cost of housing. Incomes have not kept pace. California’s median rent rose 40% between 2010 and 2019, while median renter income increased only 8%.\(^3\)

Yet the housing market is only part of the story. Black and Indigenous people are homeless at a rate 4 times higher than in Alameda County’s general population, and more than double the rate among people in poverty. Research links the racial disparities that are evident in the homeless population to centuries of structural racism that have excluded people of color from equal access to housing, community supports, and opportunities for economic mobility.\(^4,5,6\) The racially disparate picture of homelessness emerging from the housing crisis in Alameda County creates an imperative to re-envision the homeless response system through a racial equity lens. The modeling working groups and Leadership Committee developed and applied a racial equity lens with the goal of producing a homeless system that works better for all to end homelessness in Alameda County. The goals of the racial equity and homeless system modeling process are to:

1. Identify and address factors leading to the over-representation of people of color in the population of people experiencing homelessness.
2. Understand how facets of the homeless response system benefit or burden people of color and pinpoint opportunities to advance racial equity within the system.
3. Formulate key elements of a model homeless system, including optimal types and quantities of housing units and service programs.
4. Develop recommendations to more effectively and equitably allocate resources, prioritize investments, and advance proactive, targeted strategies to end homelessness.

RACIAL EQUITY IMPACT ANALYSIS

The Racial Equity Impact Analysis (REIA) draws on quantitative and qualitative data to spotlight the structural barriers that are driving racial disparities in the homeless population. The findings include:

Structural racism is obscured by personal responsibility.
The racial equity focus groups highlighted a structural pattern of racism in participants’ personal stories about homelessness. From a research standpoint, the impact of structural racism in informants’ lives was clear, and yet it was notable how many participants took responsibility for their homelessness. Some participants described themselves as lazy or irresponsible, while others described feeling worthless or ashamed. When structural racism is not named as a central driving factor of homelessness for Black, Indigenous, and people of color, then it is lived, practiced, and systemically constructed as a personal failure. Ending homelessness demands a paradigm shift that enmeshes anti-racism in all aspects of the homeless housing crisis response system, from direct service interactions to data collection, from policy making and public relations to human resource practices and leadership development. This work will require collaborating with other systems to overcome structural barriers, such as those encountered in systems of law enforcement and policing, education, health care, and child welfare among other social structures.

Racism is culturally and institutionally entrenched in the United States, in California, and in Alameda County. The disproportionate number of people of color who are experiencing homelessness is the result of structural racism, with origins in manifest destiny, slavery, redlining, mass incarceration, and displacement. The REIA focus groups highlighted a lifetime of racial discrimination accumulated in the experiences of homeless Black, Indigenous, and other people of color. These include
experiences of mass incarceration, barriers to educa-
tion, adverse health impacts, and generational poverty, as well as the loss of family and other networks of social and economic support.

**Structural racism impacts entire social systems,** dis-
tressing the networks and supports that may otherwise prevent homelessness. Participants in the racial equity focus groups frequently described family and friends as providing economic and housing stability during times of insecurity. At the same time, the cumulative impact of structural racism may thin or distress these networks and make Black, Indigenous, and people of color vulnerable to homelessness. This insight underpins system modeling recommendations including, but not limited to, developing longer term homelessness prevention supports and reconsidering how homeless programs define and support families to include parents and adult children as well as extended family units.

**Racial discrimination and economic inequality are interconnected.** The economic features of the Bay Area’s housing crisis are well documented: stagnant wages particularly for the lowest paid workers in a high-cost, low vacancy housing market. The racial equity focus groups show that the impact of structural racism in homeless people’s lives—mass incarceration, barriers to education, and adverse health impacts to name a few—makes it difficult to increase income. This awareness supports system design recommendations including shallow subsidies and deeply affordable housing targeted to people who need a little, or a lot, of help making up the difference between income and rent. As well, the housing interventions in the model are linked to the household’s income rather than a fixed length of participation in the program. Where time-limited interventions appear in the model, they frequently include a more deeply subsidized backstop.

**Black and Indigenous people continue to be viewed as “high risk” tenants in the housing market.** The race equity working group heard that race-neutral housing application requirements form barriers to accessing housing that disproportionately impact Black and Indigenous people. These include, but are not limited to, credit histories, bank account information, and extended residential histories. As a result, the homeless housing crisis response system must approach “document readiness” and other application requirements as race equity issues and work to lower systemic barriers in crisis and permanent housing programs.

**Homeless housing programs participate in the dis-
placement of low-income communities of color from Alameda County.** The race equity focus groups affirmed the point in time count survey finding that homeless people have ties to the communities where they experience homelessness. Many reported growing up or raising children in the communities where they are homeless now. At the same time, the high cost of housing means that, like many low-income households, homeless housing programs increasingly cannot find affordable housing opportunities in Alameda County. This dynamic disproportionately displaces Black, Indigenous, and other households of color. The racial equity analysis argues that it is critical to have homeless permanent housing resources in every city and throughout Alameda County.

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If I am going to pay rent, I can’t eat or buy gas. It’s hard. On $2,000 you can’t make it. You need $3,500 because rent is $1,800 or more. You need to work 3 jobs and sell peanuts on your lunch break.

—Participant 14, African American man, aged 50–64

**Low-income does not mean high service needs.** While the link between homelessness and poor health is well documented, it should not be equated with intensive support service needs. A third of homeless households in Alameda County report no physical or mental health conditions, but nearly 75% have monthly incomes that are less than one thousand dollars. Participants in the race equity focus groups looked forward to living independently in housing they could afford, without intensive—or invasive—case management. For this reason, the system models recommend new forms of housing subsidies designed for formerly homeless people who need few or no ongoing supports.
PROGRAM MODEL RECOMMENDATIONS
The Racial Equity Impact Analysis (REIA) findings transformed the homeless response system design in Alameda County. One place the influence of the REIA can be seen is in the program and system process recommendations. The program models describe the optimal structures, staffing ratios, and practices that will contribute to a more equitable homeless housing crisis response. Funders and providers should look to the program models as a template for program development, contracting, monitoring, and performance evaluation. The full program models can be found in Appendix C and Appendix D of the full report. Common guidelines that underpin the transformative vision of equitable programs include:

- All staff working in the housing crisis response system are trained to understand structural racism and the barriers it imposes to maintaining housing in Alameda County. Staff are trained to recognize the roots of homelessness in discrimination, racism, and political choices, rather than individual choices and personal responsibility.
- All program information (website, outreach materials, etc.) is translated into County threshold languages.
- All program information is disseminated at strategic community touch points where those least likely to be connected to services may frequent. Such sites include churches, corner stores, neighborhoods, schools, places of employment.
- Recruitment and hiring processes for staff positions at all levels ensures diverse racial, ethnic, and linguistic representation.
- Programs include a portion of staff who have experienced homelessness.
- Staff are trained in trauma-informed care and harm reduction.
- Client choice is honored and respected in all programs and centers. Housing assistance is client-driven and helps locate housing opportunities that fit the client’s needs (near job opportunities and family/social networks, etc.)
- Programs and staff will work to build on client assets, such as culture, religion, talents, and skills.

Households will need different combinations of equitable programs to end their homelessness. These combinations of interventions are called “pathways.” While one household may use only prevention, another may need both emergency shelter and permanent supportive housing; and a third needs transitional housing, rapid re-housing, and a shallow subsidy. For this reason the models anticipate that some households will use more than one program or intervention to end their homelessness. The interventions included in the pathways are briefly summarized below. Because households may use more than one intervention, the proportions in the definitions below will not add up to 100%.

**Homeless Prevention/Rapid Resolution.** Immediate services intervention to prevent or quickly resolve homelessness for households who otherwise would have become homeless. Based on the REIA, homeless prevention and rapid resolution are available more than once in a lifetime and include short-term and ongoing supports. Prevention and Rapid Resolution make up 20% of permanent housing exits for households with only adults and 10% of permanent housing exits for households with minor children.

**Crisis Response.** Temporary lodging to provide for the safety and immediate needs of individuals and families experiencing literal homelessness. Literal homelessness describes people living in shelters or in places not meant for people to live like cars, streets, abandoned buildings, or tents. Crisis Response programs include emergency shelters and transitional housing programs. Crisis Response programs will serve 58% of households with only adults and 90% of households with minor children.

**Transitional Housing for Youth.** Time-limited housing with services to stabilize participants and prepare them for exit to permanent housing. The average length of stay in Transitional Housing is 18 months and reserved for young adults aged 18-24. Transitional Housing for Youth will serve 2% of households with only adults.

**Shallow Subsidy.** Ongoing rent assistance with no or limited services. A new program type, shallow subsidies are responsive to findings from the REIA. Shallow subsidies will serve 13% of households with only adults and 40% of households with minor children.
**Rapid Re-Housing.** Support with move in costs and a temporary subsidy to help households stabilize in housing before assuming the full rent themselves. In the system model Rapid Re-Housing will help 13% of households with only adults and 60% of households with minor children.

**Permanent Supportive Housing.** Deeply affordable permanent housing for individuals and families with a long history of homelessness and a disability. In the system model, PSH ends homelessness for 16% of households with only adults and 10% of households with minor children.

**Permanent Supportive Housing-Senior Units.** Deeply subsidized permanent housing with intensive services designed for seniors to support aging in place. In the system model PSH Senior Units will help 10% of households with only adults.

**Dedicated Affordable Housing.** Housing affordable to extremely low-income households experiencing homelessness with few ongoing support service needs. This new program type is responsive to findings from the REIA. In the model, dedicated affordable housing will end homelessness for 28% of households with only adults and 30% of households with minor children.

**INVENTORY RECOMMENDATIONS HOUSEHOLDS WITH ONLY ADULTS**

Households with only adults make up 91.4% of all households experiencing homelessness according to the 2019 Point In Time Count. An estimated 12,005 households with only adults experience homelessness in Alameda County each year. The diagram below illustrates the resource pathways that will be available in an equitable and high functioning homeless housing crisis response system to effectively end homelessness for households with only adults.

While some homeless households will stay in Emergency Shelters and Transitional Housing programs before becoming permanently housed, the homeless housing response system in Alameda County expects to directly connect unsheltered homeless households to permanent housing without a stay in shelter. Unsheltered households will benefit from crisis services including, but not limited to street outreach, mobile health clinics, laundry, showers, and meal programs. The dashed lines represent pathways for unsheltered households and the solid lines represent pathways for sheltered households. The model presumes that roughly 10% of households with only adults will either “self-resolve” their homelessness by accessing personal resources or losing touch with the homeless crisis response system.

Realizing this model will require first leveling up the existing homeless resource inventory by adding additional capacity to the interventions shown in orange.
(where there is limited inventory) and red (where there is extremely limited inventory). Exact numbers of additional units and the cost of leveling up can be found in the full report. It should be noted that this diagram is based on pre-COVID-19 inventory numbers. The COVID-19 pandemic has necessitated serving fewer households with the existing shelter stock while at the same time adding shelter capacity, such as the hotel rooms made available through Project Roomkey. In fact, at the writing of this report the number of households served in shelter at a point in time has increased.

The increase in shelter capacity intensifies the message in the pathway chart: the greatest areas of need in the Continuum of Care are for permanent resources, specifically Shallow Subsidies, Permanent Supportive Housing, Dedicated Affordable Housing, and PSH-Seniors. The current homeless system has too few permanent housing resources in comparison with its Crisis Response inventory, such as emergency shelters. Continuing to add crisis beds without developing pathways to permanent housing will not end or even decrease homelessness. This does not mean that the homeless response system has all the Crisis Response resources it will ever need to end homelessness. Instead, Leveling Up the homeless response system by bringing all its resources into proportion with the existing Crisis Response inventory will generate flow through the system and enable the existing Crisis Response resources to function better.

This recommendation is consistent with findings in The EveryOne Home Plan to End Homelessness: 2018 Strategic Update, City of Berkeley’s 1,000 Person Plan, and the City of Oakland’s Permanent Access To Housing (PATH) Strategy.

Once the homeless response system for households with only adults is proportionately aligned with the model, then the entire system can be brought to a scale capable of addressing the population of homeless households with only adults. The chart shows the package of homelessness prevention, crisis response, and permanent housing resources needed to serve each additional 100 homeless households with only adults. Some of the inventory will serve multiple households. For example, each emergency shelter slot will serve 4 households each year for 3 months each, a combined total of 48 households annually. As well, the model plans for some households to use more than one intervention. For these reasons the inventory will not add up to 100. The cost values were estimated by a working group of funders and service providers. Cost estimates include administrative costs of both funders and subcontractors. Multi-year estimates include a 3% cost of living adjustment compounded year after year. This package of resources describes the interrelationship between the homelessness prevention, crisis response, and permanent housing resources. New resources are not modular components. An equitable
and effective homelessness response requires that planners, funders, providers, and elected leaders develop a coherent system of interrelated pathways. Investments in crisis response must be accompanied by permanent housing resources for the system to achieve flow and perform at a higher, more equitable level.

**INVENTORY RECOMMENDATIONS FOR HOUSEHOLDS WITH MINOR CHILDREN**
Households with minor children make up 7.5% of all households experiencing homelessness according to the 2019 Point In Time Count. An estimated 985 households with minor children experience homelessness each year. The diagram below illustrates the resource pathways that will be available in an equitable and high functioning homeless response system to effectively end homelessness for households with minor children. Although the number of unsheltered households with minor children is not insignificant in Alameda County, the working group on Households with Minor Children began from the premise that homeless households with minor children would use shelter or transitional housing if those crisis programs are carefully calibrated to the needs of families. Like the model for households with only adults, this model presumes that 10% of households “self-resolve” their homelessness or lose contact with the system.

Bringing this model into being will require first leveling up the existing homeless resource inventory by adding additional capacity to the interventions shown in orange (where there is limited inventory) and red (where there is extremely limited inventory). It should be noted that this diagram is based on pre-COVID-19 inventory numbers. The COVID-19 pandemic has necessitated serving fewer households with the existing shelter stock while at the same time adding shelter capacity, such as the hotel rooms made available through Project Roomkey. At the writing of this report the number of households with minor children served in shelter at a point in time has remained consistent with pre-pandemic capacity.

This means that Shallow Subsidies, Dedicated Affordable Housing, and Permanent Supportive Housing continue to be the areas of the system that are most in need of investment. The model plans for an initial surge in Permanent Supportive Housing resources during the leveling up phase to quickly end homelessness for the households with minor children with the longest lengths of time homeless. Exact numbers of additional units and the cost of leveling up can be found in the full report.

The current homeless system has too few permanent housing resources for households with minor children in comparison with its inventory of crisis response resources for these same families. Continuing to add crisis resources like emergency shelter without creating pathways to permanent housing will not end or even decrease homelessness. Building up the permanent resource inventory in proportion with crisis response inventory will create pathways out of homelessness for households with minor children and result in a more efficient system.
Once again, bringing the homeless response system to scale requires adding capacity in the proportions of the system models. The chart above shows the package of prevention, crisis response, and permanent housing resources needed to serve each additional 100 households with minor children. Some of the inventory will serve multiple households. For example, each emergency shelter slot will serve 4 households each year for 3 months each, serving a total of 88 households annually. Additionally, some households will use more than one intervention; for instance, the model plans that some households may not be successful in Rapid Re-Housing and therefore makes available a shallow subsidy backstop. Finally, the chart takes into consideration that some households will be prevented from becoming homeless or self-resolve their homelessness without permanent housing units or vouchers. For these reasons, the number of slots needed will not add up to 100. The cost values were estimated by a working group of funders and service providers. They include administrative costs of both funders and subcontractors. Multi-year estimates include a 3% cost of living adjustment compounded year after year.

This package of resources describes the interrelationship between the homelessness prevention, crisis, and permanent housing resources. For the system to effectively end homelessness, new resources cannot be added as pick-and-choose modular components. Instead, as planners and funders, the Continuum of Care, Alameda County, cities, and philanthropies must invest in the combined package of resources to produce a coherent system that performs at a higher level.

**PROJECTED CHANGES IN HOMELESSNESS WITH AND WITHOUT ADDITIONAL INVESTMENT**

Significant investment in homeless housing and crisis response that aligns with the model will allow the system of care in Alameda County to “turn the curve” or bend the trajectory of homelessness. Without a significant increase in investment, the Continuum of Care should expect to double the number of people experiencing homelessness within 5 years. Similarly, moderate investment or selective investment in some parts of the system and not others will result in a sharp increase in the number of people experiencing homelessness.

Only significant ongoing investment that is made in alignment with interventions in the model will result in a more efficient and equitable homeless housing crisis response. In addition to the rate of investment, two variables will shape the impact of the investment: the rate of inflow into homelessness, and the rate of returns to homelessness from housed living situations. The scenario below is based on relatively favorable inputs:

- Investing at a high rate in the models, particularly by creating Permanent Supportive Housing, Dedicated Affordable Housing, and Shallow Subsidies.
- Slowing the rate of inflow into homelessness, which
The work of developing a racially equitable and effective homeless response system is beginning. Bringing racial equity into the fabric of homeless system planning is a critical innovation. And, it will take ongoing effort and determination to put racial equity at the center of every aspect of the homeless response system. As a starting place, the Continuum of Care is committed to disaggregating performance outcomes by race. Consistently disaggregating performance outcomes by race will help the CoC identify and respond to racial disparities and evaluate progress toward a racially equitable system. As well, stakeholders can begin implementing the program model recommendations, which are deeply informed by the Racial Equity Impact Analysis. The structures and practices in the program models can be developed into policies, incorporated into contracts, and measured using the Results Based Accountability (RBA) framework. In short, the racially equitable and effective homeless response system that is the goal of this report is best understood as an ongoing set of actions. Making it a reality and keeping it going is critical work. That work starts now.

will depend upon societal changes in the racial discrimination and economic inequality that is mediated through the housing market.

- Decreasing in the rate of returns to homelessness, which depends upon the homeless housing crisis response system quickly becoming more effective in sustaining permanent housing exits.

Even under such favorable conditions, the chart shows that the Continuum of Care will see no measurable decrease in homelessness for two years as the system addresses the intensification of homelessness that has taken place over the past 5 years. Homelessness will begin to decrease in the third year of sustained and significant levels of investment. By the fifth year of this investment and inflow scenario, the homeless housing crisis response system described in the model will reach a state of efficiency—both in outcomes and cost—that is marked by responding to homelessness as it happens and a corresponding decreasing investment. This strategy will not only require substantial funding and favorable social conditions, but also demand political resolve.

It will take significant investment in housing resources to bend the curve of homelessness.

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<tr>
<th>Year</th>
<th>Number of Households Experiencing Homelessness</th>
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<tbody>
<tr>
<td>1</td>
<td>Current level of investment</td>
</tr>
<tr>
<td>2</td>
<td>Moderate investments not in alignment with system modeling recommendations</td>
</tr>
<tr>
<td>3</td>
<td>Significant investment in alignment with system modeling recommendations will make homelessness rare, brief and non-recurring</td>
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<td>4</td>
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<td>5</td>
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SOURCES


ACKNOWLEDGMENTS

EveryOne Home authored this report on behalf of the Continuum of Care, with co-author support on the Racial Equity Impact Analysis from Alameda County Public Health Department and Social Services Agency. Thank you, Jessica Shimmin, Alexis Lozano, Liz Maker, Tammy Lee, and Emile Durette.

Colleen Chawla, of Alameda County Health Care Services Agency, Mayor Libby Schaaf of the City of Oakland, and Doug Biggs, of the Continuum of Care Committee co-chaired and championed the Centering Racial Equity in Homeless Response System Design project.

The Office of Special Needs Assistance Programs at the Department of Housing and Urban Development supported this project through a generous technical assistance grant and embraced the community’s vision of infusing racial equity in system planning.

Abt Associates facilitated the modeling process with sharp analysis, beautiful graphics and an appetite for problem solving. Thank you, Joyce Probst MacAlpine, Stephanie Reinhauer, Puneet Kaur, and Meghan Takashima.

The following organizations participated in the Leadership Committee:

Abode Services
Alameda County Administrator’s Office
Alameda County District 1, Supervisor Haggerty’s Office
Alameda County District 2, Supervisor Valle’s Office
Alameda County District 3, Supervisor Chan’s Office
Alameda County District 4, Supervisor Miley’s Office
Alameda County District 5, Supervisor Carson’s Office
Alameda County Health Care Services Agency
Alameda County Housing and Community Development Agency
Alameda County Social Services Agency
All Home
ALL IN Alameda County Youth Action Board
Bay Area Community Services
Benioff Homelessness and Housing Initiative, UCSF
Berkeley Housing Authority
City of Alameda
City of Albany
City of Berkeley
City of Emeryville
City of Fremont
City of Hayward
City of Livermore
City of Oakland
City of San Leandro
Consumers of Homeless Services
Crankstart
EveryOne Home Leadership Board
Housing Authority of Alameda County
Housing Authority of the City of Alameda
Kaiser Permanente
Livermore City Council
Livermore Housing Authority
Mayor of Fremont, Lily Mei
Mayor of Livermore, John Marchand
Mayor of Oakland, Libby Schaff
Veteran Affairs Network Homeless Coordinator
Northern California VA
Oakland City Council
Oakland Housing Authority
Oakland-Berkeley-Alameda County Continuum of Care Committee
University of California San Francisco
Each of the following organizations contributed countless hours of staff time to develop the homeless system models in the working groups:

Abode Services
Alameda County Health Care Services Agency
Alameda County Housing & Community Development Agency
Alameda County Social Services Agency
Alameda Point Collaborative
All Home
ALL IN Alameda County
Bay Area Community Services
Berkeley Food and Housing Project
Building Futures
City of Alameda
City of Berkeley
City of Fremont
City of Livermore
City of Oakland
Covenant House
East Oakland Community Project
EveryOne Home Leadership Board
Family Violence Law Center
First Five Alameda County
Housing Consortium of the East Bay
LifeLong Medical Care
Oakland-Berkeley-Alameda County Continuum of Care
Roots Community Health Center
Ruby’s Place
Satellite Affordable Housing Associates
St. Mary’s Center
South Hayward Parish
Supervisor Carson’s Office
Supervisor Chan’s Office
UCSF Benioff Children’s Hospital Oakland
Youth Action Board

The Racial Equity Impact Analysis and this report would not exist without the steadfast support of the City of Oakland’s Office of Race and Equity, EveryOne Home Leadership Board, EveryOne Home staff on behalf of the Continuum of Care, Alameda County Health Care Services Agency’s Department of Public Health and Office of Homeless Care and Coordination, Alameda County Social Services Agency, and Alameda County Supervisor Wilma Chan’s Office.

Specific thanks to:
Ayanna Allen
Emile Durette
Darlene Flynn
Sandi Galvez
Mara Goby
Laura Guzman
Tammy Lee
Alexis Lozano
Liz Maker
Andrew Nelson
Susan Shelton
Jessica Shimmin
Sarah Ting

The following organizations recruited persons with lived experience of homelessness for the Racial Equity Impact Analysis Focus Groups:

ALL IN Alameda County Youth Action Board
BANANAS
Bay Area Community Services
City of Livermore
Intertribal Friendship House
Open Heart Kitchen
ROOTS Community Health Center
St Mary’s Center

The City of Oakland, Alameda County Department of Public Health, and Alameda County-Oakland Community Action Partnership, City of Livermore, Open Heart Kitchen and CityServe provided food and compensation for the focus group participants with lived experience of homelessness.

Deep and humble thanks to the people with current or former experiences of homelessness for sharing your stories in the focus groups. Your insights are the foundation of this plan.
For more information and to read the full report, please visit everyonehome.org.