

## Care not Cash homeless policy

**Country:** USA

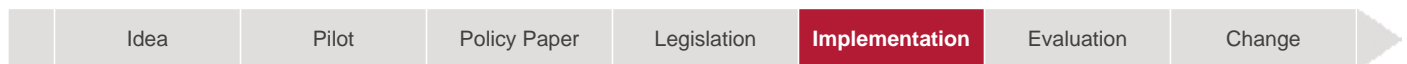
**Partner Institute:** Institute for Global Health (IGH), University of California Berkeley/San Francisco

**Survey no:** (4)2004

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**Health Policy Issues:** Public Health, Benefit Basket, Access

**Current Process Stages**



### 1. Abstract

San Francisco has begun implementing a new homeless policy that will replace cash payments with in-kind services for homeless adults. The in-kind services will include shelter and supportive services such as substance abuse and mental health counselling. Supporters contend the new program will help chronically homeless adults transition off the streets, while opponents argue that the program is unfairly punitive.

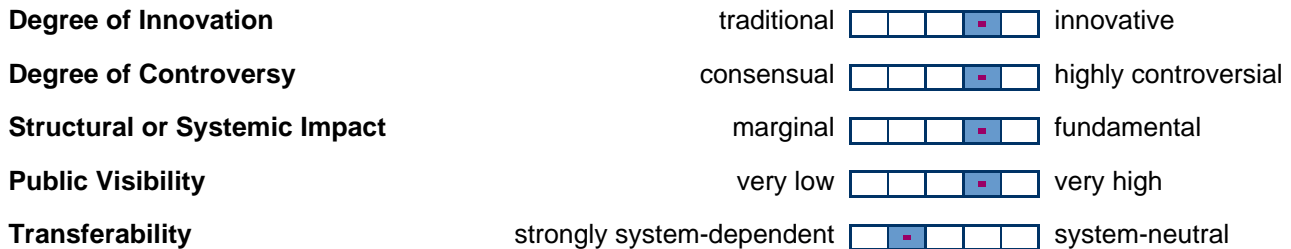
### 2. Purpose of health policy or idea

During the survey period April 2004-October 2004, the city and county of San Francisco began implementing a new homeless policy known as Care not Cash. Care not Cash aims to combat the chronic homeless problem in San Francisco by cutting cash payments and instead offering in-kind services to homeless adults. These services include guaranteed housing with on-site access to supportive services including mental health counseling and substance abuse treatment. Because the policy addresses both the need for food and shelter and also the array of mental health and substance abuse problems that prevent many chronically homeless adults from transitioning off the streets, Care not Cash supporters believe it has the potential to make significant headway on a problem that has stubbornly resisted all previous policies designed to combat it. A secondary aim of Care not Cash is to combat fraud and ensure that available resources are directed at those most in need in the most effective manner possible.

The incentive for homeless individuals is the promise of stable housing, and the potential for access to drug and alcohol counselling and mental health services. Rising real-estate costs in the city in recent years have meant that even with relatively high cash assistance, homeless individuals were unable to afford housing at market rates. For businesses and other city residents, reducing visibly chronic homeless problem in the city will likely have a positive effect on the business climate and tourism. Also, by ensuring greater access to preventative mental health and substance abuse services, the city avoids the high costs of acute mental health care and incarceration for homeless adults.

The plan will affect the approximately 2,800 homeless adults in the city and county of San Francisco not in family units that have up until this point received cash payments through the city's four adult assistance programs (2002 figures). This figure represents about 34% of the estimated total homeless adult population in San Francisco and does not include children, youth, or families in transitional housing. The remaining 66% of the homeless population, which does not receive cash assistance, may be affected as those in the Care not Cash program are given priority for emergency and more permanent city housing, and those not in the program are displaced.

### 3. Characteristics of this policy

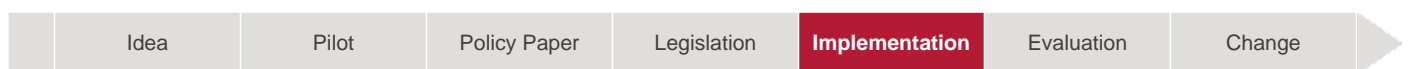


### 4. Political and economic background

Nationally, the Bush Administration's top advisor on homelessness, Philip Mangano, has pushed for an emphasis on ending "chronic homelessness" by increasing supportive housing. This has meant that more federal money has been made available (or is projected to be made available) for programs that embrace strategies to combat homelessness that incorporate supportive housing. Opponents of the strategy worry that an exclusive focus on chronic homelessness ignores (and denies services to) those on the edges of poverty, and will in fact increase the numbers of people mired in homelessness.

Locally, Care not Cash is being worked into a larger 10-year plan to address chronic homelessness in the city of San Francisco. The 10-year plan that is being drafted by a coalition team of business interests, social services providers, and city officials. The process of working together to draft the plan has tended to unite these normally combative groups, although skeptics remain. As Care not Cash begins to take effect, the spirit of cooperation engendered by the 10-year plan committee may help smooth the road towards implementation.

### 5. Purpose and process analysis



#### Origins of health policy idea

The Care not Cash initiative was introduced to the San Francisco County Board of Supervisors in 2002 by then-supervisor Gavin Newsom. The policy aimed to drastically change the way the city administered aid to homeless adults, in the hopes of making headway in a problem that has remained stubbornly entrenched in the city for over 20 years. The initiative was driven by the depth of the problem of chronic homelessness in the city, the failure of extant policies, the success of other counties that had undertaken similar reforms, and also by Newsom's vision and desire to make his mark on city politics before making a successful bid for mayor of San Francisco in 2003.

Estimates vary as to the exact numbers, but the seriousness of the homeless problem in San Francisco is clearly visible to any resident or tourist walking through the city's downtown area. The 2002 homeless count report from the Mayor's office listed 8,640 persons as homeless, 954 of who were families, women or children in shelters or transitional housing and 7,686 of who were homeless adults not in family units. Other estimates put the number

between 8,600 and 15,000 homeless people, 3,000 of which are estimated to be "hard core" homeless (SF Chronicle, May 3, 2004). Many of the "hard core" homeless people have significant substance abuse and mental health problems that make it very difficult for them to function. The Coalition on Homelessness of San Francisco estimates that 25% of homeless people have a physical disability, 30-40% have a psychiatric disability and 30-60% of homeless people have an alcohol and/or other drug-related disability.

The problem has only grown over the last 20 years, despite repeated (and failed) efforts to tackle the issue. The centerpiece of the homeless relief plan has been the county's cash-relief benefits program, which is the most generous in the state. Critics of the city's programs argued that the high cash payments were drawing indigent people from other counties to the city, increasing the burden on San Francisco. They also contended that cash without supportive services to help homeless people overcome substance abuse and mental health problems was not enough to enable the transition off the streets. Extremely high housing costs and a slumping economy have diminished the benefit of even the relatively high cash payments in recent years.

Many of these critics pointed to the success of surrounding counties in transitioning from a cash benefits to a services-in-kind model of relief for the homeless. In neighboring Alameda county, for example, \$336 monthly checks were exchanged for an offer of supportive shelter, food stamps and \$19 a month. If recipients refused services, they received \$28/month. Recipients also received phone calls checking to make sure they were sticking with their treatment programs. The county's welfare rolls dropped from 2000 to 200. In Sacramento county, cash payments were drastically reduced and homeless adults were placed in shelters with meals, supportive services and \$15/month. Approximately 120 individuals use the shelters in a given month. Other large cities such as Chicago and New York routinely offer in-kind services instead of cash payments, however, San Francisco's powerful homeless lobby has resisted such policies.

Homeless policy in San Francisco is controlled by the city's Board of Supervisors. The 11-member elected board is notoriously plagued with conflict and gridlock, despite the relative ideological homogeneity of the constituents they represent. When then-Supervisor Gavin Newsome proposed the Care not Cash initiative, it was met with great resistance by the members of the strongly liberal Board, who were suspicious of Newsoms' reputation as a pro-business politician with wealthy and influential backers. The board refused to pass the Care not Cash initiative. However, Newsom refused to be deterred and managed to put the initiative before the voters. The initiative proved to be hugely popular at the ballot box, passing with nearly 60% of the vote.

Many contend that the timing of Newsom's proposal was influenced by his political ambitions; That is to say, when then-Supervisor Newsom began to consider running for mayor, it was clear that he needed to have a solid policy accomplishment under his belt, and the perennial problem of homelessness was where he focused his efforts.

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### Stakeholder positions

Then-supervisor Newsom was the plan's strongest champion. However he was able to garner significant support from the business community and the San Francisco electorate, as evidenced by the strong performance of the initiative at the ballot box.

Opponents of the measure included homeless advocates, a powerful constituency in San Francisco politics. The opposition was led by the Coalition on Homelessness, a group that brings together homeless, formally homeless and front-line social service workers to advocate on homeless and poverty public policy issues. This and other advocacy groups argued that the city lacks sufficient housing and support services for those that will lose their cash benefits, and that reducing cash payments will not reduce, and may even exacerbate substance abuse and crime among the homeless population. They assert that the homeless are being unfairly punished, and argue the program is taking away the freedoms of homeless adults. The group supports a broader approach to combat homelessness, including affordable housing, living wage, and other broad based social changes.

The groups all weighed in during the public hearings for the Board of Supervisor deliberations. When the initiative was sent to the voters in November 2002, stakeholder groups participated in heavy lobbying around the initiative ("measure N").

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Francisco, which is being drafted by a coalition team of business interests, social services providers, and city officials. The process of working together to draft a 10-year plan has tended to unite these normally combative groups, although skeptics remain. As Care not Cash begins to take effect, the spirit of cooperation engendered by the 10-year plan committee may help smooth the road towards implementation.

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### **Influences in policy making and legislation**

The Care not Cash initiative was introduced by then-Supervisor Gavin Newsom to San Francisco Board of Supervisors in 2002. Newsom was unable to garner sufficient support from the strongly liberal board to pass the initiative. He then took the proposal to the voters in November 2002. The Care not Cash ballot initiative, known as Proposition N, passed with nearly 60% of the city voting in favor.

Measure N was then challenged in California Superior court, with the plaintiffs arguing that only the Board of Supervisors, and not the voters, had the authority to determine how General Relief (cash benefits for the indigent) were administered. The court ordered the city to abandon Care not Cash and implement an alternate plan that would have taken away less money. However, a higher court overturned the ruling just before implementation was set to begin, and Care not Cash was reinstated.

Legislative outcome

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### **Adoption and implementation**

The department of human services is in charge of co-ordinating program implementation. The city must procure additional housing in which to place Care not Cash clients. Estimate's vary as to how much additional housing will be necessary, but the city, which currently has 2,500 supportive housing rooms (1,000 administered by the city and 1,500 administered by non-profit groups), hopes to add 939 additional supportive housing units by the end of 2004. A 10-member outreach team has been assembled to help bring long-time homeless adults into the system.

Care not Cash will be implemented gradually. As of May 2004, if welfare office workers have a shelter bed or permanent room available, the homeless recipient will be offered a room (for which the city will pay the rent for the whole month) and a reduced check for \$59. The recipient may decline the room, but will receive a reduced check either way. This offer will, at first, only be made to those who have been on a waiting list for housing, or during semi-annual case-management visits; all other homeless welfare recipients will maintain their current levels. As more housing becomes available, more people will be offered rooms and reduced payments until no one is receiving the large checks anymore.

The 2004 county budget, authored by Newsom and amended and approved by the board of supervisors, supports the full implementation of Care not Cash. Nearly \$11 million formally used for cash grants will be redirected to fund housing and services, and the budget projects 600 additional supportive housing units will be purchased in the upcoming fiscal year. The budget also expands the 24-hour shelter program, and reallocates funds for the street outreach workers team.

Affected first by the program will be those who are new to the system, those coming off housing waiting lists, and those whose 6-month case management visit comes up. In the first 3 months of Care not Cash, the number of homeless adults receiving cash assistance dropped from 2,175 in May to 1,412 in August. More than 500 adults simply dropped out of the welfare system (city officials assert this is because they are not residents of San Francisco county), and 176 had been placed in city housing, most often a residential hotel with social and health services on site.

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### **Monitoring and evaluation**

Although a number of registries exist that can provide information on program usage, there is no explicit mechanism for formal monitoring and evaluation of this policy.

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## 6. Expected outcome

The Care not Cash policy has great potential to make a significant difference in the problem of chronic homelessness in the city and county of San Francisco. If the city is able to develop and sustain sufficient supportive housing, the access to shelter, counselling, and mental health and substance abuse treatment will be invaluable in helping chronically homeless individuals transition off the streets.

Moreover, the imposition of preventative services may well save the city money that can be used for expanding the Care not Cash program; for example, according to the State Department of Alcohol and Drug Problems, every dollar invested in substance abuse treatment saves an estimated \$7 dollars in other expensive public services including police enforcement, jailing, and social services. (CA Drug Treatment Assessment, commissioned by the State Department of Alcohol and Drug Programs, 1994)

Although the mechanism has been tried in other cities, this policy of in-kind services instead of cash payments represents a radical departure from the status quo in San Francisco. Because of strong lobbying from the powerful homeless lobby, the city is under a great deal of pressure to ensure that supportive housing units are added, and that services offered are humane and effective. In a city where strong advocacy groups at odds with each other often slow or stall policy change, the level of cooperation that has been achieved on Care not Cash is both impressive and hopeful, giving reason to believe that the city may finally be making progress on the problem. There is also the potential for obtaining Federal money as Care not Cash is worked into the city's ten-year plan on homelessness.

An area of concern with Care not Cash is that the focus on the most visible part of the problem, the chronically homeless, means that resources for supportive services are diverted from those at the edges of poverty. Access to the improved supportive services may be denied to the 60% of the homeless population that was not receiving cash payments. Some opponents of the policy also worry that crime will increase as those who are denied their cash payment and reject supportive services will turn to crime to support drug habits.

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## 7. References

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