CITY OF FAIRFIELD
Founded 1856 - Incorporated December 12, 1903

CITY MANAGER'S OFFICE

October 5, 2022

Honorable Wendy G. Getty
Presiding Judge of the Superior Court
Solano County Superior Court
600 Union Avenue
Fairfield, CA 94533

SENT VIA EMAIL

Re: City of Fairfield Response to 2021-2022 Grand Jury Report Entitled: Shelter Solano, Inc.: A Review of its First Three Years Operating an Emergency Shelter in Solano County

Honorable Judge Getty:

The following is the City of Fairfield's response to the above-mentioned Grand Jury Report which was approved by the City Council on October 4, 2022:

Finding 1 – *"Shelter Solano, Inc.'s lack of unrestricted funding prevents the shelter from operating at capacity."*

City Response F1: The City agrees with the finding.

Recommendation 1A: "*Local agency partners associated with Shelter Solano, Inc. must assist in acquiring funding streams that increase the number of unrestricted beds."*

Recommendation 1B: *"Local agency partners adopt a regionalized service delivery and funding model that does not restrict bed usage based on a bed-night rate agreement with the county and/or donor city, but rather allows access to beds based on client need regardless of the city of origin and works toward reducing the number of homeless living on the streets."*

City Response R1A & R1B: The recommendation has not yet been implemented. The City, along with regional partners of the CAP Solano Joint Powers Authority (CAP Solano JPA), including staff from the cities of Vacaville, Suisun City, Benicia, Vallejo, and the County of Solano began discussions in 2021 with SHELTER Solano, Inc. to modify the funding plan and transition away from 'per bed' rates. The City of Fairfield anticipates this will be complete when the facility is fully converted as part of a Regional Navigation Center Plan in 2022 – 2023.

Finding 2: "*The Solano County Civil Grand Jury found it difficult to track money and funding between SHELTER, Inc., and Shelter Solano, Inc. Often, the names of the two entities are used interchangeably. It is unclear which funding sources are specifically awarded to Shelter Solano, Inc. and which funding sources are awarded to SHELTER, Inc."*

City Response F2: The City partially disagrees with this finding. For the most part, after a comprehensive review, the City of Fairfield finds our contracts clear in designating which legal entity, either SHELTER, Inc. or SHELTER Solano, Inc., receives funding for the services subject to the individual contracts. However, our review of all contracts found a Community Development Block Grant (CDBG) funding agreement, dated July 1, 2021, for $50,000, was confusing. The Subrecipient was identified as SHELTER, Inc., who was "responsible for administering the SHELTER Solano, Inc." program. Under Exhibit F of the agreement, SHELTER, Inc. was again named as subrecipient, but the Duns and Bradstreet number provided identified SHELTER Solano, Inc.

Recommendation 2: "Local agency partners establish a transparent system of tracking and reporting funds that clearly differentiates between SHELTER, Inc. and Shelter Solano, Inc."

City Response R2: The City will implement tighter internal controls to ensure funding agreements with SHELTER Inc. and SHELTER Solano provide a clear delineation of services moving forward.

Finding 3: "*Confusion exists in the Solano community regarding what services and/or programming in Solano County is provided by SHELTER, Inc. and what is provided by Shelter Solano, Inc."*

City Response F3: The City agrees with the finding. The City of Fairfield provides no transparent way for the community to review what services are provided by the various agencies and from what funding sources.

Recommendation 3: "*Local agency partners work together to develop and implement transparent reporting of services and programming that clearly differentiates between those provided by SHELTER, Inc. and those provided by Shelter Solano, Inc."*

City Response R3: The recommendation has not yet been implemented. By January 2023, the City will create a summary of contracts for services provided by SHELTER, Inc., SHELTER Solano, Inc., as well as other services providers providing homeless services in Fairfield. The City further commits to working with CAP Solano JPA to create and maintain a public report to be located on the CAP Solano JPA website that will provide a list of all CAP Solano JPA and

Continuum of Care (CoC) funded agencies, the amount of funding received, what the funding is to be used for, and subsequent outcomes.

Finding 4: *"The Solano County Civil Grand Jury found it unclear which funding sources awarded to SHELTER, Inc, are specifically assigned to Shelter Solano, Inc., and which funding sources were awarded to SHELTER, Inc. to provide services in Solano County."*

City Response F4: The City partially disagrees with this finding. Please see the City's response to Finding 2 for specific detail.

Recommendation 4: *"Local agency partners work with SHELTER, Inc. and funding providers to establish a more transparent and reconciliation method to clearly disclose which funding sources they receive specifically for Shelter Solano, Inc. and which funding sources SHELTER, Inc. receives that are earmarked for SHELTER, Inc. to provide services in Solano County."*

City Response R4: This recommendation has not yet been implemented. See the City's response to Recommendation 3 for further detail.

Finding 6: "*Despite improved collaboration between the service providers, funders, municipal government, and county, there remains a lack of an overall leadership role/authority."*

City Response F6: The City agrees with this finding. The newly restructured CAP Solano JPA will be the central coordinator of services and funding, providing a countywide, centralized agency for establishing and distributing necessary resources. This restructuring is expected to be complete in the fall of 2022.

Recommendation 6 A: *" Overall leadership with authority to address homelessness is required to provide direction, ensure timely coordination of services, demand accountability, and liaison with the community."*

City Response R6A: The recommendation has been implemented. The CAP Solano JPA has been reformed to take a leadership role to address homelessness.

Recommendation 6 B: "All stakeholders request the county provide the leadership, authority, and accountability to ensure timely coordination of services delivered in the most efficient, effective manner."

City Response R6B: The recommendation has been implemented. The CAP Solano JPA has been reformed to take a leadership role to address homelessness.

Finding 8: *" The public is unaware of the volume of money coming into Solano County to address the homeless issue."*

City Response F8: The City agrees with this finding.

Recommendation 8: "CAP Solano, JPA should create a dashboard disclosing the money coming into Solano County; how it is used, by whom, and their return on investment (program outcomes)."

City Response R8*:* This recommendation has not yet been implemented but will be implemented in the future. The City, through our role with CAP Solano JPA, can raise the recommendation to create a dashboard, but as one member of the JPA cannot independently control the timing for the creation of a dashboard.

Finding 10: "Lack of housing makes it difficult for individuals to successfully graduate out of Shelter Solano, Inc. into permanent housing as required by the Housing First Delivery Model used in Solano County."

City Response F10: The City agrees with this finding.

Recommendation 10 A: " To successfully address homelessness in Solano County requires that the county and cities work together to secure housing in their respective communities."

City Response R10A: The recommendation has not yet been implemented but will be implemented in the future. The timeframe for implementation is many years given the complexity and resources required to develop affordable housing.

Recommendation 10 B: *" Engagement and education of the general public around homelessness is required to gain the public's understanding, trust, and input in supporting the county's homeless residents."*

City Response R10B: The recommendation has not yet been implemented but will be implemented in the future. By June 2023, the City of Fairfield will provide more information on our website to educate the general public around homelessness.

Finding 11: *"Ongoing delays in the completion of the dining hall has impacted Shelter Solano, Inc.'s ability to operate at capacity and contributes to the rising number of individuals living unsheltered."*

City Response F11: The City disagrees partially with this finding. The City agrees that delays in the completion of the dining hall have impacted SHELTER Solano, Inc.'s ability to operate at capacity. The City disagrees that this contributes to the rising number of individuals living unsheltered.

Recommendation 11: *"Continue working towards the projected June 2022 completion date to ensure Shelter Solano, Inc. can operate at full capacity."*

City Response R11: The recommendation has been implemented. The City worked with State Assemblymember Lori Wilson to secure $1.2 million in kitchen construction funding to complete the project.

Finding 12: *"Direct observation and feedback received during Shelter Solano, Inc. site visit revealed shelter maintenance has been neglected."*

City Response F12: The City disagrees partially with the finding as we do not know what the SCCGJ observed during their visit. The City is aware that in 2018 the previous operator was not providing ongoing maintenance due to a lack of funding and the property was severely neglected.

Recommendation 12 A: *"Adoption of a Regional Service Delivery model in Solano County that stabilizes funding to consistently meet operational needs."*

City Response R12A: This recommendation has not yet been implemented but may be implemented by the newly reformed CAP Solano JPA.

Recommendation 12 B: *"Scheduled maintenance becomes a high priority budget item as funding streams stabilize."*

City Response R12B: The recommendation has not yet been implemented fully, but SHELTER Solano has secured funding through grants and other sources to rehab the buildings and add the commercial kitchen, as well as provide for ongoing maintenance. Additionally, the Fairfield Community Services Foundation has provided volunteers and resources to update and improve the landscaping and children's play area, providing for a more welcoming and attractive site.

Finding 13: *"Direct observation, document review, and feedback during the Solano County Civil Grand Jury investigation revealed gaps in service delivery along the entire continuum of services."*

City Response F13: The City agrees with this finding.

Recommendation 13 A: *"The county secures a comprehensive independent assessment across the continuum of homeless services to include:*

- *leadership*
- *level of collaboration among stakeholders*
- *funding*
- *how services are accessed*
- *quality of services provided*
- *measurement of outcomes*
- *mechanism to ensure accountability*
- *transparency of reporting"*

City Response R13A: The recommendation will not be implemented because it is not reasonable. The City of Fairfield has no say over the County of Solano and therefore cannot implement any recommendations identified for the County.

Recommendation 13 B: *"The county develops a strategic plan that includes a timeline for the implementation of recommendations from the independent assessment in recommendation 13 A."*

City Response R13B: The recommendation will not be implemented because it is not reasonable. The City of Fairfield has no say over the County of Solano and therefore cannot implement any recommendations identified for the County.

Finding 14: *"A document review conducted by the Solano County Civil Grand Jury revealed discrepancies and inconsistent accounting and reporting practices among the entities providing services to the homeless in Solano County."*

City Response F14: The City disagrees partially with this finding. The City is not aware of all documents, and for what agencies, the Grand Jury reviewed and therefore cannot agree with the finding on face value. The City does agree that there are inconsistent reporting practices among agencies receiving funding from CAP Solano JPA and the Continuum of Care (CoC).

Recommendation 14 A: *"Entities use a consistent reporting mechanism for the awarding of funding to keep the community informed and assured that the money is being spent effectively and as intended."*

City Response R14A: The recommendation has not yet been implemented but may be

implemented by the newly reformed CAP Solano JPA.

Recommendation 14 B: *"County performs or hires a Forensic Accountant to perform a Forensic Audit on money being spent across the continuum of homeless services in Solano County."*

City Response R14B: The recommendation will not be implemented because it is not reasonable. The City of Fairfield has no say over the County of Solano and therefore cannot implement any recommendations identified for the County.

Please let me know if you have any questions.

Sincerely,

DAVID J. GASSAWAY
Interim City Manager

Attachment 1: Solano County Grand Jury letter dated 06/29/22
Attachment 2: 2021-2022 Grand Jury Report Entitled: Shelter Solano, Inc.: A Review of its First Three Years Operating an Emergency Shelter in Solano County

cc: Dawn La Bar, Homeless Services Manager

SOLANO COUNTY
CIVIL GRAND JURY

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June 29, 2022

Sent via email

Harry Price, Mayor
City Council, City of Fairfield
1000 Webster Street
Fairfield, CA 94533

RE: 2021-2022 Grand Jury Report Entitled: **Shelter Solano, Inc.: A Review of its First Three Years Operating an Emergency Shelter in Solano County**

Enclosed please find a copy of the above named report by the 2021-2022 Solano County Grand Jury. This report is provided to you **in advance of public release** as provided for in Penal Code §933.05(f). Please note that Penal Code §933.05(f) specifically prohibits any disclosure of the contents of this report by a pubic agency, its departments, officers or governing body prior to its release to the public, which will occur on **Tuesday, July 5, 2022**.

You are required to respond in writing to the Presiding Judge and to provide an electronic copy in pdf form to the Grand Jury regarding the Findings and Recommendations contained in the report pursuant to Penal Code §933.05. This section of the Penal Code is very specific as to the format of the responses. The Penal Code §933 (c) is also specific about the deadline for responses. You are required to submit your response to the Grand Jury by **Monday, October 3, 2022,** on signed letterhead. Each final report, together with the required responses will be filed with the clerk of the court and forwarded to the State Archivist for retention in perpetuity §933 (b). If no response is received from the agencies or elected officials a notation will be included on the filed report.

The electronic copy should be sent to the Grand Jury office at cdclower@solano.courts.ca.gov.

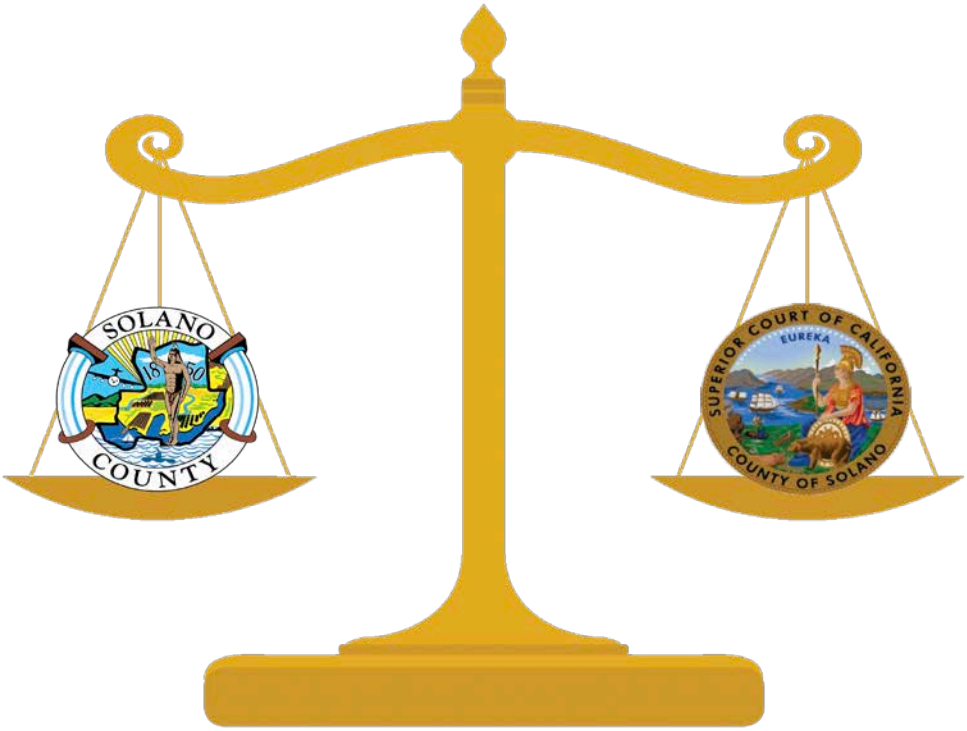
Responses are public records. Should you have any questions, please contact Cheryl Clower, Administrative Assistant to the Grand Jury at (707) 435-2575.

Sincerely,

Carl DuBois

Car; W. DuBois, Foreperson
2021-2022 Solano County Grand Jury

CWD/cdc



SOLANO COUNTY CIVIL GRAND JURY

2021-2022

Shelter Solano, Inc.

A Review of its First Three Years Operating an Emergency Shelter in Solano County

Shelter Solano, Inc.

A Review of its First Three Years Operating an Emergency Shelter in Solano County

Solano County Civil Grand Jury 2021-2022

I. SUMMARY

Civil Grand Juries are formed in each county in California as watchdogs to examine the operations of departments/entities receiving county funding. The information gathered is provided to the citizens of the county to keep them informed of where, and on what, their tax dollars are spent.

The Solano County Civil Grand Jury (SCCGJ) of 2021-2022 examined the issue of homelessness, and Shelter Solano, Inc.'s role in serving the homeless community. The SCCGJ's investigation found that Shelter Solano, Inc. is not currently operating at full capacity or meeting stakeholder (service providers, funders, government entities, and Solano County citizens) expectations. In addition, the SCCGJ identified many gaps along the continuum of homeless services, which prevent Solano County from effectively supporting those experiencing homelessness.

II. INTRODUCTION

Section 330(h)(5)(A) of the federal Public Health Service Act defines the term homeless individual as "an individual who lacks housing (without regard to whether the individual is a member of a family), including an individual whose primary residence during the night is a supervised public or private facility (e.g., shelters) that provides temporary living accommodations, and an individual who is a resident in transitional housing."

SCCGJ investigations in 2014 and 2016 related to homelessness in Solano County generated findings and recommendations calling for increased leadership, collaboration between agencies, and improved coordination of care. These needs were echoed in a 2019 Solano County Human Services Needs Assessment (Exhibit 1). The 2021-2022 Civil Grand Jury found that the recommendations were not addressed and the needs remain outstanding.

Community Goal: Reduce homelessness

Community Indicator	Scope and Scale	Gap/ problem to be addressed	Potential Program Strategies	Partners	Program Outcome Indicators
1232 Solano County individuals are homeless 1,793 Solano students are homeless	1232 homeless *(PIT count 2017)*	• Lack of coordination of efforts and resources between entities trying to address homelessness • Lack of provider and community understanding of how to respond/refer persons who are homeless or at risk of being homeless	1. Strengthen capacity to address homelessness a. Hire homelessness expert to clarify System of Care and maximize coordination efforts between county, cities, and CAP Solano JPA b. Contract an entity to seek funding, distribute funding, administer grants, and ensure compliance and renewal c. Continue to provide technical assistance to providers to increase the quality of care and coordination of care	• Cities • CAP Solano JPA • Housing First Solano • County Behavioral Health • Shelters • Health Care Providers • Workforce Development • Housing & Supportive Service Providers	• Homelessness expert hired • Fund development entity contracted • Increased amount of funding acquired • Percent of grants renewed • Increased calls to the Coordinated Entry system • Increased number of clients served by the Coordinated Entry system

Exhibit 1: Source - Solano County Health & Human Services Needs Assessment (Applied Survey Research)

The 2019 Point-In-Time (PIT) Count, a Housing and Urban Development (HUD) requirement identified 1,151 homeless individuals in Solano County. Of the 1,151 identified, 932 were unsheltered. The PIT Count has two components: sheltered and unsheltered. The sheltered PIT counts the number of persons who are in an emergency shelter or transitional housing. The unsheltered PIT counts the number of persons who are observed on the street.

Housing and Urban Development (HUD) defines an emergency shelter as "housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less. No individual or household may be denied emergency shelter because of an inability to pay." (See California Government Code § 65582, subd. (d) and Health and Safety Code § 50801, subd. (e).)

Note: Results of the most recent Point-In-Time Count, conducted in February 2022 are not available at the writing of this report.

A BIT OF HISTORY

Mission Solano Rescue Mission, a non-profit organization, was founded in 1998. The organization grew from a one-person operation in a donated office in Vacaville to the multi-million-dollar Bridge to Life shelter at 310 Beck Ave. in Fairfield. Mission Solano's mission was to "provide an economic and spiritual bridge for homeless/disadvantaged people striving to regain the basics of life and restoring hope in themselves and their future by achieving economic stability so that they are able to rejoin the community as productive participants." Mission Solano operated with great support from the community utilizing staff and volunteers to provide services. Accepting walk-in clients, Mission Solano reportedly had the capacity to serve up to 208 individuals, providing food, housing, and support to clients working to get on their feet and secure appropriate housing. Clients from all over Solano County utilized this shelter.

In April 2018, one year after the retirement of its founder, Mission Solano came to the City of Fairfield advising they were unable to meet payroll. In June 2018, Mission Solano filed for bankruptcy in the US Bankruptcy Court for the Eastern District of California in Sacramento, CA. According to tax filings, declining revenue, lack of private funding, $2.7 million in secured mortgage payments, and $1.2 million in payroll created a financial shortfall.

Bridge funding was provided by the Solano Coalition for Better Health with support from local hospitals, community organizations, and the City of Fairfield to keep the shelter operational until new shelter management could be selected.

This report focuses on Shelter Solano, Inc. which began operating the emergency shelter in January 2019. The shelter is located at 310 Beck Avenue on property owned by the Sheldon Family and leased to the City of Fairfield.

III. METHODOLOGY

Site Visit:

Shelter Solano, Inc., 310 Beck Ave. Fairfield, CA

Interviews:

Community Action Partnership Solano, Joint Powers Authority Board Member
Continuum of Care Board Member
County Board of Supervisors (Past and Present)
Fairfield City Management
SHELTER, Inc. staff
Shelter Solano, Inc. Advisory Council Member
Solano County Health & Social Services Department staff

Documents Reviewed:

Articles:

Daily Republic Article by Todd R Hanson published April 14, 2018 "*Healthcare Groups Pony up $100K to Keep Mission Solano Open"*

Daily Republic Article by Glen Faison published June 1, 2018 *"Mission Solano to file bankruptcy, shut down related nonprofit."*

Daily Republic Article by Staff Reporter published November 19, 2021 *"Shelter Inc. lands $5M to address homelessness."*

Daily Republic Article by Todd R Hanson published September 24, 2019 *"Vallejo, County Working on Navigation Center for Homeless"*

San Francisco Examiner Article by Carly Graf published October 2021 *"San Francisco's Broken Promise to Resolve Homeless Encampments*

Vallejo Times Herald Article by Richard Freedman published June 27, 2021, and updated June 30, 2021 *"Homeless in Vallejo: 'It's not going away'. As the effort continues, real progress is hard to find."*

Documents:

City of Fairfield Agenda Report to the Fairfield Housing Authority Chairman and Commissioners, dated January 15, 2019
Financial spreadsheets provided by Homebase
Financial spreadsheets provided by Shelter, Inc
Housing First in Permanent Supportive Housing Brief
H&SS Contracts with Shelter Solano, Inc., August 2018-July 30, 2021, Attachment A
IRYNA Accountancy Corp. Financial Statement & Independent Auditor's Report 6/2019
IRYNA Accountancy Corp. Financial Statement & Independent Auditor's Report 6/2020
Legal Services of Northern California Request for Information (RFI) Response

Mission Solano Rescue Mission Form 990 Tax Statements 2017-2019
Regional Navigation Proposed Program from the Homeless Services Manager, City of Fairfield
RFQ Fairfield Homeless Shelter Operator submission, Shelter Inc. dated August 2, 2018
Responses to Requests for Information (RFI)
Shelter Solano Management Plan, Approved Dec 7, 2018
Shelter Solano, Inc. Report Card Fiscal Year to Date from July 1, 2020 – June 30, 2021
Solano County Human Services Needs Assessment June 2019. Prepared by Applied Survey Research
Solano County Regional Homeless Collaborative For HUD, State & Regional Funding

Websites:
https://endhomelessness.org/resource/housing-first/

https://liviakislaw.com/blog/news/fairfield-bankruptcy-watch-mission-solano/

https://soarworks.samhsa.gov/article/definitions-homelessness

https://bphc.hrsa.gov/programrequirements/policies/pin200905specialpops.html

https://www.hcd.ca.gov/community-development/building-blocks/housing-needs/people-experiencing-homelessness.shtml

https://www.hrsa.gov/sites/default/files/grants/apply/assistance/Buckets/definitions.pdf

https://www.hoover.org/research/despite-spending-11-billion-san-francisco-sees-its-homelessness-problems-spiral-out-control

http://www.housingfirstsolano.org/hic-pit-count.html

V. STATEMENT OF FACTS

The City of Fairfield used the RFQ (Request for Qualifications) selection process to evaluate four applicant organizations to replace Mission Solano as the operator of the shelter. Only two (SHELTER Inc, Berkeley Food and Housing) of the four applicants were moved forward in the RFQ process based on the RFQ Rank and Review panel's scoring.

A site visit of SHELTER Inc. in Contra Costa County was conducted by local leaders in July of 2017. The group conducted site visits at Homeward Bound (Marin County) and The Palms (Santa Rosa) as well. The purpose of these visits was to review, evaluate, and consider service delivery models being used by other counties. The site visit to SHELTER, Inc. was conducted prior to and independent of the RFQ process. A site visit to Berkeley Food and Housing was not conducted.

On September 18, 2018, the Fairfield City Council selected SHELTER, Inc. (operating as Shelter Solano, Inc.) as the new shelter manager. SHELTER, Inc. created Shelter Solano, Inc. as a

separate subsidiary to mitigate the risk of insolvency should additional funds from the county and cities not become available. Shelter Solano, Inc. as a subsidiary corporation of SHELTER, Inc., is a California nonprofit corporation. Both Shelter Solano, Inc. and SHELTER, Inc. maintain individual 501(c)(3) status with unique Employer Identification Numbers (EIN).

SHELTER, Inc. was selected based on its financial stability, long-standing reputation for working with the homeless in Contra Costa County, its programs in Solano County, and demonstrated ability to garner and manage diverse funding streams. Staff was directed to enter negotiations transitioning the facility and obligations.

Mission Solano's bankruptcy left several outstanding loans. In recognition of the public benefit provided by the continued operation as a shelter facility and an emergency shelter, Solano County excused all outstanding obligations (forgave a $750,000 loan) in exchange for three county-reserved beds for three years and one county-reserved bed at the shelter facility for the period of ten years. Existing loans owed to the City of Fairfield, the Sewer District, and the Federal Home Loan Bank were assumed by Shelter Solano, Inc. as the new operator.

On January 22, 2019, the county initiated a start-up agreement with Shelter Solano, Inc. to match start-up funding contributions from incorporated cities in Solano County up to $270,000. These funds were to provide housing and other services for individuals and families living in the shelter at the time Shelter Solano, Inc. commenced operations.

Shelter Solano, Inc.'s maximum length of stay for shelter participants is 6 months which adheres to Government Code section 65582 (d) and Health and Safety Code section 50801 (e) for an Emergency Shelter. The term Emergency Shelter is often confused by the stakeholders with the terms walk-in or drop-in services. It's important to note that operating an Emergency Shelter does not require walk-in or on-demand services under the government codes cited above.

As required by the City of Fairfield's agreement with the property owner, Shelter Solano, Inc. is a closed campus and does not operate as a walk-in or an on-demand overnight shelter. Admissions are referred either through specific closed-funding programs based on partner/funder requirements or the Coordinated Entry System (CES). The CES is a centralized assessment system required by HUD's interim rule 24 CFR 578.7(a)(8) and mandated by the Housing First policy. CES uses a uniform information gathering system (Homeless Management Information System, HMIS) to ease access and remove barriers. There are no additional requirements or pre-conditions for admission beyond demonstration of homeless status and any eligibility requirements imposed by the funder. Despite multiple presentations to county and city stakeholders clearly outlining Shelter Solano, Inc.'s intended service delivery model, the lack of walk-in or on-demand services has caused stakeholder confusion as it differs from their understanding of the services Shelter Solano, Inc. would provide.

In general, referrals and admissions occur during regularly scheduled business hours, Monday-Friday. After-hours or weekend admission may occur based on bed availability, funder program requirements, and special circumstances. Participants must engage in the creation and completion of a housing plan. The requirement for each person or household is to focus on exiting to permanent housing. In extenuating circumstances, a stay may be extended on

a month-by-month basis if the participants are progressing with their housing plan and the participant's funding source approves.

Shelter Solano, Inc. states that participants are supported at no cost with shelter, meals, personal security, and a range of resources leading to housing stability and self-sufficiency. To foster greater independence, participants are encouraged to independently organize and manage their medical, financial, and other services as appropriate to their abilities.

Shelter Solano, Inc. states that Case Managers provide referrals and information about community-based services. Together the participant and case manager complete a Housing Stabilization Plan. Participants are assisted, but ultimately responsible for their own housing search. Participants are aware of the timeline for their exit, as they have been involved in formulating their exit plan. Participants are evaluated every 30 days to see if they are working toward a housing solution, if they are not, they may be asked to exit at 90 days. Case Managers provide monthly follow-ups for six months for all participants who have left the program and again after one year.

Direct observation, document review, and feedback from most of the stakeholders interviewed illustrate that Shelter Solano, Inc. is not currently meeting stakeholder expectations. Specific concerns voiced:

- low numbers served
- lack of unrestricted beds
- lack of drop-in services
- delay in access to services (partially due to untimely coordinated entry response)
- level of case management being received by participants
- inconsistent post exit check-ins
- campus safety
- facility maintenance deficiencies
- lack of follow through and/or timely follow through
- delays in dining room completion, forcing delays in operating at full capacity
- defensive when given feedback

One example of a facility maintenance deficiency is the SCCJG direct observation of an inoperable shower during its September 2021 Shelter Solano, Inc. site visit. As of the SCCGJ December 2021 interview, Shelter Solano, Inc. staff reported that the shower remained inoperable.

Another concern shared with the SCCGJ was an inconsistent understanding by stakeholders of Shelter Solano, Inc.'s maximum capacity. Shelter Solano, Inc. staff stated the shelter will be able to operate at a maximum capacity of 138 beds (including infirmary beds) at the Beck Ave. site once the dining hall is completed, anticipated in June 2022. Shelter Solano, Inc. operating at maximum capacity will reduce the number of homeless individuals living on the street. It should be noted that at the time of the SCCGJ site visit in September 2021, there were 60-70 participants. During an interview with Shelter Solano staff in December 2021, there were 90

participants for 123 available beds. These numbers consistently reflect the underutilization of the shelter.

In addition, the SCCGJ found no evidence of oversight that would ensure funding is being used effectively and meeting funding requirements. Some funders/contracts require self-reporting documents, however, the SCCGJ found no mechanism of review to ensure the self-reporting documents were accurate, nor do they verify that Shelter Solano, Inc. clients are receiving the services promised.

Despite the pervasive belief reported by stakeholders that Shelter Solano, Inc. is not performing at a level that meets stakeholder expectations, the SCCGJ found no evidence of a strategic plan in place to move Shelter Solano, Inc. towards a level of performance that meets stakeholder expectations and community needs. Despite stakeholder concerns regarding their level of performance, SHELTER Inc. states that they are delivering on all commitments and services to the city and the county as promised.

Note: Subsequent to the completion of its investigation, the SCCGJ received information from the City of Fairfield citing oversight in the form of:

- weekly case conferences
- weekly updates regarding the completion of the commercial kitchen
- the City of Vacaville, acting as the fiduciary agent, will not issue payments for expenses that are not meeting funding requirements

A. Housing First Model

Shelter Solano, Inc. uses a Housing First approach to address homelessness. Housing First California law SB 1380 requires all state-funded housing programs to adopt Housing First. The Housing First approach asserts that a homeless individual's primary need is stable housing, without regard to substance abuse or mental health concerns, and that, once settled, they are more amenable to accepting services and treatment. Prioritizing permanent housing to people experiencing homelessness serves as a platform from which they can pursue personal goals and improve their quality of life. Housing First is also based on the theory that client choice is valuable in housing selection and supportive service participation, and that exercising that choice is likely to make a client more successful in remaining housed and improving their life.

According to the National Alliance to End Homelessness, Housing First is an effective way for people to exit homelessness. However, it takes a long time, and a lot of money to build required housing, and does not address underlying causes of homelessness such as Substance Use Disorder (SUD) and mental health concerns. In the meantime, there remains an imbalance between the number of homeless individuals and available shelter beds. Homeless individuals continue to wait on the street. In addition, homeless individuals who receive housing, but lack support and/or the skills required to find and maintain a home, sustain employment, or manage a budget are at risk of returning to life on the streets.

Shelter Solano, Inc.'s reporting states that from July 1, 2020 – to June 30, 2021, SHELTER, Inc. served 252 people of which 51 had a successful exit to housing/diversion and 106 unsuccessful

exits to the street/unknown. This reporting reveals twice as many negative outcomes as positive ones.

B. Coordinated Entry System

Access to Shelter Solano, Inc. is provided by the Coordinated Entry System or arranged by funders. The Coordinated Entry System (CES) is a uniform information gathering system (HMIS), required by HUD and mandated by the Housing First policy. The CES processes must cover the entire Continuum of Care (CoC; Exhibit 2), be easily accessible, well-advertised, and include standardized tools and processes. It must cover access, assessment, and referral. In Solano County, the CES is administered by Resource Connect Solano (RCS) which identifies homelessness history, special needs, and determines a vulnerability index using the Vulnerability Index Prioritization Decision Assistance Tool (VI-SPDAT). The VISPDAT identifies the most vulnerable individuals and prioritizes them for immediate shelter placement.

Feedback from multiple stakeholders and document review during the SCCGJ's investigation revealed that Solano County's Coordinated Entry System administered by RCS[1] is in its infancy and has not reached its full potential in providing the expected services to the community.

From the onset of the SCCGJ investigation in July 2021, there have consistently been over 3,000 individuals waiting for services. As of January 2022, Solano County's CES queue has 3,022 individuals awaiting assistance. Interviews conducted, document review, and direct observation by the SCCGJ revealed that the primary complaint surrounding RCS is its failure to communicate in a timely manner. Legal Services of Northern California (LSNC) report similar experiences. Most of the complaints LSNC has received involve clients attempting to get in touch with RCS usually via phone, leaving messages, and not receiving calls back.

C. CAP Solano, JPA and Continuum of Care

CAP Solano, JPA is a Joint Powers Authority (JPA) public agency comprised of all Solano cities (except Dixon) and the County of Solano. Each entity has one seat on the JPA board. CAP Solano, JPA's purposes include serving as a conduit for safety net funding, administering funds, and making grants available for homeless services. HUD requires that each county assign an organization to be its CoC organization, the agency that receives and manages federal homeless funding. Although Housing First Solano is the CoC in Solano County, CAP Solano, JPA is the collaborative applicant. CAP Solano, JPA contracts with Homebase, The Center for Common Concerns (Homebase) to fulfill its purposes (Exhibit 2).

The scope of services between CAP Solano, JPA and Homebase is extensive and includes the following key services:

- Homebase assists the JPA in applying for and securing HUD and local jurisdictional funds to support CES.

[1] CAP Solano, JPA will release a new RFP for CES in Solano County in 2022.

- Homebase ensures that the CoC is implementing all HUD requirements and provides best practices research and case studies to support CoC planning and program developments.
- Homebase assists the JPA and CoC in identifying other federal, state, private, and other funding opportunities for homeless services and housing.

As a JPA, Cap Solano, JPA is responsible for compliance with Government Code section 53051, which requires submission of a Registry of Public Agencies Form 405 to the Secretary of State and the county and updating its information as needed with those agencies. The SCCGJ has found no evidence that CAP Solano, JPA is in compliance with this requirement.

Stakeholder feedback and document review revealed recent efforts to improve collaboration between service providers, funders, municipal government, and the county must continue in order to create an environment where it benefits stakeholders to collaborate rather than compete. The SCCGJ found no evidence that the recommendation to assign an overall leadership role with the authority to hold service providers accountable is being addressed.

The chart below describes the relationship between the collaborative funding agencies:

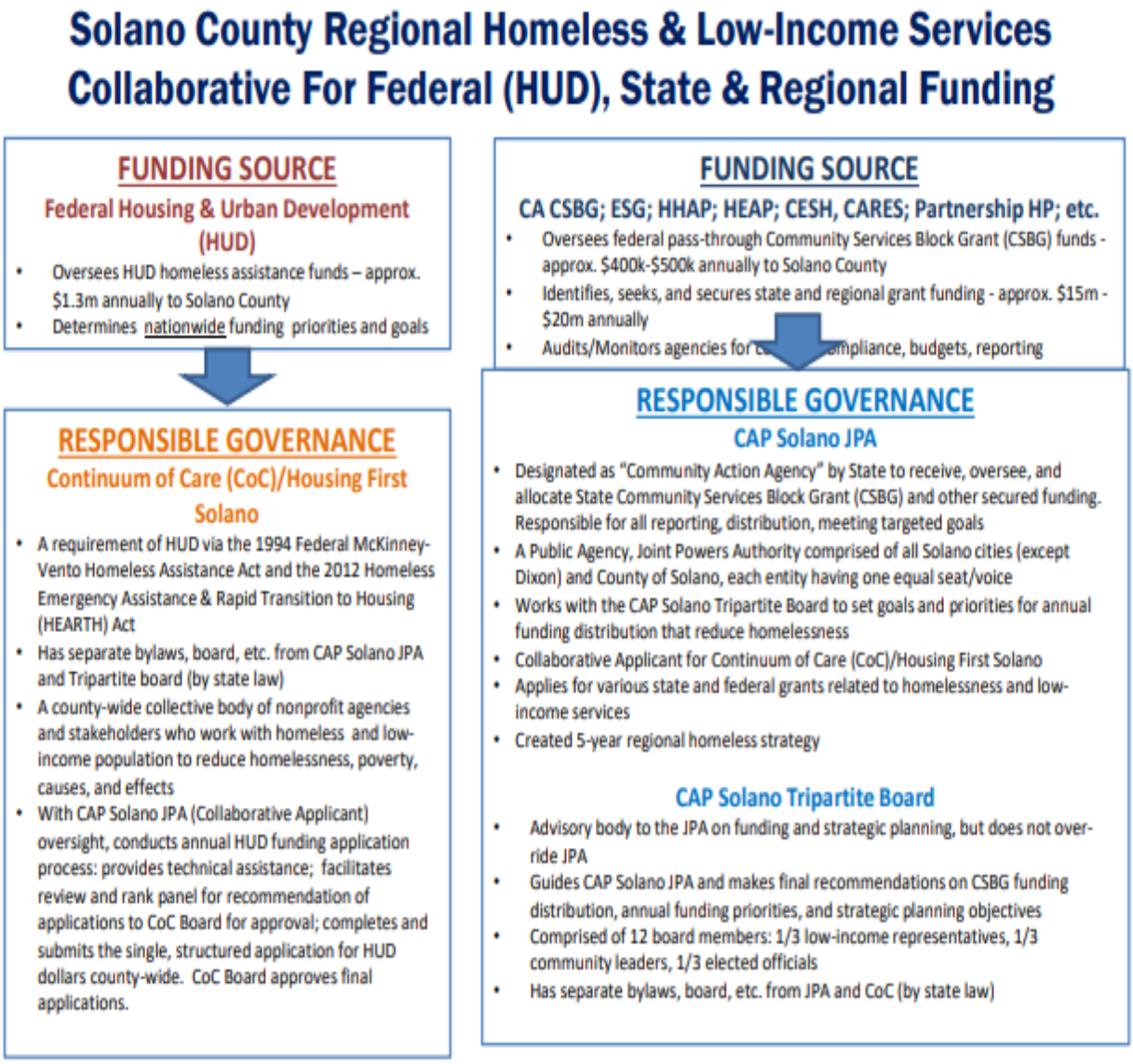


Exhibit 2: Source CAP Solano, JPA

D. Funding Streams for Shelter Solano, Inc.

Shelter Solano, Inc. reports the annual cost of operating the shelter is three million dollars. It receives funding from several sources including individual contracts, federal and state funding, and donations.

1. Individual Contracts

The current delivery model relies on individual contracts with funders that reserve a specific number of beds for their intended population. This delivery model restricts bed availability. By contract, if the bed goes unfilled by the funder, the bed cannot be used by someone else in need.

Some examples:

- Police departments from Benicia, Suisun & Vacaville collectively (8 beds)
- Solano County (1 bed)
- Solano Behavioral Mental Health (15 beds)
- NorthBay Health (3 beds)
- Prop 47/SUD (10 beds)
- Partnership Health Plan (3 beds)
- Veteran's Administration (18 beds)

Feedback from the majority of those interviewed revealed that the current delivery model is ineffective and unsustainable. Continuing to fund the current delivery model without performing an independent assessment to identify, address, and correct service delivery gaps across the continuum of services will do little to decrease the number of sheltered and unsheltered homeless in Solano County. Additionally, the public is unaware of the volume of money coming into Solano County to address the homeless issue.

Document review by the SCCGJ revealed restrictive individual contracts awarding Shelter Solano, Inc. more than $3,731,530 between February 2019 and June 2022. This dollar amount is not all-inclusive.

2. Federal and State Funding

As shown below, through the collaborative work of CAP Solano, JPA, CoC, and Homebase over 37 million dollars have come into Solano County to combat homelessness since 2018. CAP Solano, JPA reports that Shelter Solano, Inc. was awarded $4,265,431 during this period, and SHELTER Inc. received $3,595,474.49.

2018	2019	2020	2021	Total 2018-2021
$7,724,125	$7,969,226	$12,880,466	$8,901,617	$37,475,434

Source: Attachment A CAP Solano JPA & HFS CoC 2002-2021 Funding History

SCCGJ found it difficult to differentiate between SHELTER, Inc. and Shelter Solano, Inc. as both names are used interchangeably on several documents. It is unclear how SHELTER, Inc. tracks funding awarded specifically for Shelter Solano, Inc. and how much money is awarded to SHELTER, Inc. for use in Solano County. Audit reviews illustrate that SHELTER, Inc. consistently receives "clean" or "unqualified" financial audits. However, the use of both names interchangeably makes it difficult to understand who was awarded the funds, for use by which entity, and whether the awarded funds were used for Solano County residents and programs.

For example, IRYNA Accountancy Corporation completed a Financial Statement and Independent Auditor's Report for Shelter Solano, Inc. dated June 30, 2020. The report contained a line item of $37,538. for office rent. The SCCGJ December 2021 interview of Shelter Solano, Inc. staff confirmed that Shelter Solano, Inc. does not rent additional offices in Fairfield. SHELTER, Inc. does however, rent two offices in Fairfield.

The use of both names interchangeably also confuses the reporting of performance outcomes. For example, reporting does not clearly identify how many individuals and/or families are served by Shelter Solano, Inc. in a specific reporting period.

Specifically, a Shelter Solano, Inc. Homeless Prevention Solano County Report Card, identified unique participants served. Because it is a Shelter Solano, Inc. report card, the number of individuals served should only include those served by Shelter Solano, Inc. However, the number served was a combination of both Shelter Solano, Inc. and SHELTER, Inc. This example was called to Shelter Solano, Inc's attention during its interview with the SCCGJ. The SCCGJ was assured that moving forward the correction would be made.

3. Philanthropic Donations

One reason cited for selecting SHELTER, Inc. was its ability to garner and manage diverse funding streams. Its performance in Contra Costa County demonstrated significant community backing which included private funding sources totaling $2.5 million annually (foundations, major donors, faith community, local businesses, and individual community members). In addition, an estimated 1,750 volunteers support its efforts. Shelter Solano, Inc. to date has not generated this level of philanthropy or community support in Solano County. For example, SHELTER, Inc. reports that for every dollar raised in Solano County, it is able to raise nearly $300 dollars in Contra Costa County.

V. FINDINGS AND RECOMMENDATIONS

FINDING 1: Shelter Solano, Inc.'s lack of unrestricted funding prevents the shelter from operating at capacity.

RECOMMENDATIONS 1 A: Local agency partners associated with Shelter Solano, Inc. must assist acquiring funding streams that increase the number of unrestricted beds.

RECOMMENDATION 1 B: Local agency partners adopt a regionalized service delivery and funding model that does not restrict bed usage based on a bed-night rate agreement with the county and/or donor city, but rather allows access to beds based on client need regardless of the city of origin and works toward reducing the number of homeless living on the streets.

FINDING 2: The Solano County Civil Grand Jury found it difficult to track money and funding between SHELTER, Inc., and Shelter Solano, Inc. Often, the names of the two entities are used interchangeably. It is unclear which funding sources are specifically awarded to Shelter Solano, Inc. and which funding sources are awarded to SHELTER, Inc.

RECOMMENDATION 2: Local agency partners establish a transparent system of tracking and reporting funds that clearly differentiates between SHELTER, Inc. and Shelter Solano, Inc.

FINDING 3: Confusion exists in the Solano community regarding what services and/or programming in Solano County is provided by SHELTER, Inc. and what is provided by Shelter Solano, Inc.

RECOMMENDATION 3: Local agency partners work together to develop and implement transparent reporting of services and programming that clearly differentiates between those provided by SHELTER, Inc. and those provided by Shelter Solano, Inc.

FINDING 4: The Solano County Civil Grand Jury found it unclear which funding sources awarded to SHELTER, Inc, are specifically assigned to Shelter Solano, Inc., and which funding sources were awarded to SHELTER, Inc. to provide services in Solano County.

RECOMMENDATION 4: Local agency partners work with SHELTER, Inc. and funding providers to establish a more transparent and reconciliation method to clearly disclose which funding sources they receive specifically for Shelter Solano, Inc. and which funding sources SHELTER, Inc. receives that are earmarked for SHELTER, Inc. to provide services in Solano County.

FINDING 5: There is a lack of metrics and comprehensive data collection to inform decision-making, to monitor and measure program efficacy and performance, as well as outcomes across the homeless service continuum.

RECOMMENDATION 5: Across the continuum of services, develop metrics to measure and monitor program efficacy, performance and outcomes, to include a transparent system of reporting.

FINDING 6: Despite improved collaboration between the service providers, funders, municipal government, and county, there remains a lack of an overall leadership role/authority.

RECOMMENDATION 6 A: Overall leadership with authority to address homelessness is required to provide direction, ensure timely coordination of services, demand accountability, and liaison with the community.

RECOMMENDATION 6 B: All stakeholders request the county provide the leadership, authority, and accountability to ensure timely coordination of services delivered in the most efficient, effective manner.

FINDING 7: The SCCGJ found no evidence that CAP Solano, JPA is registered as a public agency with the State of California or Solano County as required.

RECOMMENDATION 7: CAP Solano, JPA file the necessary forms with the State of California and Solano County and consistently meet filing requirements.

FINDING 8: The public is unaware of the volume of money coming into Solano County to address the homeless issue.

RECOMMENDATION 8: CAP Solano, JPA should create a dashboard disclosing the money coming into Solano County; how it is used, by whom, and their return on investment (program outcomes).

FINDING 9: Feedback from multiple stakeholders and document review during the SCCGJ's investigation revealed that CES is not currently providing the expected services.
RECOMMENDATION 9 A: The appropriate authority assesses Resource Connect's current state of operations to identify its readiness to provide the expected services in a user-friendly, timely manner, that reduces the long waitlists currently in place.

RECOMMENDATION 9 B: Create a post-assessment strategy to move Resource Connect towards operating at a level that meets standard expectations for their role.

FINDING 10: Lack of housing makes it difficult for individuals to successfully graduate out of Shelter Solano, Inc. into permanent housing as required by the Housing First Delivery Model used in Solano County.

RECOMMENDATION 10 A: To successfully address homelessness in Solano County requires that the county and cities work together to secure housing in their respective communities.

RECOMMENDATION 10 B: Engagement and education of the general public around homelessness is required to gain the public's understanding, trust, and input in supporting the county's homeless residents.

FINDING 11: Ongoing delays in the completion of the dining hall has impacted Shelter Solano, Inc.'s ability to operate at capacity and contributes to the rising number of individuals living unsheltered.

RECOMMENDATION 11: Continue working towards the projected June 2022 completion date to ensure Shelter Solano, Inc. can operate at full capacity.

FINDING 12: Direct observation and feedback received during Shelter Solano, Inc. site visit revealed shelter maintenance has been neglected.

RECOMMENDATION 12 A: Adoption of a Regional Service Delivery model in Solano County that stabilizes funding to consistently meet operational needs.

RECOMMENDATION 12 B: Scheduled maintenance becomes a high priority budget item as funding streams stabilize.

FINDING 13: Direct observation, document review, and feedback during the Solano County Civil Grand Jury investigation revealed gaps in service delivery along the entire continuum of services.

RECOMMENDATION 13 A: The county secures a comprehensive independent assessment across the continuum of homeless services to include:

- leadership
- level of collaboration among stakeholders
- funding
- how services are accessed

- quality of services provided
- measurement of outcomes
- mechanism to ensure accountability
- transparency of reporting

RECOMMENDATION 13 B: The county develops a strategic plan that includes a timeline for the implementation of recommendations from the independent assessment in recommendation 13 A.

FINDING 14: A document review conducted by the Solano County Civil Grand Jury revealed discrepancies and inconsistent accounting and reporting practices among the entities providing services to the homeless in Solano County.

RECOMMENDATION 14 A: Entities use a consistent reporting mechanism for the awarding of funding to keep the community informed and assured that the money is being spent effectively and as intended.

RECOMMENDATION 14 B: County performs or hires a Forensic Accountant to perform a Forensic Audit on money being spent across the continuum of homeless services in Solano County.

COMMENTS:

1. The 2021 -2022 SCCGJ found it concerning that Solano County Civil Grand Jury reports of 2014, 2016, and a 2019 Health & Human Services Needs Assessment highlighted the need for leadership with the authority to hold agencies accountable, yet in 2022 these needs remain unaddressed.

2. Solano County Civil Grand Jury has concerns that the lack of effective oversight and accountability in the way homelessness is being addressed in the community opens the door to the potential for a homeless industrial complex that benefits the nonprofits without accomplishing the task at hand. Continuing to allocate funds into an ineffective delivery system without correcting service delivery gaps funds a problem that continues to grow.

3. Recent Hoover Institution research highlighting spending on homelessness in San Francisco should cause Solano County and its cities to assess their own policies and spending. “San Francisco is slightly smaller than Jacksonville, Florida. Yet San Francisco’s homelessness budget—$1.1 billion in fiscal year 2021–22—is nearly 80 percent of Jacksonville’s entire city budget…Since fiscal year 2016–17, San Francisco has spent over $2.8 billion on homelessness. Since 2016, the number of homeless in San Francisco has increased from 12,249 to 19,086, which comes out to about $57,000 in spending per homeless person per year. With a total population of about 860,000, roughly 2.2 percent of San Francisco residents are homeless, which is over 12 times the national average…. An important reason why San Francisco policies continue to fail is that there is little or no accountability within the city’s government to evaluate the efficacy of its spending.”

4. Homeless advocates are moving toward a Navigation Center approach to homelessness. The goal of the Navigation Center is to provide access to services (even if not shelter). The thought is that some individuals are homeless because they are unaware of available resources. Additionally, the lack of temporary shelter and permanent supportive housing limits the number of individuals served. A successful Navigation Center may increase the number of individuals receiving services and provide the tools and skills needed.

5. Homelessness is an issue that affects every city in Solano County. To that end, a Regional 2x2 Homeless Committee was formed in May 2021 to address regional homeless issues in Solano County. Committee representatives from each city are the policymakers/elected officials of each respective city, which helps to create a regional focus on the issue. The committee's intent is to address the coordination of homeless services at the city and county executive/elected levels. The 2x2 Homeless Committee is in its infancy at the writing of this report and its effectiveness is yet to be determined. If successful, the Regional 2x2 Homeless Committee may be Solano County's opportunity to provide the overall leadership and collaboration needed.

6. Resource Referral Services provided by Shelter Solano, Inc, refer clients to 211. 211 is a free information and referral service that connects people to Health and Human Services in their community 24/7. Unfortunately, 211 is difficult to navigate, is not a local organization familiar with available resources in Solano County, and does not effectively provide linkage to the services needed.

REQUIRED RESPONSES
City of Fairfield (Findings 1, 2, 3, 4, 6, 8, 10, 11, 12, 13, and 14)
Solano County Administrator ((Findings 1, 5, 6, 7, 8, 9, 10, 12, 13, and 14)
CAP Solano, JPA (Findings 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 13, and 14)

VOLUNTARY RESPONSES (NOT REQUIRED BY STATUTE)
Shelter Solano, Inc. (All findings except for 7)
Resource Connect Solano (Caminar) (Findings 1, 5, 6, 8, 9, 13, and 14)

COURTESY COPIES
Solano County Board of Supervisors
City Managers
Legal Services of Northern California
Homebase