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GRAND JURY

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27 September 2022

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

Re: Solano County Grand Jury Response

Judge Getty:

This is SHELTER, Inc.'s optional response to the Solano County Civil Grand Jury's 2021-2022 Report on the First Three Years of SHELTER Solano's Operations in Solano County. It has been my honor to serve as Chief Executive Officer of SHELTER, Inc. for over six years and to be actively engaged in the Solano County Continuum of Care (CoC), known as 'Housing First Solano' or HFS, for homeless services since 2018.

With deepest respect and gratitude for the volunteer members of the Solano County Civil Grand Jury, many of the findings below relate to a lack of understanding about how the Continuum of Care (CoC), and SHELTER, Inc. operates our program known as SHELTER Solano. SHELTER Solano, Inc. was established in 2018 as a subsidiary corporation under SHELTER, Inc. due to the scarcity of funding for the 310 Beck Ave. facility to protect SHELTER, Inc. if the jurisdictions of Solano County were unable to fully fund the operations.

Hence, we provide the following responses to the findings only as the recommendations substantially depend on the soundness of the findings.

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

- We concur. SHELTER Solano is the only shelter funded on a "bed night" basis of which we are aware. For example, we operate a similar 163 bed shelter in Sacramento that is fully funded by a single contract without regard to bed nights. SHELTER Solano must "braid" multiple discrete funding sources to operate today and invoice multiple jurisdictions and agencies.

FINDING 2: The Solano County Civil Grand Jury found it difficult to track money and funding between SHELTER, Inc. and SHELTER Solano, Inc. citing that the names of the two entities are used interchangeably. They also stated that it was unclear which funding sources are specifically awarded to SHELTER Solano, Inc. and which funding sources are awarded to SHELTER, Inc.

- We disagree. Every contract specifically identifies which entity the funds are intended, what eligible activities and services are to be performed, and detailed budgets that support those services. SHELTER, Inc. complies with the California Nonprofit Integrity Act of 2004 by having annual audits of SHELTER, Inc. and each of our subsidiaries which includes SHELTER Solano, Inc. SHELTER, Inc. is also audited for compliance with federal funds by an annual 'Single Audit' (formerly OMB Circular A-133 audit). As a subsidiary of SHELTER, Inc., SHELTER Solano, Inc. is subject to its own annual audit to ensure transparency to our public funders. I'm proud to say that all of our audits have been "unqualified" and without "findings" during my tenure as CEO and prior. These audits are annually submitted to our government funders and are always available to the public upon request. Additionally, our federal tax returns (990's) are posted on our website and available to all on GuideStar.org.

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.

- We disagree. Simply put, SHELTER Solano, Inc. is the affiliate that only deals with the 310 Beck Ave. shelter and navigation center. All programs not associated with 310 Beck Ave. are the domain of SHELTER, Inc. On multiple occasions, SHELTER, Inc. has presented the service model of SHELTER Solano at public meetings across jurisdictions, including the prohibition of walk-up or drop-in services mandated by our landlord. I have personally spoken to the Solano County Board of Supervisors on several times as well as all seven City Councils outlining our services. SHELTER Solano provides emergency shelter and navigation services with extensive supportive services that have resulted in 55% of exiting SHELTER Solano participants not returning to homelessness, exceeding HUD national averages several times over. SHELTER, Inc. also operates Eviction Prevention and Rehousing programs in Solano County that also exhibit excellent 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.

- We disagree. All contracts are clearly ascribed to either SHELTER, Inc. or SHELTER Solano, Inc. Our financials and audits clearly distinguish between SHELTER, Inc. and its subsidiary SHELTER Solano, Inc.

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.

- We disagree as it pertains to SHELTER, Inc. and SHELTER Solano, Inc. As an active participant in the Solano County CoC, we are familiar with the many

reports provided by the JPA. We are confident that the JPA can provide reports on funding for any and all programs within the Solano County Continuum of Care. Each month SHELTER Solano provides a 'report card' to our funders that includes in-depth metrics and data to inform decision-making, measure program efficacy and performance, and outcomes from our program. We provided this report card to the Grand Jury.

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

- We neither agree nor disagree. The creation of the new Regional Two-by-Two Homeless Committee and restructuring of the CAP Solano JPA is a major step forward on jurisdictional collaboration that we wholeheartedly support.

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

- We neither agree nor disagree. The funding for homelessness in Solano County is public information. Likely the public is also unaware of specific increases in homelessness and the various solution models. The public has a limited bandwidth for broad messaging of information and only those with a heart and mind for this work informed. Again, the reformation of the JPA should assist in addressing public awareness.

FINDING 9: Feedback from multiple stakeholders and document review during the SCCGJ's investigation revealed that the Coordinated Entry System (CES aka Resource Connect Solano or RCS) is not currently providing the expected services.

- We neither agree nor disagree. While CES was new and still learning how to address triaging and referrals during a rapid rise in homelessness in prior years, we and other providers have noticed significant maturation in the effectiveness of the CES in 2022.

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.

- We concur. This is true for Solano County, and throughout California, and impacts all housing providers and especially Permanent Supportive Housing (PSH) for those homeless with chronic mental or physical disabilities since it is in very limited supply. Yet, SHELTER Solano has an exceptionally high rate (compared to the national averages and other Bay Area communities) of successful exits. SHELTER, Inc. advocates for more affordable housing units and PSH units to be added to Solano's housing stock in order to meet the demand of low-income and disabled households.

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

- We disagree. First and foremost, there has not been sufficient funding to operate at capacity.

- The dining hall delays have been beyond SHELTER, Inc.'s control and a few months delay in a multi-year project hardly seems appropriate for a 'finding' as delays are not uncommon in large construction projects. As explained to the Grand Jury, COVID related supply chain issues are the primary reason for the 'delay'. We believe that SHELTER, Inc. should be commended for working with the community to obtain the needed funds to build the dining hall and kitchen that was on the drawing boards for more than 10 years before SHELTER Solano, Inc. became the operator.
- There is NO cause and effect as claimed to the increase in homelessness due to the completion timeframe of the dining hall and kitchen. The largest contributors to homelessness are lack of affordable housing and requisite income

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

- We disagree as it pertains to our efforts. While there were many deferred maintenance issues prior to our becoming the operator in February 2019, we have invested significant resources into rectifying the major maintenance issues that we inherited. The present 'bed night' funding model does not cover capital repairs, maintenance, and upgrades. The remaining deferred maintenance items have not impeded SHELTER Solano's operations and are not health and safety issues.

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.

- SHELTER, Inc. welcomes any specific feedback on 'revealed gaps in service delivery' specific to its programs and services.

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.

- We disagree as it pertains to SHELTER, Inc. and SHELTER Solano, Inc. In the case of SHELTER, Inc. and its SHELTER Solano program, we believe that our accounting and reporting practices set a benchmark for others to aspire to.

In the spirit of transparency, I sincerely hope that these responses help increase the understanding of SHELTER, Inc.'s programs, services, collaboration, and successes in Solano County.

Respectfully,

A handwritten signature in blue ink, appearing to read "John Eckstrom", is written over a horizontal line.

John Eckstrom
Chief Executive Officer



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