



**F O C U S**  
*strategies*

**MONTEREY AND SAN BENITO COUNTIES PREDICTIVE MODELING  
TECHNICAL REPORT**

**Prepared by Focus Strategies**

07 • 27 • 2021



(916) 436-1836



FocusStrategies.net



340 S Lemon Ave, STE 1815, Walnut, CA 91789

# TABLE OF CONTENTS

<b>I. Introduction to Modeling .....</b>	<b>1</b>
<b>II. Data Used for Modeling .....</b>	<b>3</b>
<b>III. Baseline Assumptions .....</b>	<b>5</b>
<b>IV. Homeless System Model: Estimates Through 2026 .....</b>	<b>7</b>
<b>V. Integrating the Model With the LMH Plan Update .....</b>	<b>10</b>



## **I. INTRODUCTION TO MODELING**

### **A. Background**

To assist community leaders and key stakeholders in updating the Lead Me Home Plan - the community's *10 Year Game Plan for Housing Homeless Persons in Monterey and San Benito Counties*, Focus Strategies conducted a quantitative analysis of the performance of the homelessness response system using our System-Wide Analytics and Projection (SWAP) tools. SWAP is a joint project of Focus Strategies and the National Alliance to End Homelessness (NAEH). The tools are designed to help communities use their local data to understand what their current system is accomplishing and to plan and prioritize changes to bring about the greatest possible reduction in homelessness.

SWAP is comprised of two primary tools: (1) the Base Year Calculator (BYC) which helps users assess whether their Homeless Management Information System (HMIS) data is of sufficient quality and accuracy to support meaningful performance measurement and produces current system performance results, and (2) the System Performance Predictor (SPP) which allows communities to model the results of changes to individual projects or groups of projects, including such strategies as adding new programs to serve people experiencing homelessness, serving more literally homeless people in existing projects, and/or increasing the rate of exit to permanent housing from emergency and other temporary program types. The SPP uses the results generated by the BYC as input to model system changes. A previous report described the results of the BYC analysis of programs in Monterey and San Benito Counties; this report focuses on the results of modeling with the SPP.

### **B. Overview of Approach**

Quantitative modeling with the SPP is an approach for 'peeking' into the future to estimate how the numbers of people experiencing homelessness in the community might grow or shrink as changes are made to the homelessness response system. The model does not generate a single correct "answer". Rather, it predicts the likely implications of different choices and supports more intentional and deliberate strategic planning. Modeling informs the future; it does not tell the future.

The modeling approach is based on thinking about the homelessness response system as a set of policies, processes, and programs that impact how people move from a condition of having a place to live (being housed) to not having a place to live (experiencing homelessness) and back to being housed. People are assumed to have ended their



experience of homelessness only once they are housed. People may enter temporary programs (such as emergency shelter), but the model does not count them as no longer homeless until they are permanently housed.

To predict changes in the size of the population of people experiencing homelessness, the model takes into considerations the following variables and the inter-relationships among them:

- Best understandings of the current size of the population experiencing homelessness
- Assumptions about the rate at which people become newly homeless (i.e. they move from having housing to not having housing) and impacts of strategies to prevent people from entering homelessness
- The currently available inventory of beds in the system - emergency shelter, transitional housing, rapid rehousing, and permanent supportive housing programs, and assumptions about how that inventory will change over time
- The effectiveness of existing and projected programs in helping people move from homelessness to housing, as measured by whether the programs are serving people who are already homeless (versus people who are still housed), how long people stay in these programs, and whether they secure housing upon exit

Taken together, these factors paint a picture of system “flow” and the resulting impact on the numbers of people experiencing homelessness.

One factor not explicitly addressed in the model is the availability of affordable housing. The model assumes that for people to end their homelessness, they must “exit” the system to permanent housing. While some people may exit by securing an existing housing unit (either a subsidized unit or market rate unit with or without rental assistance), an increase in the overall supply of affordable housing will also be needed. Focus Strategies has conducted a separate Housing Market Analysis that explores the gap between the existing affordable housing supply and what is needed.



## II. DATA USED FOR MODELING

The modeling approach uses the SPP, a Microsoft Excel based tool that applies past system performance data generated by the BYC.<sup>1</sup> The SPP estimates the impact of system changes on the populations of people experiencing unsheltered and sheltered homelessness over three years. The HMIS data used in the BYC was from Calendar Year 2019 for projects that had at least one year of HMIS data and were included in the 2019 Housing Inventory Count (HIC).<sup>2</sup>

### HIC Inventory Updates

The report generated from the Base Year Calculator (BYC) used information about the system that corresponded to projects that had at least one full year of data in HMIS. To ensure the data used for modeling were as reflective as possible of the current system, a number of projects were added to the baseline BYC data.<sup>3</sup> The specifics and sequence of project updates are described below.

### Capacity for Base Year 2019

First, projects were added that existed in 2019 but were not included in the BYC because they did not enter data into HMIS or because they did not have a full year of data. The following projects were added to the baseline year for this reason:

Project Type	Organization Name	Project Name
ES	Emmaus House	Emmaus House
ES	Outreach United	I-HELP for Men
ES	Outreach United	I-HELP for Women
ES	Pajaro Rescue Mission	Pajaro Rescue Mission
ES	Victory Mission	Victory Mission
ES	YWCA	YWCA Safe House
TH	Community Homeless Solutions	Homeward Bound - Lexington Court

<sup>1</sup> The source of this information is the Homeless Management Information System (HMIS) which provides information about programs that serve people who are experiencing homelessness and the people who use the programs.

<sup>2</sup> "The Housing Inventory Count (HIC) is a point-in-time inventory of provider programs within a Continuum of Care that provide beds and units dedicated to serve people experiencing homelessness (and, for permanent housing projects, where homeless at entry per the HUD homeless definition), categorized by five Program Types: Emergency Shelter; Transitional Housing; Rapid Rehousing; Safe Haven; and Permanent Supportive Housing." <https://www.hudexchange.info/programs/hdx/pit-hic/>. Communities receiving certain Federal funding are required to prepare a HIC annually for submission to the US Department of Housing and Urban Development.

<sup>3</sup> Added projects assumed the average baseline performance of other like project types. For example, a newly added rapid rehousing project would assume the system average of other rapid rehousing projects for length of stay, exits to permanent housing, etc.



TH	Community Homeless Solutions	Homeward Bound - Wittenmeyer Court
TH	Community Homeless Solutions	Men in Transition
TH	Community Homeless Solutions	Women in Transition
RRH	Housing Resource Center	ESG RRH
PSH	Housing Authority	HUD VASH Vouchers

### Capacity Changes for Model Year July 2020 to June 2021

Second, projects were added for the FY 20-21 model year because they were new system projects reported on the 2020 HIC and/or were implemented between July 2020 and June 2021. These projects included:

Project Type	Organization Name	Project Name
ES	Community Human Services	Casa de Noche Buena
ES	City of Salinas/County of Monterey	SHARE Center
ES	Community Homeless Solutions	Salinas Sprung Shelter
ES	Community Homeless Solutions	Chinatown Nav Center - Trailers
TH	Interim, Inc/ County of San Benito	Shelter Cove/HOME Bound TH
TH	Community Homeless Solutions	Bridge Housing
RRH	CCCIL, County of San Benito, Housing Resource Center	HEAP RRH & HHAP
PSH	MidPen/Step Up Salinas	HUD VASH Vouchers
PSH	Veterans Transition Center	Moon Gate Plaza/HomeKey
PSH	Community Homeless Solutions	PSH Monterey Quad

Several projects were also discontinued in FY 20-21 and were removed from the model, including:

Project Type	Organization Name	Project Name
TH	Community Homeless Solutions	Homeward Bound - Lexington Court (Intact Families)
TH	Community Homeless Solutions	Homeward Bound - Wittenmeyer Court
TH	Community Homeless Solutions	Men in Transition
RRH	Housing Resource Center	ESG RRH

### Future Capacity Changes: Model Years July 2021 to June 2024

Two projects were removed from the model in FY 21-22 as COVID emergency response winds down, including:



Project Type	Organization Name	Project Name
ES	Community Homeless Solutions	Salinas Warming Shelter
TH	Community Homeless Solutions	Bridge Housing

Capacity was also added both by a new PSH project and increased capacity at two emergency shelters in FY 21-22:

Project Type	Organization Name	Project Name
ES	Community Homeless Solutions	Salinas Sprung Shelter
ES	Community Human Services	Casa de Noche Buena
PSH	Interim Inc	Sun Rose Housing

### III. BASELINE ASSUMPTIONS

In addition to incorporating past system performance, the SPP requires that three parameters be specified before modeling begins: (1) the number of households experiencing unsheltered homeless at the start of the modeling period; (2) the number of households newly experiencing unsheltered homelessness in the community each year; and (3) the percent of unsheltered households that do not enter the homeless system. Below we describe the values we used for each of these:

- Households experiencing unsheltered homelessness: the model incorporates the number of unsheltered households found in the 2019 Point in Time Count; 1,533<sup>4</sup> households.<sup>5</sup>
- Number of households newly experiencing unsheltered homelessness in the community each year: the model uses 780 households for an estimate of this number. We derived this using 2019 HUD System Performance Measures which showed 940 or 55% of people entering HMIS over the course of the year were newly homeless;<sup>6</sup> approximately 780 households.
- Percent of unsheltered households that do not enter the homeless system: This measure estimates the percent of all unsheltered households (those who are newly homeless, those who have returned to homelessness, and those who have exited

<sup>4</sup> The number of households experiencing unsheltered homelessness was reported in the Point-in-Time Count as 1,541. The modeling does not take into account those households comprised only of children (i.e. unaccompanied minors), leaving 1,533 households used for modeling.

<sup>5</sup> The 1,533 households are comprised of approximately 2,700 people.

<sup>6</sup> Newly homeless is defined as not having been active anywhere in HMIS for at least the previous two years.



other homeless programs to homelessness) who do not enter the homeless system (meaning, they do not enroll in any of the program types being modeled). Of the three baseline assumptions, this has the least evidence-based rationale. Thus, based on previous experience with other communities and in consultation with CHSP, we used two different starting places to determine impact on the number of households experiencing unsheltered homelessness over time to determine the most logical assumption with which to proceed:

- 30% (10% of literally homeless households self-resolve without the use of homeless system resources; 10% of literally homeless households will be successfully diverted; and 10% of literally homeless households move from Monterey or San Benito Counties to another community); and
- 18% (6% of literally homeless households self-resolve without the use of homeless system resources; 6% of literally homeless households will be successfully diverted; and 6% of literally homeless households move from Monterey or San Benito Counties to another community).

### **Test of Baseline Assumptions**

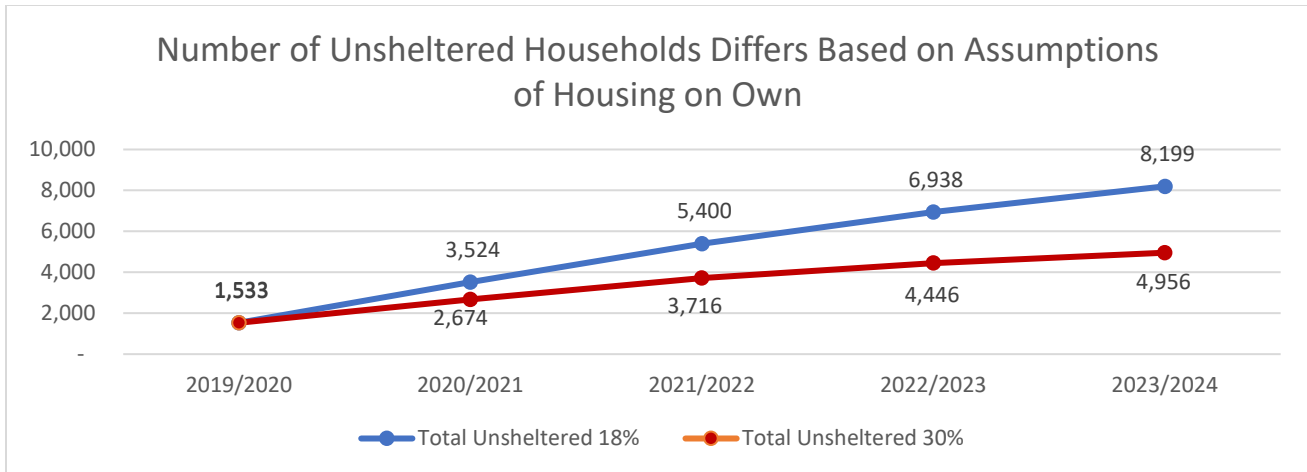
To determine whether the assumptions described above would result in output that made intuitive and common sense in light of other things known about Monterey and San Benito Counties, we modeled the impact to the estimated growth rate of the unsheltered population under both of these scenarios:

- 30% of literally homeless households resolve their crisis without homeless system intervention; and
- 18% of literally homeless households resolve their crisis without homeless system intervention.

The next graph presents the findings of these scenarios. Data in the graph indicate the estimated number of unsheltered homeless households in each year through 2024 under both scenarios. For example, the line labeled “Total Unsheltered 18%” (blue line) shows that if 18% of households experiencing homelessness resolve their crisis without intervention, and there are no other changes to the system, the number of unsheltered households will increase by more than 400% by 2024. In contrast, if the rate of crisis self-resolution reaches 30%, the number of households experiencing unsheltered homelessness will increase by just over 200%.







Of these scenarios, the more than 400% increase associated with the lower rate of households resolving homelessness without intervention seems least likely. The unsheltered PIT count in Monterey and San Benito Counties has historically remained relatively stable and has not seen major increases in the recent past. If anything, the number of unsheltered households declined in the most recent PIT, from 2,247 in 2017 to 1,541 in 2019. Although 2020 brought unprecedented health and economic challenges, large scale State and federal interventions have helped to cushion some of these impacts. A statewide eviction moratorium is in place and significant federal and state financial resources have been made available for rental assistance. The impact of these factors on the number of households experiencing homelessness is complex and uncertain. We therefore concluded that the results associated with the 30% rate of households experiencing homelessness resolving their crisis without intervention estimates the most likely scenario to use in the modeling.

#### **IV. HOMELESS SYSTEM MODEL: ESTIMATES THROUGH 2026**

As noted, Focus Strategies produced a quantitative performance analysis of the homeless system in Monterey and San Benito Counties that was used as the starting point for modeling. The initial analysis identified a number of areas of weak project performance that could be targeted for improvement. Improving project performance has been included as one of the goals for the Lead Me Home Plan Update: Five Year Plan to Reduce Homelessness in Monterey and San Benito Counties. Setting shared targets for performance allows greater understanding among all system stakeholders about what is working, what is not, and how to improve individual programs and the system as a whole. Targets provide motivation for action.



The baseline performance data suggested four areas where improved performance would be useful for all project types: (1) decreased Length of Stay in the project; (2) lowering the rate of households who enter homeless programs who were in some type of housing immediately beforehand (Entries From Homelessness); and (3) improving exits to permanent housing from homeless programs (Exits Rate to PH).

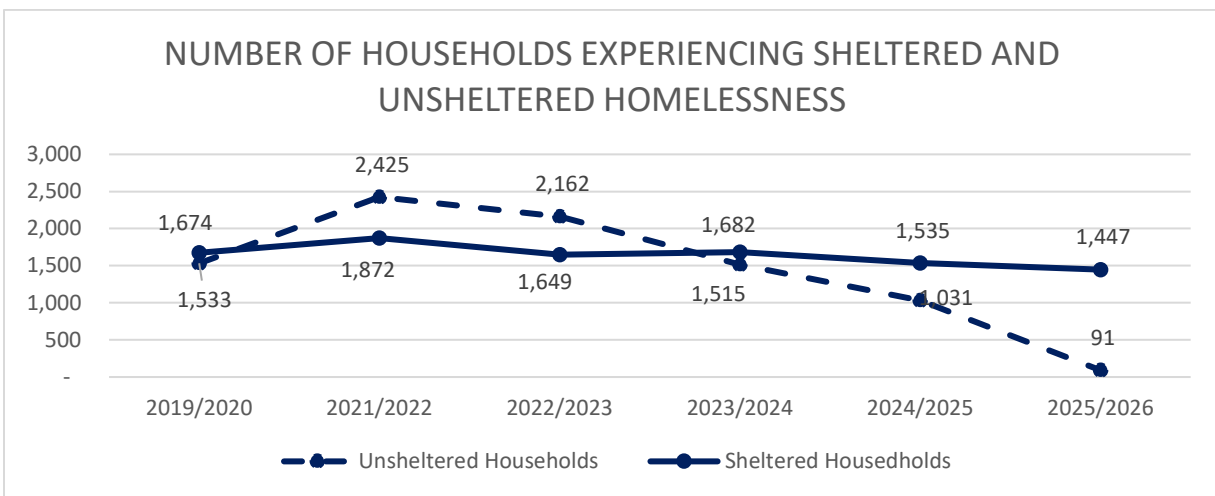
Performance targets were generated by reviewing the current performance of the system and a combination of national standards (HUD, NAEH) and Focus Strategies experience with high performing communities. The next table presents for each project type and each performance measure: (1) our recommendation for an ideal target; (2) our recommendation for the minimum target for efficient performance; (3) the level of performance found in our BYC analysis of data from programs in Monterey and San Benito Counties; and (4) the targets used in each year of the modeling. Most targets show an increased level of performance gradually over the course of five years.

	<b>Emergency Shelter</b>	<b>Transitional Housing</b>	<b>Rapid Rehousing</b>
<b>Length of Stay</b>			
FS Recommended Target	30 days	90 days	120 days
FS Recommended Minimum	90 days	150 days	180 days
Current Performance (BYC)	51 days	300 days	170
Targets used in Modeling	<b>51, 51, 45, 40, 35 days</b>	<b>300, 300, 275, 215, 160 days</b>	<b>170, 170, 150, 135, 120 days</b>
<b>Exit Rate to PH</b>			
FS Recommended Target	50% - 80%	85% - 90%	85% - 90%
FS Recommended Minimum	40% - 65%	80%	Between 80% and 95%
Current Performance (BYC)	12%	70%	55%
Targets used in Modeling	<b>15%, 25%, 30%, 40%, 50%</b>	<b>75%, 80%, 85%, 90%, 90%</b>	<b>60%, 65%, 75%, 80%, 90%</b>
<b>Entries From Homelessness</b>			
FS Recommended Target	85% unsheltered/ES	95% unsheltered/ES	95% unsheltered/ES



	Emergency Shelter	Transitional Housing	Rapid Rehousing
FS Recommended Minimum	75% unsheltered/ES	75% unsheltered/ES	75% unsheltered/ES
Current Performance (BYC)	78%	66%	77%
Targets used in Modeling	<b>78%, 80%, 80%, 85%, 85%</b>	<b>75%, 80%, 85%, 90%, 95%</b>	<b>80%, 85%, 85%, 90%, 95%</b>

Results of the model that incorporates these performance targets are illustrated in the next graph. The graph differentiates the change in unsheltered households over the five years by whether their experience of homelessness is sheltered or unsheltered. As is evident, while the sheltered population remains relatively stable, the unsheltered population steadily decreases over time. Overall, however, the decline in the number of households experiencing homelessness decreases by just over 52%.



### Households Exiting to Permanent Housing

The model presented includes assumptions about increasing the rate at which households will exit the homelessness response system to permanent housing. As noted earlier, the assumption that permanent housing exits can increase must be supported by an increase in the availability of affordable permanent housing options. The next table shows the expected number of permanent exits that are projected by the scenario modeled. The values are derived directly from the expected number of exits given the model’s assumptions and multiplied by the average permanent housing exit rate for that project type in the year being



modeled. The current number of households housed from rapid rehousing and permanent supportive housing accounts for the number of exits currently absorbed by the system.

As the data show, as the model is currently configured, the system must achieve a significant increase in the number of housing exits in each of the three years. Only some of these “exits” can be created by providing a range of services and supports to help households secure housing in the existing market; there are limits to what can be achieved without an increase in the housing inventory. For example, the permanent housing exit rate is currently 55% for rapid rehousing programs; the model suggests that rate will significantly increase to 90%. While a portion of that improvement can likely be achieved through improvements in program operations, the lack of housing units available for clients to rent represent an external obstacle to achieving the target rate.

	2021/22	2022/23	2023/24	2024/25	2025/26
Total PH Exits	1,339	1,760	2,046	2,482	2,929
Current RRH and PSH housed/year	(819)	(819)	(819)	(1,042)	(1,042)
Additional PH Exits	520	941	1,227	1,440	1,887

The number of permanent housing options the modeling suggests may need to be available in Monterey and San Benito Counties is substantial. However, the current data and assumptions associated with these estimates are grounded in a historical landscape that has seen many recent shifts. The simultaneous impacts on the housing market of COVID, the fires, eviction moratoria, an economy in recession with continuing recovery uncertainty, and population decline cannot be predicted. Regardless of what the outcomes may be from these unprecedented changes and challenges, based on the current shortage of housing units overall and ELI units in particular, it is unlikely that ending homelessness in Monterey and San Benito Counties can happen without developing additional affordable permanent housing units.

## V. INTEGRATING THE MODEL WITH THE LMH PLAN UPDATE

The LMH Plan Update sets out the ambitious goal of reducing the total population of people experiencing homelessness in Monterey and San Benito Counties by 50% over five years (July 2021 to June 2026). The measurable performance targets described here are established for each year of the plan. Because the SWAP suite of tools is built to determine changes in the number of households experiencing homelessness, we translated the



estimated population changes from “households” to the more user-friendly metric of “people experiencing homelessness”. The table below shows the expected reduction in the number of people experiencing homelessness for the next five years, using the 2019 Point-in-Time count as the baseline. These estimates are included in the LMH Plan Update.

<b>Number of People Experiencing Homelessness: Change Over Time</b>							
	<b>2019 PIT</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>% Change from 2019</b>
Total PH Exits	2,704	3,623	3,218	2,696	2,164	1,297	<b>-52%</b>

