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**NO EXIT FROM HOMELESSNESS:
San Francisco's Broken Shelter System**

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San Francisco's homeless shelters are in crisis. Homeless shelters are supposed to offer people a first step on their journey out of homelessness, but in San Francisco the majority of people leaving homeless shelters are returning to the streets. In 2023, the City might have spent as much as \$81 million serving people in homeless shelters who eventually exited shelters for street sleeping. These disastrous results, produced at such enormous cost, are a colossal failure that should shock every resident of San Francisco.

Based on an analysis of previously unreported City data obtained through a Sunshine request, this Comment contains the following findings:

1. **San Francisco's homeless shelters are failing in their primary mission of helping people permanently leave homelessness.** A large and growing majority of people exiting San Francisco's homeless shelters leave those shelters to return to unsheltered homelessness or an unknown destination, which is likely to be the streets. In 2023, 80% of shelter exits were back to unsheltered homelessness or to an unknown destination.
2. **During 2020-23, 246 shelter guests died in the City's shelters.** Non-congregate facilities, such as the Shelter-in-Place ("SIP") hotels, trailers, and cabins, reported deaths as a higher share of exits than non-congregate facilities, such as traditional dormitory shelter.
3. **The City is spending enormous financial resources on shelter guests who return to homelessness.** During 2020-23, the City may have spent as much as \$180 million serving shelter guests who exited to homelessness or an unknown destination.
4. **The City's inadequate management practices have allowed this crisis to worsen year after year.** Although the City has collected data on shelter exits since 2020, the City does not analyze the effectiveness of the shelter system or the cost-effectiveness of spending on shelter. City managers are not paying attention to this crisis, and the City was not aware of these results until it prepared the data for the Sunshine request.

This Comment makes the following recommendations:

1. **The City should conduct a thorough and speedy investigation into the causes of the high rates of shelter exits to homelessness or unknown destinations.** Researchers should examine all available data, interview shelter staff, and contact people who left shelter for homelessness or unknown destinations. The problem can only be fixed once it is understood.
2. **The City should prepare a comprehensive strategy for improving the effectiveness of the shelter system.** The eventual solutions should be based on the research into the causes of the problem. The solutions will likely involve a combination of increasing the effectiveness of targeted services within the shelter system and increasing the flow out of the shelter system to appropriate downstream destinations, such as behavioral health services, long-term transitional housing, or permanent housing.
3. **The City should overhaul the reporting on its response to homelessness to make better use of the data it collects.** Insightful reporting should promote more effective management, greater accountability, and meaningful public transparency.

The first section of this Comment presents the new data on the effectiveness of homeless shelters. The second section offers recommendations for how the City can improve its management practices and make shelter more successful at helping people leave homelessness.

I. THE CRISIS IN SAN FRANCISCO'S HOMELESS SHELTERS

To evaluate the effectiveness of San Francisco's homeless shelters, it is necessary to start by understanding the purpose of shelter. According to the National Alliance to End Homelessness, "[a] crisis response system helps people exit homelessness quickly," and the "goals of an effective crisis response system are to identify those experiencing homelessness, prevent homelessness when possible, connect people with housing quickly and provide services when needed."¹ The United States Interagency Council on Homelessness, which is the federal government's chief policymaking body regarding homelessness, stated that "[p]erhaps the most critical service of an emergency shelter – beyond providing a safe place to stay – is to ensure that guests are connected to permanent housing opportunities."²

Consistent with these national perspectives, San Francisco's new strategic plan to address homelessness, released last year, also prioritizes ending homelessness. Three of the plan's five goals are "Decreasing Homelessness," "Increasing Number of People Exiting Homelessness,"

¹ National Alliance to End Homelessness, "Crisis Response" (visited Nov. 4, 2023) <<https://endhomelessness.org/ending-homelessness/solutions/crisis-response/>>.

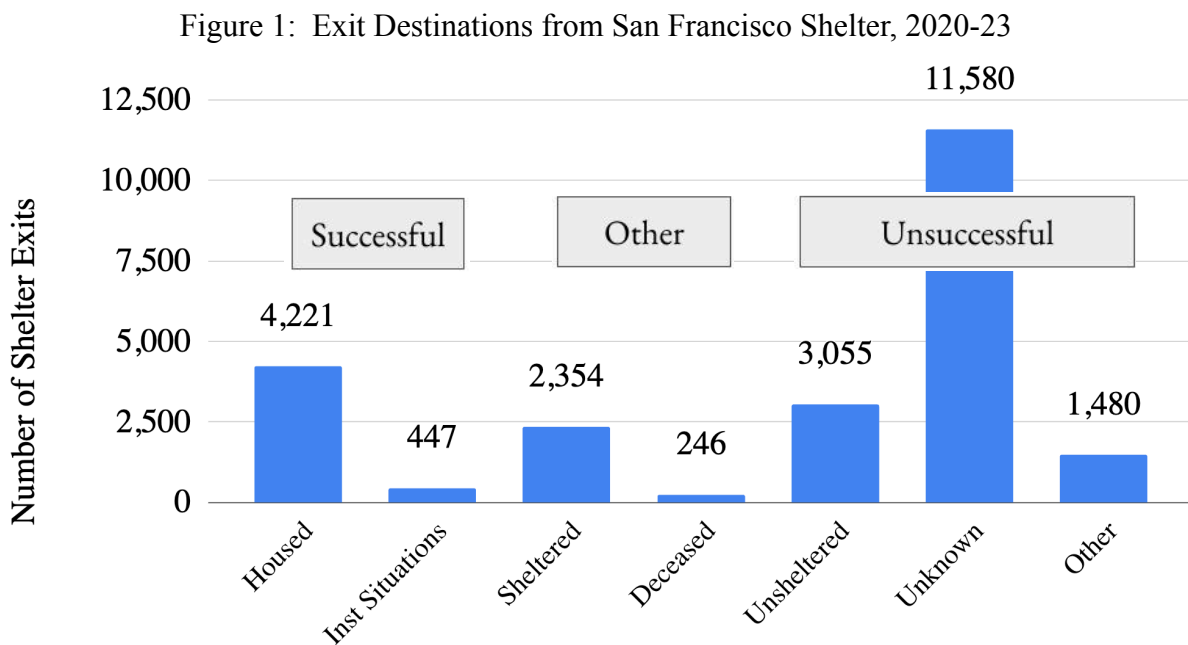
² UNITED STATES INTERAGENCY COUNCIL ON HOMELESSNESS, KEY CONSIDERATIONS FOR IMPLEMENTING EMERGENCY SHELTER WITHIN AN EFFECTIVE CRISIS RESPONSE SYSTEM 6 (2017) <<https://www.usich.gov/sites/default/files/document/emergency-shelter-key-considerations.pdf>>.

and “Supporting People to Succeed in Housing.”³ With respect to the role of shelter, the plan identifies various initiatives that include “[q]uickly connecting people who are unsheltered, and people who enter shelter and other temporary accommodations, to permanent housing options with services that support their success.”⁴

There is a clear consensus among nonprofit advocates, the U.S. federal government, and the City of San Francisco that the goal of a homelessness response system should be to help end homelessness quickly, and the role of shelter is to connect people to housing. Are San Francisco’s shelters succeeding in achieving this goal?

1. Most shelter exits are back to homelessness or to an unknown destination, which is likely homelessness.

Figure 1 shows the distribution of exits from San Francisco homeless shelters across different destinations.



Sources: Department of Homelessness and Supportive Housing (“HSH”) Sunshine Request for RescueSF, Jan. 2024; RescueSF calculations.

As indicated in Figure 1, the destinations fall into three groups. Since the purpose of shelter is to assist people with leaving homelessness permanently, a “Successful” exit includes an exit to

³ DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING, CITY & COUNTY OF SAN FRANCISCO, HOME BY THE BAY: AN EQUITY-DRIVEN PLAN TO PREVENT AND END HOMELESSNESS IN SAN FRANCISCO, 2023-2028 9 (2023) <https://hsh.sfgov.org/wp-content/uploads/2023/09/Home-by-the-Bay-Single_Page-Layout.pdf>.

⁴ *Id.* at 39.

housing or to an institutional situation, which includes a psychiatric facility, substance use treatment facility, a hospital, or a nursing home.

An “Unsuccessful” exit is a return to homelessness, and the grouping contains data on three types of exits. In some cases, shelter staff confirmed that a shelter guest returned to unsheltered homelessness. In other cases, a guest simply left for a destination that was unknown or listed as “other” and may have in fact been back to the streets. None of these destinations brought an end to the shelter guest’s homelessness, so the exit is considered unsuccessful.

The final high level category, “Other,” refers to exits that were neither out of homelessness nor back to unsheltered homelessness. An exit to “Sheltered” refers to a move to another type of shelter facility outside of the City’s system. The “Deceased” category records that 246 shelter guests died while in shelter.

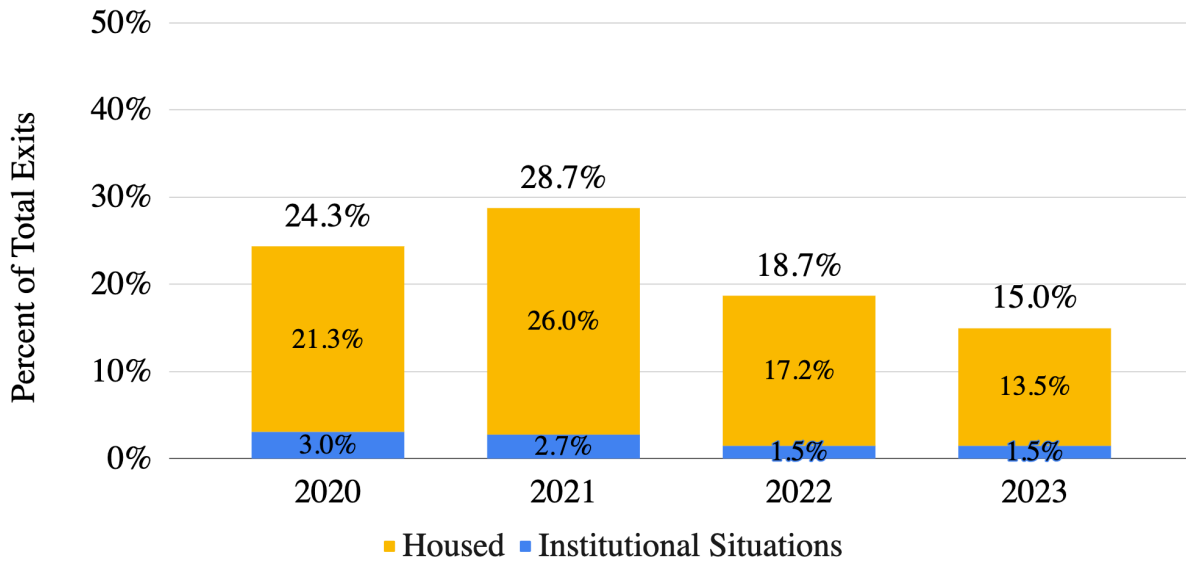
As shown in the graph, the unsuccessful exits by far represented the majority of exits from shelter. During 2020-23, the City’s shelters had 23,383 total exits. Of that total, 16,115, or 68.9%, were unsuccessful.

2. In 2023, only 15% of shelter exits were successful, leading to housing or an institutional situation.

Figure 2 shows successful exits from San Francisco homeless shelters as a percent of all exits. In each of the years, successful exits were a relatively small share of total exits. During COVID, in 2020 and 2021, the City had more resources from the federal and state governments and was able to help more people obtain housing – 21.3% of exits in 2020 and 26.0% of exits in 2021. However, those numbers plummeted in the past two years, with only 17.2% of shelter exits leading to housing in 2022 and just 13.5% in 2023. In all four years, relatively small shares of exits were to institutional situations even though a large segment of San Francisco’s unhoused population would likely benefit from residential treatment for mental illness or substance use disorder.⁵

⁵ Unhoused people surveyed for the 2022 point-in-time count self-reported their health conditions. The results included 52% with drug or alcohol abuse, 38% with post-traumatic stress disorder, and 36% with psychiatric or emotional conditions. See DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING, CITY & COUNTY OF SAN FRANCISCO, SAN FRANCISCO HOMELESS COUNT AND SURVEY: 2022 COMPREHENSIVE REPORT 41 (2022) <<https://hsh.sfgov.org/wp-content/uploads/2022/08/2022-PIT-Count-Report-San-Francisco-Updated-8.19.22.pdf>>.

Figure 2: Successful Exits from San Francisco Homeless Shelters, 2020-23
(As Percent of Total Exits)



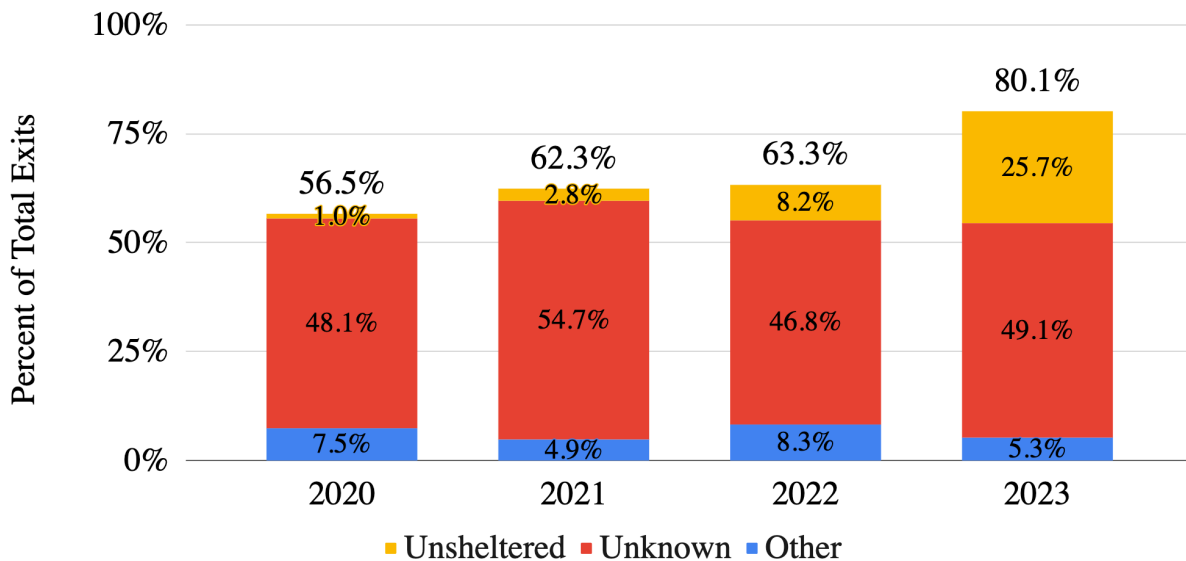
Sources: HSH Sunshine Request for RescueSF, Jan. 2024; RescueSF calculations.

Total successful exits in 2023, including both exits to housing and institutional situations, represented only 15.0% of exits.

3. In 2023, 80% of shelter exits were unsuccessful, leading back to homelessness or to an unknown destination, which is likely homelessness.

Figure 3 shows unsuccessful exits from San Francisco homeless shelters as a percent of all exits. Unsuccessful exits have represented a majority of exits in each of the last four years. Within total unsuccessful exits, exits to unknown destinations have represented a near majority or a majority of all exits. Confirmed exits to unsheltered homelessness have grown during the past two years, reaching 25.7% of all exits in 2023.

Figure 3: Unsuccessful Exits from San Francisco Homeless Shelters, 2020-23
(As Percent of Total Exits)



Sources: HSH Sunshine Request for RescueSF, Jan. 2024; RescueSF calculations.

4. Emergency shelter and navigation centers, which house the bulk of San Francisco’s shelter guests, have the lowest percentages of successful exits and the highest percentages of unsuccessful exits in the shelter system.

“Emergency Shelter” is the main catchall type of shelter in San Francisco, and it includes traditional congregate shelter, non-congregate or semi-congregate shelter such as converted hotels, and family shelter. Emergency shelter offers amenities and services such as showers, food, laundry, security, and case management. “Navigation Centers” are congregate shelters with lower barriers to entry – for partners, pets, and possessions – that offer more amenities and services to help guests obtain housing.⁶

The SIP hotels were hotels that the City rented and converted into temporary shelter for unhoused people who were most vulnerable to COVID-19. The City ended the program by the end of 2022. The City has programs that offer trailers and cabins as shelter with communal restrooms, showers, and other amenities and services. The City also provides Urgent Accommodation Vouchers for homeless people to pay for temporary stays in hotels and motels.⁷

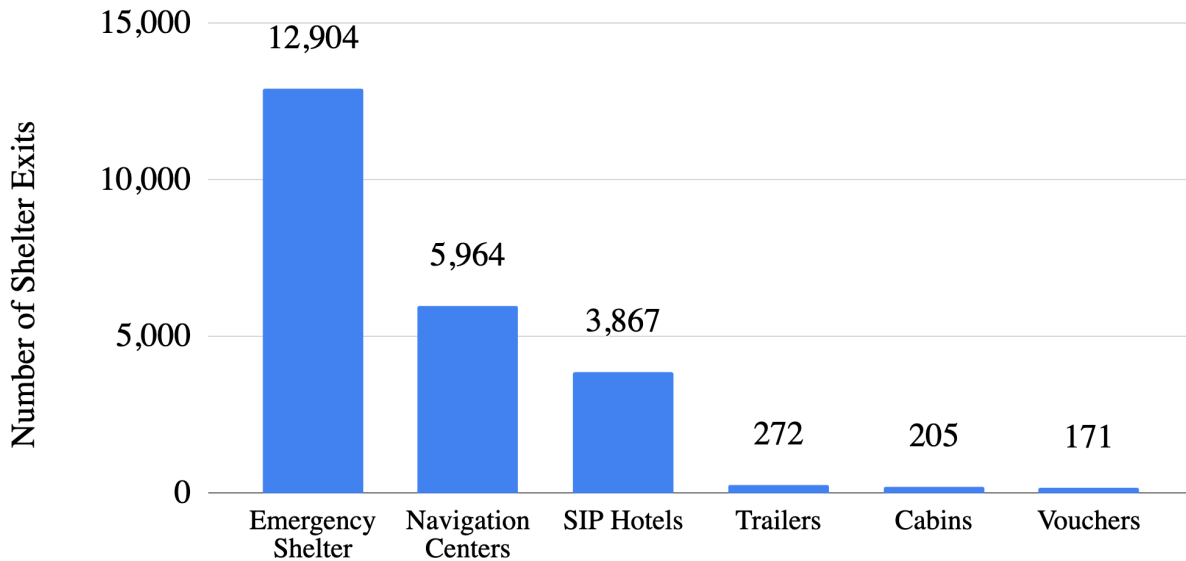
During the last four years, San Francisco’s shelter system saw 23,383 total exits. Figure 4 shows the distribution of those exits across the different types of shelter. Emergency shelter, navigation centers, and the SIP hotels accounted for 97.2% of all exits from San Francisco’s shelters.

⁶ See Department of Homelessness and Supportive Housing, “Shelter and Crisis Interventions” (visited Nov. 5, 2023) <<https://hsh.sfgov.org/services/the-homelessness-response-system/shelter/#site-type>>.

⁷ See *id.*

Emergency shelter produced the most exits, at 55.2%, followed by navigation centers with 25.5% and the SIP hotels with 16.5%.

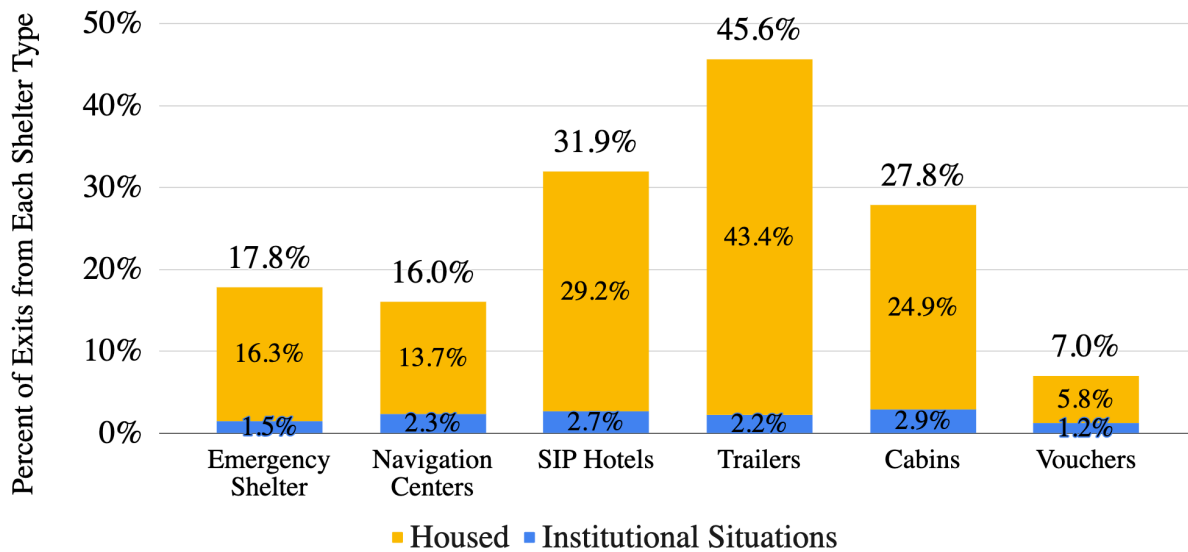
Figure 4: Total Exits from Different Types of San Francisco Shelter, 2020-23



Sources: HSH Sunshine Request for RescueSF, Jan. 2024; RescueSF calculations.

How effective is each type of shelter at helping guests achieve successful exits out of homelessness? Figure 5 shows the percent of guests from each type of shelter that had successful exits from 2020 to 2023. Guests staying in non-congregate shelters – the SIP hotels, trailers, and cabins – were more likely to have successful exits than guests in congregate shelters – the emergency shelter and the navigation centers. However, the guests using vouchers to pay for hotels or motels, which are also non-congregate, had a lower rate of successful exits than guests in emergency shelter and navigation centers. What explains these differences?

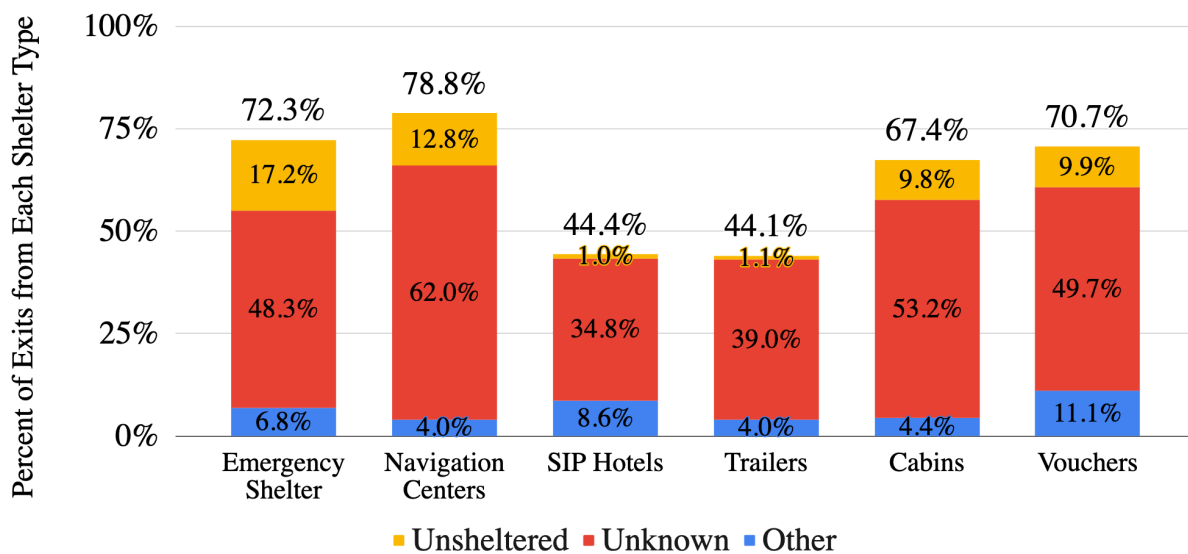
Figure 5: Percent of Guests from Each Shelter Type with Successful Exits, 2020-23



Sources: HSH Sunshine Request for RescueSF, Jan. 2024; RescueSF calculations.

Figure 6 examines the effectiveness of shelter by showing the percent of total exits from different types of shelter that were unsuccessful.

Figure 6: Percent of Guests from Each Shelter Type with Unsuccessful Exits, 2020-23



Sources: HSH Sunshine Request for RescueSF, Jan. 2024; RescueSF calculations.

Further investigation should seek to understand why some shelter types had greater rates of successful exits than others. For example, to what extent did some shelter types house guests

with more challenging personal needs? Could those more challenging needs partly explain the different rates of successful exits?

The different success rates across shelter types is due in part to City policy. When the City engages with unhoused people through the Coordinated Entry process, the City administers an assessment to determine a person's needs and then, based on that assessment, makes offers of services, such as shelter or permanent housing.⁸ For example, during the COVID pandemic, the City offered hotel rooms to unhoused people with vulnerable health conditions and then devoted additional resources to help many guests of SIP hotels find permanent housing.⁹ Does the City similarly prioritize housing exits from trailers and cabins?

Further investigation should also examine data for shelter guests who were not eligible for permanent housing from the City. Did these shelter guests, who had to find employment and housing on their own, have more successful exits from some types of shelter but not others? Or did they have more similar rates of successful and unsuccessful exits across shelter types?

5. During 2020-23, 246 shelter guests died in the City's shelters, with deaths representing a much higher share of exits from non-congregate facilities such as the SIP hotels, trailers, and cabins.

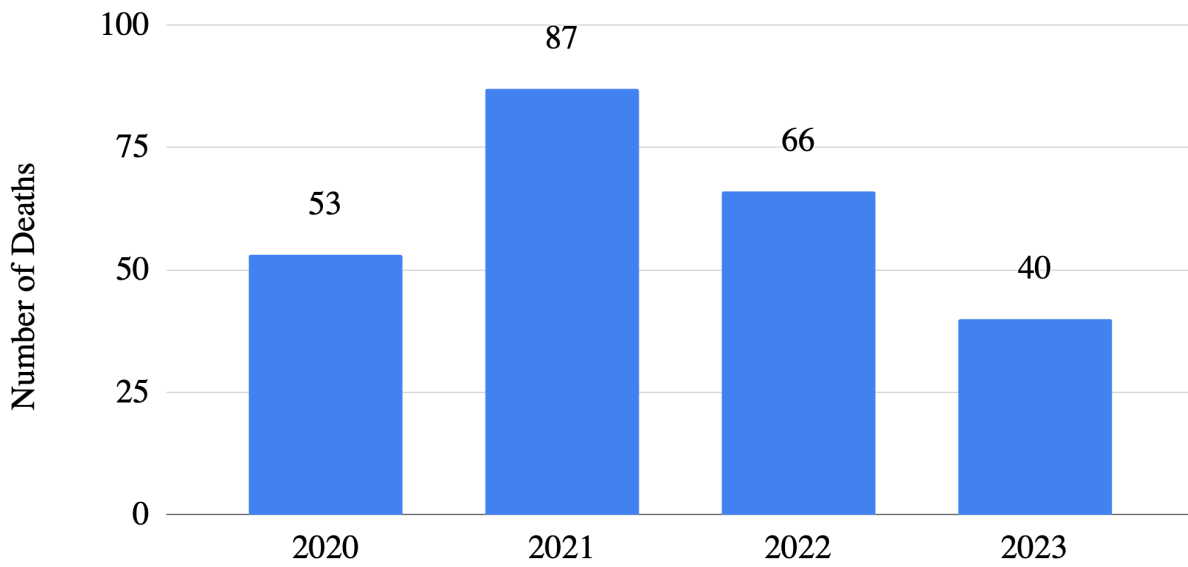
Figure 7 shows the number of deaths in San Francisco's homeless shelters during the past four years. Deaths reached a high of 87 in 2021 before declining over the next two years. The explanation for the spike in deaths in 2021 is perhaps found in Figure 8, which shows deaths as a percent of exits from each type of homeless shelter. Non-congregate shelters – the SIP hotels, trailers, and cabins – recorded significantly higher rates of exits through death than the congregate shelters. The increase in total deaths in 2021 was likely due to deaths at the SIP hotels.

This data suggests that the City needs to improve how shelter staff monitors guests with private rooms in non-congregate shelter. While this data shows deaths as a percent of exits, it is not the same as a mortality rate, which would show deaths as a percent of total guests, including those still remaining at a shelter. Further investigation should calculate these mortality rates at different types of shelter and also examine the causes of death.

⁸ See Department of Homelessness and Supportive Housing, "Coordinated Entry" (visited Nov. 15, 2023) <<https://hsh.sfgov.org/services/the-homelessness-response-system/coordinated-entry/>>.

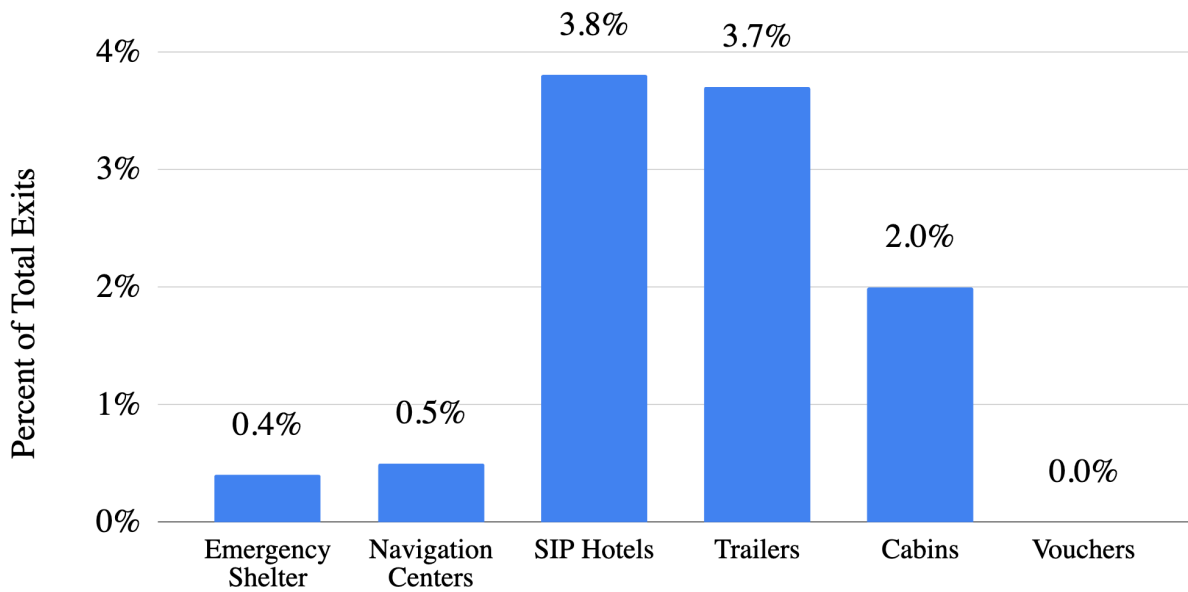
⁹ See Adam Shanks and Evan Wyloge, *Pandemic Shelters Hailed, Could Reshape Approach to Homelessness*, S.F. EXAMINER, Apr. 14, 2023 <https://www.sfexaminer.com/news/politics/pandemic-shelters-may-set-path-for-sf-homeless-response/article_b956bd42-da44-11ed-b04b-7f692881f8fd.html>.

Figure 7: Deaths in San Francisco Homeless Shelters, 2020-23



Sources: HSH Sunshine Request for RescueSF, Jan. 2024; RescueSF calculations.

Figure 8: Deaths as a Percent of Exits from San Francisco Homeless Shelters, 2020-23

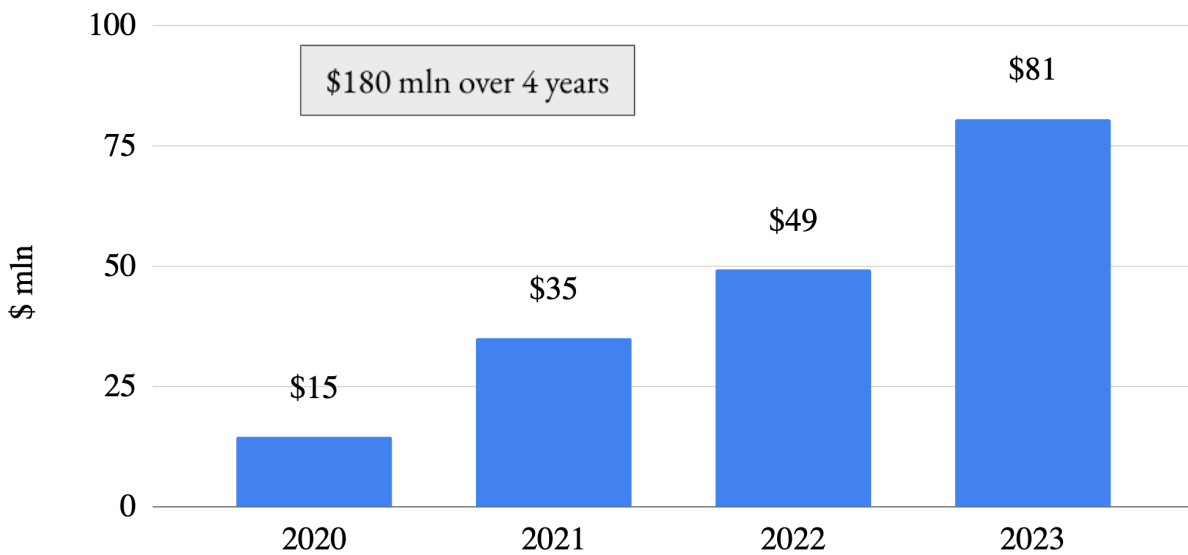


Sources: HSH Sunshine Request for RescueSF, Jan. 2024; RescueSF calculations.

6. San Francisco is spending enormous resources serving people who have unsuccessful exits from homeless shelters: as much as \$81 million in 2023 and \$180 million since 2020.

San Francisco residents should be shocked by the revelation that the City’s homeless shelters are potentially returning almost 80% of guests to the streets, and residents should be further incensed to learn the cost. In 2023, the City may have spent as much as \$81 million serving shelter guests who eventually returned to homelessness or an unknown destination, which is likely the streets. Over the past four years, this figure could be as much as \$180 million.

Figure 9: San Francisco Spending on Shelter Guests Who Had Unsuccessful Exits, 2020-23



Sources: DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING, CITY & COUNTY OF SAN FRANCISCO, A PLACE FOR ALL REPORT 10 (2023) https://hsh.sfgov.org/wp-content/uploads/2023/02/Final-APFA-Report_Revised-03.24.2023.pdf (average annual City spending per shelter guest); HSH Sunshine Request for SF Chronicle (average length of stay for guests who had “unsuccessful” exits); HSH Sunshine Request for RescueSF (shelter exits by destination); RescueSF calculations.

II. RECOMMENDATIONS FOR ADDRESSING SAN FRANCISCO'S SHELTER CRISIS

The City should take urgent action to address the crisis in its homeless shelters. We have developed the following recommendations.

1. The City should conduct a thorough and speedy investigation into the causes of the high rates of shelter exits to homelessness or unknown destinations.

Researchers should examine all available data, interview shelter staff, and contact people who left shelter for homelessness or unknown destinations. The problem can only be fixed once it is understood. Research could raise the following questions:

- In interviews with people who exited shelters for an unknown destination, how many returned to the streets? Where else did they go?
- In interviews with people who had unsuccessful exits, what reasons did they give for their exit?
- Looking at shelter guests who were not eligible for City-funded housing, how many successfully found housing? What factors contributed to their success?

2. The City should prepare a comprehensive strategy for improving the effectiveness of the shelter system.

The eventual solutions should be based on the research into the causes of the problem. For example, the solutions might involve investment in more mental health and drug treatment services for people in shelter. To increase the number of successful exits, shelter guests may need more options for places to go, which would require the City to create more downstream capacity in behavioral health facilities, transitional housing, and permanent housing.

3. The City should overhaul the reporting on its response to homelessness to make better use of the data it collects. Insightful reporting should promote more effective management, greater accountability, and meaningful public transparency.

The data in this paper shows that the shelter crisis has existed at least since the start of the COVID pandemic and has worsened each year. How did the crisis get so out of hand? Although the City has had this data in its databases, City officials were not looking at it. Year after year, the City continues to spend vast resources on homeless shelter without carefully monitoring whether homeless shelters are working. This poor performance reflects an entrenched culture in City Hall that does not prioritize results and accountability.

The first step should be to improve the City's data collection regarding homeless shelters. Regular data collection practices should give the City a real-time understanding of the conditions inside the shelters and the performance of the different non-profit organizations that run shelters.

As we have argued elsewhere, the City should adopt a formal performance management process to improve the performance of the City's homeless shelters.¹⁰ The City should set specific, quantified goals and timelines; formulate detailed strategies for achieving those goals and timelines; regularly monitor results and evaluate performance; and make adjustments to stay on track. The City does not follow these basic practices, now, and they should.

CONCLUSION

After living with a homelessness crisis for more than forty years, San Francisco needs a plan that will deliver results and end homelessness. The starting point is to have a shelter system that offers people an effective first step to permanently leaving the streets. The shelter system should connect people with the supportive services that they need, such as primary health care, psychiatric care, and drug treatment, as well as pathways to find transitional housing or permanent housing.

While the City is generally aware of these issues, City officials are not acting with sufficient urgency to address the shelter crisis. So long as San Francisco's homeless shelters fail to bring people inside, thousands of unsheltered people will continue to suffer on the City's streets, neighborhoods will continue to suffer from poor street conditions, and the City will continue to waste vast financial resources on ineffective programs. The scale of the shelter crisis calls for immediate action to fix the shelter system, now.

¹⁰ See *Insightful Reporting Should Promote More Effective Management, Greater Accountability, and Meaningful Public Transparency*, S.F. CHRON., Nov. 10, 2023
<<https://www.sfchronicle.com/sf/article/government-performance-accountability-18451073.php>>.