UPDATE

A bi-monthly newsletter of the Solano County Health & Social Services Department.

Promoting Healthy Tomorrows

January, 2005 Volume 2, Issue 1

Letter from the Director

Dear Reader:

This month's issue of **Update** looks at homelessness in Solano County. The homeless include more than those who sleep under bridges or in parks. The homeless ranks include those sleeping on the couches of friends or relatives as well as those sleeping in cars, shelters, and other transitional housing. Further, it includes those who are at imminent risk of homelessness because they face immediate eviction and have not been able to identify a subsequent residence. There are an estimated 4,800 to 5,000 homeless persons in Solano County at any given time.

Homelessness can be caused by a variety of problems. The main cause is unaffordable housing for the poor. Secondary causes include mental illness, physical illnesses, substance abuse, lack of incentives to work, poor work ethics, and lack of education.

In Solano County, as in nearly all of California, there is a growing shortage of affordable rental housing and a simultaneous increase in poverty (See the September 2004 issue of **Update** for a look at Solano County poverty statistics.) Housing has become more expensive in Solano County. During the past five years, housing prices have doubled and rents have increased by 50 percent. Incomes have not kept pace. Median family income increased by 16.5 percent over those same five years.

For those who own homes, the growing equity is an important asset. But for those who do not own a home, the dream of homeownership is slipping away. In order to qualify for a traditional mortgage for the median priced home in Solano County, a household needs nearly \$80,000 for a down payment and an annual household income of nearly \$100,000.

The rising cost of housing - along with such other essential expenditures as higher gasoline prices - is clearly putting the squeeze on many households. Increased housing costs are almost certainly among the reasons why H&SS has seen dramatic increases in the food stamp and Medi-Cal rolls. Increased pressure is being placed on non-profit and faith based community organizations as well. The Food Bank of Contra Costa and Solano distributed more than 2 million pounds of food in Solano County last year.

H&SS provides a number of services that can help families on the margins from becoming homeless and help those who are homeless to get back on track. These include income support and health programs. Homeless families with children are eligible for a one-time payment for homeless assistance. For the 25% of the homeless who have a mental illness or the 60% who are chronic substance abusers, the agency provides mental health and substance abuse treatment although funding cuts have scaled back these programs. But, there is some good news. H&SS was recently awarded a new Healthcare for the Homeless Grant (Page 3). The program is designed to increase the number of homeless persons utilizing primary and preventative care and to decrease the number using emergency services. Services will initially be offered in Vallejo and expand to Fairfield and, possibly, Rio Vista in 2 or 3 years.

Sincerely,

Patrick O. Duterte Director



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PROFILE OF SOLANO COUNTY'S HOMELESS POPULATION						
	Number	Percent				
TOTAL	4,849					
Adults	3,273	67.5%				
Children	1,576	32.5%				
Persons in Families w/Children	3,151	65.0%				
Single Adult Males	1,196	24.7%				
Single Adult Females	5 0 1	10.3%				
Male	2,457	50.7%				
Female	2,392	49.3%				
	4 000	2.0.0%				
African American	1,893	39.0%				
White	1,801	37.1%				
Hispanic Native American	5 5 4 3 2 3	11.4%				
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A STAIL / O LITE I	211	J.7 //o				
Serious Mental Illness	1,212	25.0%				
Chronic Substance Abuse	2,909	60.0%				
Veterans	5 3 3	11.0%				
HIV/AIDS	3 3 9	7.0%				
Victims of Domestic Violence	873	18.0%				

Source: Solano Continuum of Care Group, 2003 Application Summary. Subpopulation counts estimated based upon a survey of 114 homeless persons conducted in 2001 and 2002 and further refined based upon subsequent surveys and expert knowledge of the Solano County homeless population.

- The homeless are defined as those without permanent housing. Homeless persons are not necessarily living on the streets. They are more likely to be living temporarily in a shelter or staying with friends or relatives. Estimates suggest that only about 10 percent of the County's homeless population does not have shelter at any given time.
- Families make up two-thirds of Solano County's homeless population.
- Only about 1 out of every four homeless persons in Solano County is a single male.
- A more typical homeless profile is that of a single mother with 1 or 2 children who was the victim of domestic violence.
- One fourth of all homeless persons have a serious mental illness.
- Estimates of the Solano County homeless population vary widely depending on the definition and characteristics used. Of the "hardcore" homeless those living on the streets most are men and at least 40 percent of them appear to be veterans.

COUNTY AWARDED GRANT TO PROVIDE HEALTH CARE TO THE HOMELESS

The County's 2003 Housing and Urban Development Continuum of Care Plan estimated that 12,000 persons experience a homeless episode annually in Solano County, with 4,800 to 5,000 homeless on any given night. Solano County identified several barriers for homeless persons to receive healthcare in the County. The principal barriers identified by homeless persons and service providers include the inability to pay, mistrust of providers, inadequate transportation, limited awareness of service availability, long waits for care, and fears regarding immigration status. The frequent result is that homeless persons delay care until a health problem becomes urgent and then go to hospital emergency rooms - a costly and less effective means of receiving treatment.

To address these needs, Solano County Health and Social Services Department applied for and has been awarded a threeyear, \$600,000 per year, Healthcare for the Homeless Grant from the Federal Bureau of Primary Care. Grant funds are renewable if service goals are met. The grant funds are targeted to persons who are homeless, including those living in shelters, transitional facilities, without a fixed address or "doubling up" with families and friends. The grant will provide comprehensive health care, including primary care, testing/evaluation/treatment, and chronic disease management; preventative health care

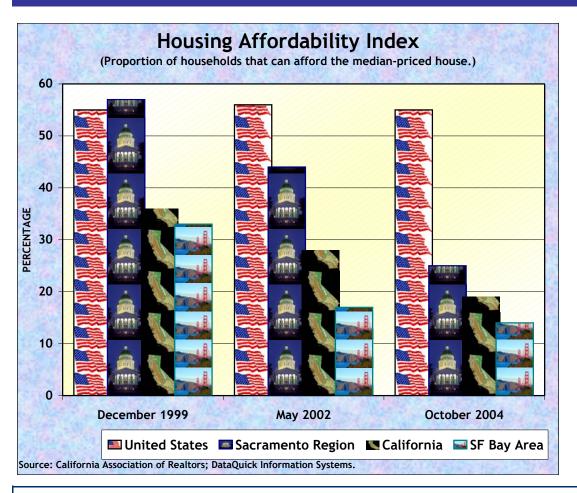
and mental health assessment/referrals; supplemental health services, including assistance with eligibility, registration, scheduling appointments, case management, transportation vouchers and bus passes; comprehensive oral health care; substance abuse assessment/referrals, counseling, medication management, and linkages with support services.

This project is designed to increase the number of homeless persons utilizing primary and preventative care and to decrease the number using emergency and hospital services. Services will be provided at Family Health Services Clinic in Vallejo, on a mobile clinic serving the Christian Help Center, and other targeted sites, and a satellite medical clinic at the Success Center on Mare Island. Services will expand to Fairfield and, potentially, Rio Vista in years two and three.

As a result of this award, H&SS becomes a Federally Qualified Health Center. A unique advantage of a FQHC is that reimbursement for services is much higher as federal reimbursement is based on the cost of doing the service. This allows for enhanced Federal reimbursement for primary care, mental health and substance abuse services for all of our Medi-Cal clients.



MOVING OUT OF REACH: HOUSING AFFORDABILITY IN SOLANO COUNTY



The California Association of Realtors (CAR) tracks the proportion of households that could theoretically afford to purchase the median priced home in a particular market area. The formula takes into account market price, interest rates and income levels. Over the past 5 years, housing in California has become much less affordable.

While data is not available for Solano County, both the Bay Area and the Sacramento housing markets have seen housing affordability plummet.

Home prices are lower in Solano County than for any other location in the Bay Area but that does not necessarily mean that housing is more affordable. The Local Market Monitor, LLC — a private firm that tracks real estate and other economic trends — evaluates housing markets nationwide based on whether prices match local economic conditions including income levels. According to the firm's November 2004 report, the Vallejo-Fairfield-Napa metropolitan area has the second most overpriced market in the Bay Area just behind Santa Rosa. According to their analysis, Solano County home prices are 51 percent higher than overall economic conditions would appear to warrant. By contrast, even though housing is much more expensive in San Francisco, prices are only 27 percent higher than conditions warrant. [The full report is available at: http://www.localmarketmonitor.com/NationalSummary.pdf.]

Recent reports indicate that fewer first-time buyers are able to purchase new homes. Statewide figures show that first-time homebuyers made up more than two-thirds of all sales in the late 1990s but the proportion has now fallen to 23 percent.

SUCCESS STORY: Getting on Track

Patrick Stasio first met Bill R.* about 8 years ago at a Fairfield homeless shelter. Stasio is a retired navy vet who works as a Health Assistant for both the Public Health and Mental Health Divisions focusing on outreach to the homeless. Bill R. was kicked out of his home by his father when he was 13. He is in his early 40s now and has lived pretty much on the streets for nearly 30 years — except for when he was in jail or prison. With mental health and substance abuse problems, he was the classic homeless stereotype. With low social skills and no direction, he couldn't hold a job and didn't know how to cope with daily life.

Stasio began to work with Bill with the help of Solano County Youth & Family Services — a non-profit organization funded in part through H&SS. Because of prior parole violations, Bill returned to jail for a year. But Stasio continued to work with Bill even in jail. He got Bill a tutor and into a drug rehabilitation program. Bill learned to read and stayed clean. He became a role model in jail and on his release he continued to get counseling through Mental Health Services. He went to the Fairfield Public Health clinic where he was prescribed medications to help with his mental illness. County SSI advocates were able to enroll Bill in SSI. He also signed up for Medi-Cal. Bill now receives about \$700 a month from SSI after about \$100 is taken for child support for three of his children from a prior relationship.

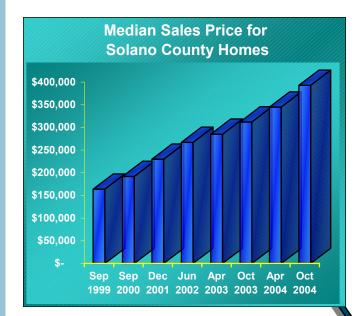
Bill was able to buy an old bus and convert it into a motor home. He turned an interest in bicycles and mechanics into a program to help other homeless. He buys bicycles at public auction, fixes them up and then loans them at no charge to other homeless persons. He numbers and keeps and inventory of the bicycles so that, if they are stolen, the police can track and recover them. He also fixes bicycles for area children and is repairing 11 bicycles for Public Health Nursing to distribute to needy children. He received a Certificate of Appreciation from one area city for his work.

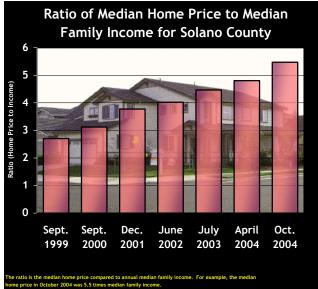


Bill also volunteers for the Solano Transitional Opportunities Program (STOP) which is funded by H&SS helping with custodial work and other chores at the STOP center. The agency is considering using Bill as a volunteer outreach worker. STOP provides Integrated services for the homeless mentally ill.

Bill R. has come a long way over the past five years. He hasn't had an encounter with the police for over three years. He's been out of jail. He is looking to continue tutoring with the objective of getting his GED.

* The story is true but the names and certain details have been changed to protect the privacy of this client and his or her family.





HOME OWNERSHIP

- The median price for a single family home in Solano County has more than doubled over the last five years — increasing 105% from \$164,000 in 1999 to \$393,000 in 2004.
- Solano County remains the most affordable housing market in the Bay Area — but prices have increased faster in Solano County than in any other county. The median sales price for a home in Solano County increased 26% between October 2003 and October 2004 compared to an 18.5% average increased for the Bay Area as a whole.
- The median home price is now 5.5 times greater than the County's annual median family income. In 1999 the ratio of home price to family income was 2.7.
- Home ownership is growing further and further out of reach for Solano County residents. It would take a household income of close to \$100,000 to qualify for a mortgage for a median priced home. To cover a 20% down payment, the buyer would need \$78,600.

MEDIAN SALES PRICE BY CITY June, 2004							
Benicia	\$	428,000					
Fairfield	\$	400,000					
Vacaville	\$	370,000					
Vallejo	\$	342,000					
Suisun City	\$	312,000					

Source: City of Vallejo Economic Development News, Third Quarter 2004.

AREA	PRICI	AN HOME E (October 2004)	N FAMILY NE (2003)	RATIO OF HOME PRICE TO INCOME	
San Francisco	\$	720,000	\$ 67,809	10.6	
San Mateo	\$	703,000	\$ 84,171	8.4	
California	\$	460,370	\$ 56,530	8.1	
Marin	\$	790,000	\$ 99,418	7.9	
Sonoma	\$	496,000	\$ 65,335	7.6	
Alameda	\$	530,000	\$ 71,092	7.5	
Napa	\$	510,000	\$ 68,690	7.4	
Bay Area	\$	552,000	\$ 76,339	7.2	
Santa Clara	\$	600,000	\$ 84,006	7.1	
Contra Costa	\$	470,000	\$ 78,491	6.0	
Solano	\$	393,000	\$ 69,003	5.7	

RENTAL MARKET

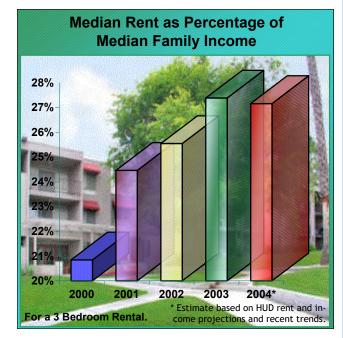
- Average rents increased by 49% between 1999 and 2004 (based on US Department of Housing & Urban Development (HUD) Fair Market Rates (FMR).
- There is a 3 to 5 year wait list for Section 8 vouchers. Section 8 is the federally funded, locally administered program that subsidizes housing cost for low-income households. In general, families pay 30% of their income towards rent with Section 8 subsidizing the rest up to the FMR.
- The hourly wage needed to afford a two-bedroom apartment at fair market rent is \$19.35 — almost three times the current minimum wage (\$6.75). A household with 2 persons working full-time at minimum wage would not be able to afford an average two bedroom rental.
- The burden of housing has increased for both homeowners and renters but has increased particularly for renters. 47% of all renters paid more than 35% of their total income towards rent in 2003 up from 36% in 2002 and 32% in 1989.
- With shelter and transportation taking more of a household's income, there is less money available to spend in other parts of the economy — especially discretionary spending.

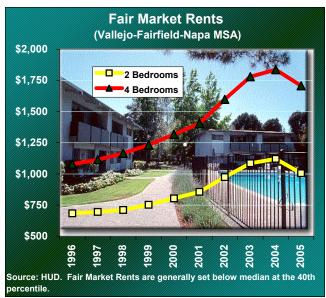
SECTION 8 CHANGE COULD RESULT IN LOW-INCOME FAMILIES PAYING MORE

Despite the increase in real estate values, HUD has reduced fair market rents (FMR) in the Solano County market for 2005 from 2004. For example, the FMR for a 2-bedroom rental has gone from \$1,121 to \$1,006. This is the first decrease in at least 10 years. (See middle chart to the right.) This change could have a significant impact on a Section 8 family under certain circumstances.

For example, a 3 person household with 1 adult working full-time and earning \$8.00 per hour would have been required to pay about \$390 toward their monthly rent in 2004. If they were renting a two-bedroom apartment or home at the FMR limit of \$1,121 monthly in 2004, Section 8 would have provided a subsidy of about \$730. If the family remains in the same rental unit in 2005, they will be required to pay the difference between the new FMR limit and their rent - or \$115 (\$1,121 - \$1,006). Total monthly rent paid by the family would rise to \$505 under this scenario - a 30 percent increase. Assuming, income remained the same, the portion of household income going to rent would increase from 28% to 36%.

Fair Market Rents are set at 40 percent of the market as determined by HUD -- or below even the median or middle range rental unit.





HOUSING COSTS AS PROPORTION OF TOTAL INCOME

	1989	1999	2002	2003					
Homeowners	20.7%	21.3%	23.1%	29.1%					
Renters	31.9%	30.2%	36.0%	46.7%					
All	25.1%	24.6%	28.0%	35.9%					

Source: US Census, 1990, 2000 and 2002 and 2003 Esti-





The Health & Social Services (H&SS) Index combines workload data from 15 key services provided by H&SS, along with data on unemployment in Solano County, to provide a monthly indicator of community demand for health and social services.

All of the monthly numbers — clients served, program caseloads, number of unemployed, referrals, etc. — are added together and then converted into an index score. The January 2003 total serves as the index bench line figure of 1,000. The index scores for subsequent months reflect change from the January level. Like the Dow Jones or NASDAQ, higher scores suggest positive developments — fewer people looking for work or requiring the services that H&SS provides, for example. Falling numbers suggest increasing need for H&SS's safety net services.

Please note: The index is not a direct measure of need. Many socioeconomic factors influence need. At the same time, various factors, such as eligibility guidelines and available revenues, influence the amount of service that H&SS can provide regardless of need or demand for service.

INDICATOR	Jan-03	Apr-03	Jul-03	Oct-03	Jan-04	Mar-04	May-04	Jul-04	Sep-04	Oct-04	Nov-04
Number Unemployed	13,800				13,100			13,500		10,900	
Number of I&R Calls	2,772	2,655	2,906	2,863	2,655	2,520	2,059	2,184	2,416	2,061	1,980
CalWORKs Cash Assistance Recipients	9,405	9,740	9,753	9,932	10,402	10,452	11,021	10,982	11,135	11,141	11,161
New CalWORKs Applications & Restoration Requests	521	504	530	515	469	567	429	472	474	414	478
Food Stamp Recipients	11,515	12,491	12,517	13,312	13,761	14,389	15,420	15,472	15,773	16,014	16,103
General Relief Recipients	256	331	325	383	385	367	374	387	428	450	450
Medi-Cal Enrollment*	49,001	49,938	50,958	52,167	53,255	52,954	53,559	53,510	54,298	55,334	55,520
CMSP Cases (End of Month)	4,228	4,623	4,794	5,031	4,922	5,266	5,227	5,413	5,529	5,895	6,257
Elder or Dependent Adult Abuse Referrals	98	99	110	89	106	95	95	90	95	93	76
Elder or Dependent Adult Abuse Confirmed	40	19	20	26	36	29	26	27	39	24	22
In-Home Supportive Services (IHSS) Authorized Cases	2,254	2,235	2,231	2,277	2,324	2,329	2,329	2,328	2,347	2,381	2,371**
Child Abuse Referrals	390	333	324	356	387	452	410	304	372	341	297
Medical Clinic Visits	2,595	2,658	2,496	2,697	2,615	3,025	2,614	2,454	2,267	2,168	2,058
Dental Clinic Visits	447	413	425	413	283	401	315	290	335	370	396
Mental Health Clients	2,701	2,835	2,754	2,681	2,756	2,804	2,592	2,529	2,620	2,413	2,436
Substance Abuse Clients	699	627	529	580	566	602	575	651	676	660	655

^{*} August - November, estimated based on H&SS cases. Note: Because actual Medi-Cal enrollment numbers alone would represent over one-half of the index, Medi-Cal enrollment has been adjusted (weighted) to 1/3 of the actual total. ** Estimated.