

Chico Needs a Plan

2023-2024 Butte County Grand Jury

SUMMARY

The City of Chico (City), along with most of California, has been experiencing a major surge in homelessness for about a dozen years. The Butte County Grand Jury (BCGJ) did not find Chico's unhoused problem to be unique. Cities across the state of California are grappling with the same issue. Local emergencies, such as the Camp Fire, the Oroville Dam near-disaster, and the Covid pandemic resulted in the displacement of large numbers of Butte County's residents. Initial efforts to combat the large numbers of the suddenly unhoused were compassionate. Butte County residents soon became concerned with the vandalism, garbage and chaos introduced by some campers. When campers took up residence in Chico's parks and along waterways, the city responded to community feedback.

A lawsuit was filed against Chico (*Warren v. City of Chico*) on behalf of eight unhoused individuals alleging that their civil rights had been violated under the Eighth Amendment (Constitutional protection against imposing excessive bail, excessive fines, or cruel and unusual punishment). This suit cited as precedent a 2019 ruling from lawsuit filed earlier in Idaho called *Martin v. City of Boise*. That case was decided by the Ninth Circuit Court of Appeals, which held that, if an adequate number of shelter beds were not available, citizens could not be cited or evicted for camping or sleeping in public spaces.

In January 2022, a Settlement Agreement (Settlement) was reached in *Warren v. City of Chico*. Chico was to provide temporary housing with the Torres Shelter and Genesis (also known as the Pallet Shelter), both of which function 24 hours a day, 365 days a year. These two facilities do a respectable job, but only serve a limited number of people. Both facilities have requirements that many of the unhoused cannot meet or do not want to meet such as no alcohol or drugs, a one pet limit, mandatory counseling, etc. This Settlement also required one alternate camping site which located at the northwest corner of the Eaton Rd/Cohasset Rd intersection, and two additional alternate camping sites located at the southeast corner of the Eaton Rd/Cohasset Rd intersection.

Under the terms of the Settlement, Chico is constrained in how it may move unhoused individuals off city streets and out of parks and other public property. The Grand Jury found

that the Chico City Council has been as transparent as possible in sharing details while maintaining compliance with the confidentiality requirements of the Settlement.

Genesis is a direct result of the Settlement, and it is the Grand Jury's consideration that it is a success. Several hundred people have been moved off the streets, are living in an atmosphere where they may be able to recover from their past traumas and are exposed to a variety of services aimed at helping them move toward independence and possible future housing.

The "alternate" site located at the Eaton/Cohasset intersection in north Chico, is not a site of which to be proud. Its current configuration is hazardous and subject to inclement weather, drive-by shootings, medical issues, drug use, deaths on site, and numerous other issues. Those in the site are near food, transportation, and other services. Service providers visit them regularly.

A good preliminary start has been made toward safely getting many unhoused individuals off the streets while also providing an array of services from a variety of government and non-profit service providers (Butte County Behavioral Health, Jesus Center, True North Housing Alliance, etc.). However, there is additional work that needs to be done.

GLOSSARY

BCGJ	BUTTE COUNTY GRAND JURY
City	City of Chico
LSNC	Legal Services of Northern California
O&E	Outreach & Engagement Team
Settlement	Settlement Agreement from Warren vs. Chico

BACKGROUND

Nationally homelessness is a growing problem with nearly one third of the unhoused population in the United States residing in California, and the numbers are increasing. The Butte County (BC) 2022 Point-In-Time Count was 1,156 unhoused individuals, which rose by 7% in 2023 to 1,237 unhoused individuals, with the over 65 contingent the largest growing group.

California put aside \$7.2 billion (about \$22 per person in the US) to address homelessness in the 2021-2022 state budget. Last year, there were an estimated 172,000 homeless statewide, which equates to annual spending of nearly \$42,000 per homeless person.

A noticeable increase in the number of unhoused individuals in Chico occurred around 2012. The problem worsened with the 2017 Oroville Dam near-disaster, the 2018 Camp Fire, and the Covid-19 pandemic. Each event prompted individual, community, and government-based

actions including providing meals, developing housing options for the unhoused, monetary contributions for non-profits supporting the unhoused and clothing donations. These efforts were undertaken as part of the fabric of community responsibility. However, as petty crimes and vandalism increased, as businesses suffered, and the general quality of life in Chico deteriorated, sympathies of many citizens waned. Chico's "sit/lie" ordinance did not provide the intended results. Instead, campgrounds in public spaces proliferated, parks and waterways were visibly harmed, and the public's overall sense of safety deteriorated. Ultimately, frustration by all parties involved fueled community-wide divisions.

Unfortunately, many unhoused people remain on the streets despite the availability of several shelter options to include Genesis (previously known as the Pallet Shelter), Torres Shelter (operated by True North Housing Alliance), and the Jesus Center. These facilities function year-round providing shelter for the unhoused who must be assessed for suitability by the city's Outreach and Engagement team before being admitted to one of the facilities.

Issues that aggravate homelessness include changes in employment, higher rent costs and daily living expenses, and medical emergencies, to name a few. Many unhoused people struggle with addiction and mental health issues. Solutions need to be provided giving the unhoused an opportunity to be healed and housed.

Several methods of providing temporary shelter are being used by communities. Pallet shelters, tiny home shelters, and refurbished vacant buildings are appearing all over the state. The grand jury toured a supervised campground that Placer County is supporting in Auburn, CA. The administration provides tents, bedding, bathrooms, showers, and meals inside a secure, fenced enclosure. There is no electricity, heat or air conditioning provided. While more spartan than pallet shelters, the Placer County approach may be more amenable for those who have trouble sleeping inside buildings.

According to Placer County campground administration, the infrastructure is much less expensive than pallet shelters. Although tents need to be replaced annually, they cost \$600 apiece, whereas it costs approximately \$35,000 for a pallet shelter - before adding power, heating, and air conditioning. The Placer County model presents a cost-effective alternative for temporarily sheltering the unhoused.

A root cause of homelessness is the lack of affordable permanent housing available to those experiencing homelessness. Some people are ready for affordable housing now. Many unhoused people sleep during the day because it's safer. Daytime sleep habits add to the challenge of the transition to housing and a "normal" life. Others need wrap-around services to help overcome addictions and mental health challenges.

In addition to the established shelters, Safe Space is a local non-profit that provides short-term temporary shelter from extreme weather conditions. While Safe Space is funded largely by private donations of food, bedding, and sleeping locations often provided by local churches

(along with heavy utilization of community volunteers), it does receive annual funding designed for specific projects from the City.

The Settlement resulting from *Warren v. Chico* obligated the city to provide additional shelter for unhoused people. However, there remains a substantial population who continue to illegally camp outside sanctioned facilities.

METHODOLOGY

The Grand Jury reviewed the following documents:

Warren v. Chico litigation Settlement

City of Chico's Amicus Brief to U.S. Supreme Court

University of California at San Francisco's 2021 study on the impacts of homelessness

The National Prevention Science Coalition report published April 4, 2023

New England Journal of Medicine article on hospital visits for the unhoused. (January 4, 2016, updated April 5, 2023)

Representatives of the following organizations were interviewed:

- **Butte County:** Behavioral Health, Continuum of Care, Department of Employment & Social Services, Housing Authority of Butte County.
- **City of Chico:** City Council members (past and present), present and former city officials, Department of Public Works' Operations & Maintenance and Outreach & Engagement Teams, and the Police Department Target Team.
- **Non-governmental Agencies:** North State Shelter Team, Safe Space Chico, United Way, and Youth for Change.
- **Shelter Tours and Interviews:** Jesus Center, Genesis (previously the Pallet Shelter, operated by Jesus Center, under contract with City), True North Housing Alliance/Torres Shelter, Alternate Site (Eaton & Cohasset), Gathering Inn (managed campground in Auburn, CA).
- **Documents/Publications:** *Warren v. Chico* litigation Settlement and related documents, University of California at San Francisco's 2021 study on the impacts of homelessness, The National Prevention Science Coalition published April 4, 2023, New England Journal of Medicine article on hospital visits for the unhoused.
- **Public Media/Alternate Sources:** Radio stations KPAY and North State Public Radio (NSPR) and Stand Up for Chico, Chico Taxpayers Association; ChicoSol, and Save Our Chico.

- **Public:** Interviewed member(s) of the unhoused/recently housed population.

DISCUSSION

Historical Costs to the City of Chico

The costs of unhoused services incurred by the City of Chico are roughly \$6-\$7M per year. These expenses cover the Genesis shelter contract, but ~~it~~ also includes the costs of the Police Department's Target Team, Public Works' Outreach & Engagement Team, and Public Works' cleanup efforts on campsites after a sweep. The Eaton/Cohasset campsite is also included in this estimate. In 2023, City of Chico Public Works removed 539 tons of trash, and its Outreach & Engagement Team provided outreach, resources, and assessment to a total of 331 individuals.

Genesis was built at a cost of \$3.29M. The 2022 operating budget (April 25, 2022, opening to April 25, 2023) was just over \$4M, and the contract with the Jesus Center was for approximately \$1.35M.

Services, Rules, and Expectations by Funding Source

- Privately funded and/or faith-based shelters follow the Board of Directors' instructions. The instructions generally require services provided to be utilized, often with the assistance of a case worker assigned to an individual. Facility rules may also include language regarding illegal substances, weapons, behavior, and limits on personal belongings.
- Government-funded facilities cannot require services to be utilized, as this violates an individual's freedom of choice, but the shelters offer access to information regarding services that are available. However, rules and responsibilities of good citizenship are required.
- Transitional or other specialty housing uses rules for placement and conduct designed for the type of housing and funding. Examples could include youth housing, mental health housing or veterans housing, all with extremely specific settings.
- Emergency Housing/Extreme Weather Shelter, while considered a short term environmentally designated temporary solution, are an integral part of the shelter housing process. Most positions are staffed by community members volunteering their time. Food and bedding often come from private donation sources, and winter sleeping accommodations are often church facilities donated for that purpose.

- The alternate camp site, currently located at Eaton & Cohasset, has a specific set of rules, as set by *Warren v. Chico Settlement*, which designates who is allowed to be assessed for utilization of this sheltering location.

June 20, 2023, University of California San Francisco released a report following an extensive investigation into the unhoused crisis in California. The study concluded the primary reason 30% of unhoused people in the nation live in California is due to unsustainability of housing cost. Anyone seeking the humblest habitation in Chico must compete in the housing market with thousands of California State University of Chico and Butte College students. The housing shortage was further exacerbated in 2018 by the mass of refugees from the Camp Fire. That fire destroyed over 14,000 Paradise homes, limiting available home sales and residential rental markets.

Yet, for all the additional problems one may consider unique to Chico, when compared with surrounding urban areas, the unhoused situation in Chico is not unique. The table below relates the numbers of unhoused in several northern California cities according to the 2023 Point-in-time survey conducted by the Continuum of Care. The city population column reflects the 2020 census. To illustrate the impact of the unhoused within the city's overall population, the third column represents the percentage of unhoused within the city's overall population. The numbers represented by Chico do not stand out. Oroville, for example, has far fewer unhoused people than Chico, but, as its population is also far smaller, their numbers represent a larger portion of the population. The numbers, as shown, give proof that Chico is not a particularly desired destination for the unhoused.

City	Population	Homeless Population	Percentage Homeless
Chico	102338	925	0.9
Oroville	19893	277	1.4
Redding	93462	934	0.99
Santa Rosa	176938	1160	0.66
Roseville	151901	704	0.46
Red Bluff	14588	304	2.1

Chico does not stand out among California cities as to the size of its unhoused problem, but their manner of dealing with the crisis does. Where many cities have followed the "Housing First" model, first promoted by the George W. Bush administration, which has the priority of getting the unhoused off the street, Chico has not followed that model.

Chico operated largely without a written policy detailing how the city addressed the unhoused issue until 2022, when it was entered into a structured settlement which outlined the City's responsibilities for the welfare of its unhoused population. The City's action to address homelessness prior to the Settlement came in 2013 when the City Council passed an ordinance declaring it illegal to "sit or lie" on sidewalks or in building entryways or alcoves in the downtown area. With the City considering an adversarial posture would make the unhoused go away, this law was intended to encourage them to leave Chico.

A three-year study of the law was later conducted by an interdisciplinary group of professors from CSU Chico. The study concluded the actual effect of the "sit/lie" ordinance was to move unhoused people from the city center to other parts of the city, while doubling the cost of enforcement of the ordinance by city police.

The Settlement obligated Chico to address the needs of the unsheltered community. One achievement of the settlement was Genesis (initially named the Pallet Shelter), a facility that has proven to offer eligible unhoused people a secure alternative to living on the streets. This shelter, along with additional actions taken, has addressed the needs of the unsheltered population. Butte County Behavioral Health Outreach personnel estimate the number of unhoused remaining on the street currently to be about one hundred people or more. These unhoused individuals are unable or unwilling to access the city's shelter facilities. This unwillingness causes an ongoing problem for both these individuals and the city. The unsheltered in Chico continue to live in dangerous conditions which are unhealthy and unsecure.

Studies have shown that the most expensive way to deal with these unhoused individuals is to leave them unhoused. The cost of healthcare borne by the taxpayer is much higher to treat the unsheltered and/or unhoused. The unhoused are leading dangerous, unhealthy and unsanitary lives that increase their need for healthcare. These individuals do not address these health concerns which allows simple health issues to become medical emergencies that flood the expensive emergency health system. There is also a significant additional cost to police and jails to enforce illegal camping laws. An article by the National Prevention Science Coalition, published April 4, 2023, cites a study by the New England Journal of Medicine that found that unhoused people spend an average of four days longer per hospital visit than others. This publication further cites a two-year study by The University of Texas which found each unhoused person cost taxpayers \$14,480 per year just to cover overnight stays in a jail.

Currently, any unhoused person spending nights in an unsanctioned space, as identified in the Settlement, is subject to eviction by the police after a seventeen-day notice. After the people leave, Chico Public Works cleans up the debris left behind. Once evicted, the unhoused people typically return to a campsite they had formerly been evicted from and await another seventeen-day eviction from their new location. On top of the already significant cost to taxpayers, this interchange between the city and the unhoused adds a significant cost to the

budgets of the Police and Public Works while further destabilizing an already unstable group of unhoused individuals.

Understanding the current Settlement Agreement

Provisions of the Settlement directed that the City needed to build a pallet shelter with up to 177 individual rooms. Each pallet was to provide two beds, although individuals referred to Genesis were not to be required to share a room. Onsite services were to include potable water, handwashing stations, garbage disposal, laundry services, a meal and kitchen area, private meeting areas, bike parking and property storage. The shelter was to be low barrier, meaning one did not have to be clean and sober to be a resident. There was also to be no requirement to participate in services, including case management.

Another stipulation of the Settlement concerned so-called “sweeps,” or the clearing of campsites. This seventeen-day process functions in the following ways currently:

- The city may, if there are shelter beds available in either the Genesis, or at the Torres Shelter, begin the process by providing LSNC with a seven-day notice.
- If there is no objection from LSNC, the city could then provide campers who will be subject to a sweep, or clearing of their camp, with their own seven-day notice.
- A seventy-two-hour notice follows, and then the camp may be cleared.
- Up to three locations may be cleared at a time, and campers not home at the time of the second seven-day notice must have five attempts made to locate and notify them. No more than fifty campers may be cleared from the three encampments at one time, and any seized property must be held for up to ninety days.
- Persons moved out in a sweep are not prevented from going back to the same area after several hours.
- The city may not cite or arrest those campers who may be located elsewhere in the city, including those in residential areas. The Settlement effectively protects certain behaviors, such as camping, for which regular members of the public would be cited or arrested.

A stipulation of the Settlement is that campers to be involved in a sweep must be assessed for suitability to enter a shelter. If deemed suitable, those campers are offered shelter in either the Torres Shelter, or Genesis. However, campers may not be required to accept the placement. Two teams are involved in the assessment process. The Chico Police Department’s Target Team is made up of officers specially trained to work with the unhoused in a neutral capacity. The city’s Public Works Department’s team is called the Outreach & Engagement (O&E) Team. These are the people who contact campers, with the O&E Team completing an assessment of

each camper and recommending placement in a shelter (or not). Those considered not suitable may be assigned to the Eaton/Cohasset "alternative campground."

While O&E assesses a camper, the Target Team is required to maintain a slight distance to allow for privacy. However, the Target Team also spends time with the campers on many occasions, and positive relationships are formed. GJ members visited the site on several occasions as the target team performed the actual task of removing campers and exhibited a respectful attitude. While the team might be dismayed by the terrible conditions in which these people were living, they were never observed to be disrespectful. The team assisted people in sorting out what possessions were to be stored and which were to be taken with them. The Grand Jury believes the Target Team is to be commended for their professional manner in performing this difficult and impactful job.

The City of Chico Public Works department interacts with the unhoused in two ways. First, the O&E Team, in conjunction with the Target Team, is responsible for contacting the unhoused in the sites where a sweep is planned. O&E conducts the actual assessment which determines if one is suitable to be assigned a spot in a shelter, or if they are to go to the Eaton/Cohasset site. GJ members have gone out in the field with O&E on several occasions when advance notices were given and when the actual removal of a camp was implemented. The GJ observed that the O&E Team was respectful and provided necessary information for each camper.

Another group of Public Works employees is engaged in disposing of the trash which results from the encampments.

Genesis operates under a contract with the city and is managed by the Jesus Center. Available on-site at Genesis, upon request, are services provided by organizations such as the Butte County Department of Employment & Social Services and Butte County Behavioral Health. A Housing Navigator is available as are three case managers. The shelter's funding sources mandate a housing-first approach, and residents are not required to engage with any services.

Shelter leadership sees the areas of greatest need as services for substance abuse victims, and for those who have mental health issues combined with addiction (dual diagnosis). Some of these individuals have been diagnosed as not equipped to care for themselves. The soon-to-be-implemented Care Court, currently in a trial phase in several counties, will provide relief to some suffering from these issues.

Genesis is one of the positive outcomes of the Settlement. It consists of 177 individual pallet shelters with heat, air conditioning, and two beds. Although not a settlement requirement, the city felt air conditioning was a necessity given Chico's summer heat. The addition of air conditioning drove the cost of the electrical equipment to just over \$1M. Toilet facilities are on-site, and showers are also available. Three meals per day are provided. Case management is also available on-site; however, residents are not required to utilize the service. The Torres Shelter is much more aggressive with case management with its congregate setting accounting

for its higher success rate at moving people into housing. Genesis residents that engage with case managers experience better outcomes as they move toward independent housing. In the shelter's first year, eleven people found housing, and another twenty were provided Social Security benefits.

Genesis also serves as a navigation center and enables residents to obtain IDs, connect with Social Security benefits, and access a variety of other services in one location. Genesis currently has around two-hundred-twenty people in residence.

There will be additional costs to the city going forward, and the community needs to understand the creation of Genesis is not the final answer. The Eaton/Cohasset campsite cannot be a long-term solution. Some type of organized, rules-based, and closely monitored camp site must be made available. Costs incurred by the Police Department and Public Works regarding the Eaton/Cohasset campsite should be diverted to more productive uses.

The Federal government, the State of California, and the Ninth Circuit Court have combined to put all cities under the Ninth Circuit's overview in an untenable situation. The Supreme Court is poised to take on the questions raised by *Martin v. Boise, and subsequent decisions that relied upon it*. Its decision, which should be available by July 2024, might provide clarity as to how all cities and counties must consistently serve the unhoused.

If the Supreme Court sustains *Martin v. Boise*, all states, not just those under the jurisdiction of the Ninth Circuit, will have to provide legal compliance. If the court strikes down the decision, several community leaders have suggested the city might seek to terminate, or at least allow the operations of Genesis to degrade. Such actions would have negative results for the community such as increased medical and law enforcement costs and a general degradation of the average citizen's sense of security. In 2023, at least twenty-three unhoused people died on the streets of Chico.

FINDINGS

- F1. The City of Chico precipitated the Warren lawsuit when the unhoused were relocated without adequate shelter.
- F2. The staff and volunteers at the different transitional and emergency housing programs are dedicated, enthusiastic and efficient.
- F3. The City of Chico established the Genesis Shelter (formerly known as the Pallet Shelter) which has served several hundred formerly unhoused individuals.

F4. Due to the notification and site-clearing directions in the Settlement Agreement, the City of Chico is constrained in the handling of complaints regarding the unhoused.

RECOMMENDATIONS

R1 The Chico City Council direct the City Manager to develop and implement an internal committee specifically designated to interface with the unhoused population, current service providers and future county, state, and federal homelessness commissions by January 1, 2025.

R2 The Chico City Council develop a written policy that will deal with how the city will address the unhoused by March 31, 2025.

R3 The Chico City Council should implement this written policy within all City departments that interface with the unhoused population by June 30, 2025.

R4 The City of Chico supports the efforts of government and non-governmental service agencies in addressing the special needs required by the unhoused in extreme weather.

R5 The Chico City Council should expand shelter opportunities for unhoused people who currently live outside sanctioned shelter facilities by June 30, 2025.

R6 The City of Chico continues funding transitional and emergency housing programs.

REQUIRED RESPONSES

The following responses are required pursuant to Penal Code § 933 and 933.05:

From the following governing bodies:

Chico City Council - 90 days to respond on

F1, F4 and R1, R2, R3, R5, R6 & R7

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code § 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

WEBSITE REFERENCES

Butte County	https://buttecounty.net
Butte County Behavioral Health	https://www.buttecounty.net/159/Behavioral-Health
Butte County Continuum of Care	https://www.buttehomelesscoc.com
City of Chico	https://chico.ca.us/
City of Chico Shelter Beds	https://chico.ca.us/City-Services/Housing-Homelessness/Shelter-Bed-Availability/index.html
Chico State Today	https://today.csuchico.edu/campus-research-probes-sit-lie/
Costs of Homelessness	https://www.npscoalition.org/post/fact-sheet-cost-of-homelessness
Orange County Register	https://www.ocregister.com/
Safe Space Chico	https://www.safespacechico.org
Settlement Agreement	https://chico.ca.us/documents/City-Services/Sheltering-Provisions/Outreach-and-Engagement-for-Homeless-Individuals/warren_v_chico_settlement_agreement_0.pdf
Supreme Court Briefs pertaining to City of Grants Pass, Oregon v. Johnson, et al.	https://www.supremecourt.gov/search.aspx?filename=/docket/docketfiles/html/public/23-175.html

UCSF Homelessness Study <https://homelessness.ucsf.edu/>