

**Shelter Network, 1987-2007:  
Twenty Years of Service to Homeless Families and Individuals**

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## I. INTRODUCTION AND KEY THEMES

It is early on a bright but chilly weekday morning in October of 2007.

In San Mateo, a family is getting ready to start the day. Three months earlier, the mother, who is raising two boys on her own, had lost her job, and then a medical crisis – a trip to the emergency room after her seven-year-old crashed his skateboard – had used up her limited savings. Unable to pay the rent, she was forced to move out of her apartment, and spent a terrifying week sleeping in her car with her young children. Then she was referred to the nonprofit Shelter Network and its programs for homeless families. For the past three weeks, the mother and her children have been living at First Step for Families, a program run by the nonprofit Shelter Network.

Dressed and ready for a job interview in a few hours, the mother helps her boys brush their teeth and get ready to go. She closes the door to the family's bedroom, and they take the elevator to the first floor, passing a flier announcing a "game night" later that week, sponsored by a volunteer group. After a short walk across the courtyard, they reach the door to the on-site Head Start child care center, and her youngest son, a preschooler, bounces into the room to greet the teacher. The mother smiles at the teacher, kisses her youngest son goodbye, and takes her older son's hand as they leave the child care center and walk toward the street. Waving to her case manager, who has just arrived for work, the mother promises to check in after the interview. The case manager calls after her, "Good luck!". And the mother and her son start walking down the street toward the bus, which will take him to school and her to her interview...

Not far away, in another part of San Mateo, a different Shelter Network case manager knocks on the door of a studio apartment in the converted Vendome Hotel, now operated by Shelter Network as a permanent supportive housing program. The resident, an older man, answers the door, and invites the case manager in for their scheduled meeting. Just a month earlier, the man had been sleeping in a downtown San Mateo garage, his "home" for the past five years, ever since the downward spiral of a mental illness, exacerbated by heavy drinking, had made him unable to cope with the day-to-day logistics of maintaining a permanent place to live.

Then a month ago, an outreach worker had seen him on the street and offered a safer place to stay, for free; when he agreed to the idea, she brought him to the Vendome. Within an hour he had moved in, standing inside an apartment of his own for the first time in years. Now, sitting down for the meeting with his case manager, the man reaches to accept the stack of linens and towels that the case manager has brought, from a collection donated by a local Rotary Club. They begin to talk about arranging another appointment with his county mental health counselor...

Further south on the San Francisco Peninsula, in Redwood City, a man and his wife sit nervously in the waiting area at the Fair Oaks Community Center, with their sleeping infant daughter in her arms. Soon called to meet with a counselor, the man explains, in rapid Spanish, that they are in a crisis situation. They had been sleeping on the floor of a friend's apartment, but the friend has told them they can't stay there any longer. They don't have enough money saved to rent an apartment, even though the man has regular work as a landscaper, and they are afraid of what could happen to their daughter if they don't find a safe place to stay right away.

The counselor nods, reassuringly, and says she may be able to help. After making a few phone calls, she lets them know that there is an apartment available for them at Shelter Network's Redwood Family House, just a short bus ride away, where they can stay for free and get support while they work on a plan to secure permanent housing. Relieved, the man and woman thank the counselor several times, and with referral slip in hand, begin to make their way to the bus stop...

Further north, at a large hotel in Burlingame, over 1,100 people, most in business attire, are streaming into a brightly decorated ballroom, clutching coffee cups and stopping to greet friends and colleagues as they look for their seats at the tables filling the room. It is Shelter Network's annual Benefit Breakfast, a particularly special event this year, as the organization is celebrating its 20<sup>th</sup> anniversary. As images of families and logos of corporate sponsors flash across large presentation screens, two women head across the room, greeting old friends along the way, and sit down at a table near the front. They are Chris Sutherland and Cassandra Benjamin, Shelter Network's first and second Executive Directors.

Soon, the background music stops and the event program begins. When Michele Jackson, the agency's third and current Executive Director, steps up to the microphone to welcome the crowd and introduce the celebrity who will be the keynote speaker, Cassandra leans across the table. "We never had an event like this when I was Executive Director!" she whispers to Chris. Chris promptly responds, "That may be true – but you know that the work that you and I did helped set the stage for all of this." As Michele's speech concludes, a roar of applause fills the room, as Shelter Network's supporters express their enthusiasm for this morning's event and the nonprofit organization it will benefit.

\* \* \*

Shelter Network, established as a nonprofit organization in 1987, has worked to meet the needs of homeless families and individuals on the San Francisco Peninsula for over twenty years. The agency's mission, consistent throughout the years, is to provide housing and supportive services that enable homeless families and single adults of San Mateo County to re-establish self-sufficiency and to return to permanent homes of their own. Through seven site-based and four scattered-site programs, Shelter Network serves more than 3,500 homeless men, women, and children each year.

Since the organization's founding in 1987, Shelter Network has steadily expanded its programs and services for homeless families and single adults, overcoming many challenges and celebrating many accomplishments along the way. Looking back over the agency's two decades of history, a number of key factors have contributed to its survival and success. Internally, the agency has maintained strong executive leadership, an emphasis on collaboration, a diverse base of support, strategic messaging, a program model that is client-driven and focused on measurable outcomes, and a willingness to take calculated risks. Shelter Network's success has also been made possible by the agency's external environment, including San Mateo County's collaborative nonprofit community, the leadership of its philanthropic and public sectors, and the high level of resources in this relatively wealthy area. A result of Shelter Network's internal strengths and the external community assets has been the development of a strong community sense of ownership of the organization and its mission – a phenomenon which has significantly contributed to the organization's ability to survive challenges and seize opportunities.

Over the course of Shelter Network's history as an organization, these themes and many others emerge. As an example of one agency's path of development, this organizational history may offer valuable insights into the challenges, strengths, strategies, and external influences that nonprofit organizations implement and experience as they grow and change through time.

## II. LAYING THE FOUNDATION

### Shelter Network's Founding

Homelessness first emerged as a recognized social problem in the United States in the 1980s. As a consequence of multiple factors, but particularly due to a large-scale disinvestment in affordable housing and the subsequent loss of many low-rent housing units, homeless individuals and families began to appear on the streets of major urban centers across the country. At first, community advocates and policymakers assumed that homelessness was a temporary crisis, requiring a one-time intervention to help currently homeless individuals find jobs and return to stable housing. In fact, the first federal funding for homeless programs was managed by the Federal Emergency Management Agency (FEMA). By the late 1980s, however, it was clear that resolving the problem of homelessness required a more substantial investment and intervention. Thus in 1987, Congress passed the McKinney-Vento Homeless Assistance Act, which made multi-year federal funding available for local programs to address homelessness through the provision of both emergency shelter and transitional housing, defined as time-limited housing coupled with supportive services, designed to help homeless individuals return to permanent housing.

In San Mateo County, California – located south of the city of San Francisco on the San Francisco Peninsula, from Daly City in the north to East Palo Alto in the south – the emerging recognition of homelessness paralleled the national trends. As a largely suburban and fairly wealthy county, San Mateo County did not have large numbers of individuals visibly homeless on the street, as occurred in more urban communities. Nonetheless, by the late 1980s, community agencies and individuals connected to low-income communities on the Peninsula were aware of growing numbers of families and single adults struggling to keep up with rising housing costs and often becoming homeless. This growing local awareness of homelessness set in motion several events that would eventually lead to the establishment of Shelter Network in 1987.

Shelter Network's founding was unusual for a nonprofit organization. The agency's first Executive Director, Chris Sutherland, used to say, "If I had a dollar in the bank for everyone who says they founded Shelter Network, I'd be rich!" In fact, one can legitimately argue that Shelter

Network was simultaneously “founded” by three different groups of people working largely independently, in addition to the organization’s first Executive Director.

One group that played a vital role in the establishment of Shelter Network was Mid-Peninsula Housing Coalition (Mid-Pen), a nonprofit affordable housing provider that owned and managed several affordable housing developments on the Peninsula. Mid-Pen focused exclusively on operating affordable rental housing, but began receiving calls from homeless families and individuals in need of short-term transitional housing. As a result, Mid-Pen became interested in promoting the development of transitional housing programs on the Peninsula.

Over the years, Mid-Pen had acquired a few residential properties that were not viable for use as rental housing, but were suitable for shorter-term housing for homeless individuals. Not having expertise or interest in operating service-intensive transitional housing, Mid-Pen had leased two such facilities to Emergency Housing Consortium (EHC), a homeless services organization with headquarters in San Jose. However, EHC’s core programs and supporters were geographically focused in neighboring Santa Clara County, to the south, and the agency struggled to secure funds and effectively manage the programs located on the Peninsula.

Thus in 1987, when Mid-Pen acquired another small apartment building suitable for transitional housing in Daly City, the northernmost part of San Mateo County, they decided not to offer the site to EHC. Instead, Mid-Pen’s Executive Director, Fran Wagstaff, decided to lay the groundwork for the establishment of an independent, Peninsula-based nonprofit organization that would operate transitional housing programs in San Mateo County. Fran and other Mid-Pen staff drafted by-laws, submitted articles of incorporation, and filed for tax-exempt status for a nonprofit entity to be called Shelter Network of San Mateo County (later unofficially shortened to Shelter Network). They created a preliminary business plan for the organization, which envisioned a future network of transitional housing sites throughout San Mateo County. Grant requests were submitted to the U.S. Department of Housing and Urban Development (HUD) for the newly available federal McKinney-Vento funds, and for private funding to the local David and Lucile Packard Foundation, to pay the costs of operating the Daly City property as a transitional housing program. Finally, Mid-Pen staff, assisted by Mid-Pen Board Members, recruited a small group of individuals to serve as the Board of Directors for the newly-created nonprofit. Fran Wagstaff handed off the Shelter Network legal documents, HUD and Packard

Foundation grant paperwork, and the keys to the Daly City property to the new Shelter Network Board, and left the further development and management of the organization in their hands.

This first Shelter Network Board comprises the second group of individuals that can be said to have “founded” Shelter Network. The initial Board Members included Adrienne Tissier, a consultant on land-use issues who had worked with many Peninsula city governments and was active in the Daly City Chamber of Commerce, among others. Adrienne volunteered to serve as the Board Chair, and took the lead in presenting the idea of a transitional housing program for homeless families to the City Council of Daly City. Though initially skeptical, the Council ultimately came to see the proposal as an effective way to meet the needs of Daly City working families who had been unable to keep up with housing costs, and as a project that would be closely supervised and managed so as not to adversely affect the quality of life of the property’s neighbors. The Daly City Council approved the facility use permit, and agreed to commit some city funds to support the program operations.

Coincidentally around the same time that Mid-Peninsula Housing Coalition was submitting the paperwork to establish Shelter Network as an organization, the United Way independently convened a group of community leaders and Peninsula residents for a community meeting in San Mateo. Meeting attendees were divided into several focus groups, and tasked with brainstorming the gaps in services and unmet human service needs in San Mateo County. One group included Marcy Schultz (now Marcy Saunders), head of the San Mateo County Building and Trades Council, an umbrella group for San Mateo County’s unions; as well as John Kelly, Executive Director of Samaritan House, a San Mateo-based multi-human-service agency; and Laura Peterhans, an active volunteer in her church and other community groups. Their group identified homelessness as a key problem in San Mateo County; John was aware of homelessness among the individuals who sought services at Samaritan House, and Marcy knew of union members who had lost their housing after a job loss, uninsured medical emergency, or other financial crisis.

Because homelessness was a stigmatized and relatively unknown issue in San Mateo County – most county residents assumed there were no homeless people on the Peninsula – many United Way meeting attendees expected the homelessness focus group to fizzle. However, Marcy, John, Laura, and the other group members were committed to pursuing the issue, and in

the end, the homelessness group was the only group from the United Way convening that resulted in concrete community action, ultimately becoming a third group of “founders” of Shelter Network.

Meeting regularly, the group began looking into the process of establishing a formal organization and searching for possible properties to convert to housing for homeless individuals, focusing on the Mid-County area near San Mateo. Soon they learned of the existence of the new Shelter Network Board, which was working to launch a similar project for homeless families in Daly City. Marcy Saunders, from the United Way group, personally knew Adrienne Tissier, from the new Shelter Network Board, and over lunch the two began discussing the possibility of joining forces as a single organization focused on addressing homelessness in San Mateo County.

Simultaneously, the new Shelter Network Board had undertaken the task of hiring an Executive Director, advertising the position widely. Their lead applicant became Chris Sutherland, a young woman working at a transitional housing program on Skid Row in Los Angeles. Chris had applied for the Shelter Network job after two colleagues separately called her to say they had seen her dream job listed in San Mateo County. Shelter Network’s recently-formed Board knew their choice of Chris might be criticized because of her young age – she was only 26 at the time – but they were extremely impressed with her poise and experience, and confidently offered her the Executive Director position. In November 1987, Chris Sutherland started as Shelter Network’s first Executive Director – the final “founder” of Shelter Network.

Having worked in direct service for multiple homeless service programs, Chris came to Shelter Network with a strong understanding of homelessness and transitional housing. Personally, she was a charismatic, hands-on, confident leader, with an obvious passion for the issue of homelessness. Within days of starting her job at Shelter Network, she learned that the grants that had been submitted on behalf of Shelter Network had proposed that the program would begin serving families within just two months, and moreover, after the struggle to obtain city approval, the program opening could not be delayed. So, working with hands-on volunteers from the Board, Chris quickly got to work hiring staff, developing program policies and procedures, and coordinating the significant clean-up, repairs, and furnishing required to make

the apartments in the Daly City property habitable and to set up staff offices and space for services.

In January 1988, right on schedule, Shelter Network's first transitional housing program – Family Crossroads – opened its doors in Daly City and began serving homeless families. Over the next few months, staff and the Board continued to develop the program model and the agency's administrative infrastructure. The United Way group officially merged their efforts into Shelter Network, and some of the United Way group members became Shelter Network Board Members. (Over the next few years, Marcy Schultz, John Kelly, and Laura Peterhans would all join the Board of Directors). Shelter Network had started on the path to becoming the primary homeless services organization in San Mateo County.

In many ways, Shelter Network's founding was unique, driven by diverse groups and individuals that converged to establish the agency. While most nascent nonprofits have clear-cut identities – for example, as grass-roots organizations reliant on individual community members for support, or as agencies established as vehicles to operate programs funded by government contracts – Shelter Network was different. The newly-formed Shelter Network was both a grass-roots organization and an institutional spin-off, founded partly to take advantage of a new federal funding opportunity but also as a bottom-up response to an unmet community need. Shelter Network started with significant legal infrastructure and institutional grants in place, but was also heavily reliant on hands-on volunteers, in-kind donations, and jack-of-all-trades staff to launch its first program. From the beginning, the organization was a private nonprofit with a close relationship with local government, and the organization's very first funding included both public funds – a federal grant – and private support from a local foundation.

This complex origin created some tensions and challenges in the organization's earliest years, as different founding groups sometimes had conflicting priorities and opinions about how the agency should be managed or grow. Ultimately, however, the diversity of organizational roots proved to be a key agency strength, enabling Shelter Network to quickly develop a robust infrastructure and a broad base of both grass-roots and institutional support within its first few years of existence.

## **Core Program Model**

The first task tackled by new Executive Director Chris Sutherland, helped by hands-on volunteers from the Board of Directors, was developing the service model for Shelter Network. The core Shelter Network program model, developed in the organization's first few months of operation, would remain remarkably consistent over the organization's next 20 years. Basic eligibility for Shelter Network's programs is designed around the definition of homelessness adopted by HUD, namely a family or individual that currently has no housing or is facing eviction within a week, is staying in a homeless shelter, or is living in a place not meant for human habitation.

The agency's initial eligibility criteria targeted families and individuals experiencing temporary, usually financial problems that had resulted in homelessness. These criteria generally excluded the hardest-to-serve homeless families and individuals with multiple barriers to self-sufficiency. The programs did not permit alcohol or drugs on site, thus excluding individuals with active substance abuse issues. Individuals were not eligible if they had histories of violence, were in active domestic violence situations, or were unable to be personally self-sufficient due to serious mental or physical disabilities. These fairly strict eligibility criteria limited the homeless population that Shelter Network served, but were felt to be necessary in order to: 1) keep the scope of services within the organization's clinical capacity, 2) target services to individuals best positioned to quickly benefit from the services and return to permanent housing, and 3) secure acceptance of the residential programs among neighbors and local politicians wary about the impact of homeless facilities on surrounding neighborhoods.

The front-line staff in Shelter Network's programs are case managers, who work with small caseloads of ten to fifteen families or single adults. Case planning is strongly client-centered; clients develop three to five goals that will enable them to return to and maintain permanent housing, and then identify the tasks and timelines required to accomplish these goals. Case managers guide the goal-setting process, refer clients to resources, and meet with each client at least weekly to review progress on case plans. Clients are also required to attend weekly house meetings of all program residents and weekly on-site group trainings or support groups, and must be on-site after a specified curfew hour.

Unlike many transitional housing programs, no fees are charged to clients for housing or services at Shelter Network. Since housing, food, and other basic necessities are provided free, families and individuals in the programs have few living expenses, enabling them to save a substantial portion of their income. Clients are required to save at least 50 percent of their monthly income in a savings account provided by Shelter Network, with the savings, returned at program exit, available for permanent housing move-in costs such as first month's rent and security deposit. Because these policies enable clients to save more money more quickly than programs that charge client fees, Shelter Network has achieved both shorter client stays and higher success rates for returning to permanent housing than many other transitional housing programs.

Programs at Shelter Network are time-limited, offering a maximum of four months of housing and services in the family transitional housing programs (six months in the transitional program for single adults), with extensions granted in special circumstances. This compressed timeframe is much shorter than most transitional housing programs nationally, which are more typically 12 to 24 months in duration. After completing Shelter Network's programs, families and individuals can voluntarily participate in follow-up/aftercare case management and continue to access resources such as clothing donations and on-site workshops.

From the very beginning, Shelter Network focused on a single key outcome: enabling homeless families and individuals to return to permanent housing. Data collection processes to measure outcome achievement were incorporated in the organization's earliest programs. In Shelter Network's first HUD grants, Executive Director Chris Sutherland included the performance goal that at least 80 percent of families completing the program would return to permanent housing. At the time, in the late 1980s, setting measurable performance goals and tracking progress on program outcomes was cutting-edge for a nonprofit organization, particularly in the area of homeless services. Shelter Network's approach to outcome-based performance measurement became a model for other HUD-funded homeless programs in northern California, and substantially contributed to the organization's ability to fundraise, particularly in terms of securing public and private grants.

Twenty years later, the basic program model at Shelter Network remains largely consistent for the organization's site-based programs. Some additional programs developed over

subsequent years have longer or shorter timeframes, and a few deviate substantially from the original model or include significant additional supportive services. However, all of Shelter Network's programs for homeless families and single adults incorporate the core elements of client-driven case plans, small caseloads, and a strong focus on the outcome of achieving permanent housing.

### **III. 1987 – 1995: THE FOUNDING EXECUTIVE DIRECTOR**

#### **Early Years of Rapid Growth with Chris Sutherland**

During the very first years of Shelter Network's existence, several activities took place that raised community awareness of the problem of homelessness on the Peninsula. At this time, the County of San Mateo established the Hunger and Homelessness Action Committee, a group of human service agency representatives charged with coordinating safety-net services throughout the county. The Committee was initiated by Corinne Centeno from the City of Redwood City, who would later become a Shelter Network Board Member and eventually Board Chair. Another Committee member was Michele Jackson, representing Head Start, who would later become a long-time employee of Shelter Network and eventually the agency's Executive Director. The Hunger and Homelessness Action Committee helped build a collaborative atmosphere between and among nonprofit organizations and the public sector in San Mateo County – a cooperative attitude still notably present 20 years later.

Following the creation of the Hunger and Homelessness Action Committee, the San Mateo County Board of Supervisors established a Blue Ribbon Commission on Homelessness, comprised of prominent business and community leaders. The Commission raised the profile of the issue of homelessness among a broader sector of the community and among influential individuals, many of whom would later become important Shelter Network supporters. Another result of these community activities was that Peninsula Community Foundation dedicated \$1 million for the creation of a Housing and Homeless Trust Fund to support programs for homeless individuals in San Mateo County, including the programs operated by Shelter Network.

Internally, Shelter Network's first few years under the Executive Director leadership of Chris Sutherland were a period of intensive organizational development. Through the personal connections of Board Members, particularly connections to local churches and unions, the organization built up its base of volunteers and donors. In 1989, Shelter Network held its first major fundraiser, a Benefit Breakfast event, securing sponsorships from local companies, religious congregations, and trade unions. Chris Sutherland also developed stronger relationships with Shelter Network's institutional funders, including the Packard Foundation, Peninsula Community Foundation, HUD, and local cities and the county. Collaborations were

developed with other human services nonprofit and public agencies. For referrals to Shelter Network's programs, the agency tapped into an existing network of core service agencies throughout the county. Samaritan House, under Executive Director John Kelly, worked especially closely with Shelter Network, providing prepared meals as well as access to their clothing closet and other services and resources for clients.

When Fran Wagstaff of Mid-Peninsula Housing Coalition had laid the groundwork to establish Shelter Network as a nonprofit organization, she had envisioned Shelter Network managing multiple properties owned by Mid-Pen throughout San Mateo County as transitional housing programs. A few months after Chris Sutherland had been hired as Executive Director, Fran saw that Shelter Network was developing successfully as an organization, and Mid-Pen moved forward with their plans to hand over more properties to Shelter Network for management.

In 1989, only a year after the opening of Family Crossroads in Daly City, Mid-Pen presented Shelter Network with another property, a former DMV office and adjacent single-family house in San Mateo, which Mid-Pen had designated for transitional housing for single adults, to be leased for Shelter Network for \$1 per year. Shelter Network's administrative staff would eventually occupy the house on the property, and the former DMV building was converted to housing for single adults. Rehabilitating the property required a tremendous effort, with most of the work donated by local union members and other community volunteers. A grant from HUD was secured to fund the program operations. In late 1989, the new Turning Point program opened – coincidentally on the day of the major Bay Area earthquake. Laura Peterhans, a Board Member at the time, remembers that after the quake, instead of worrying about her own house, she instantly thought, "I hope Turning Point is still standing!" The newly rehabilitated facility survived without damage, and program operations proceeded smoothly.

For a brief period from 1989 to 1990, Shelter Network also operated the San Mateo County Winter Shelter, an overnight shelter housed in the National Guard armory in San Mateo during the winter months. California's Governor had made armories available for use as winter homeless shelters beginning in 1987, and San Mateo County's winter shelter had first been operated by Emergency Housing Consortium followed by Samaritan House. The following year,

Samaritan House asked Shelter Network, as the county's main homeless services organization, to take on responsibility for the program.

In 1990, Chris Sutherland and the Shelter Network Board of Directors held a weekend retreat to make plans for the future of the organization. Having opened two programs in a very short period of time, they decided Shelter Network should focus on program operations and avoid further expansion in the near future. However, less than month later, Mid-Peninsula Housing Coalition and the City of Redwood City asked Shelter Network to take over an apartment building in Redwood City. The facility was owned by Mid-Pen, and had been operated as transitional housing by Emergency Housing Consortium, but EHC had struggled to supervise and fundraise for the site, and the program was in serious need of physical repair and rehabilitation as well as improved program management.

Despite their recent decision to avoid more expansion, the Board and Chris agreed to take on the project – on the condition that the city agree to provide significant funding for both rehab and ongoing program operations. Redwood City agreed, and Shelter Network moved forward with the facility repairs and applied for a HUD operating grant. In 1990, Redwood Family House opened and began providing transitional housing for homeless families.

Because Shelter Network was now committed to operating the new Redwood Family House program, in addition to the existing Turning Point and Family Crossroads programs, Shelter Network asked Samaritan House to resume oversight of the Winter Shelter in the armory. Samaritan House agreed, representing the beginning of a division of homeless services in San Mateo County that would persist for many years. Samaritan House would continue to operate the emergency winter overnight shelter, serving single adults, with few eligibility restrictions, and focused on meeting homeless individuals' immediate basic needs for food and a place to sleep (or "a hot and a cot"). Shelter Network, on the other hand, would focus on providing service-intensive transitional housing, with more restricted eligibility, largely emphasizing families, and focused on helping homeless individuals achieve the longer-term outcome of returning to permanent housing.

A year after the opening of Redwood Family House, Mid-Peninsula Housing Coalition again approached Shelter Network to ask the agency to take over management of another

property, this time a converted motel located in Menlo Park. As with the Redwood City site, the Menlo Park property had been managed – inadequately – by EHC as transitional housing, and was in need of even more extensive repairs and rehabilitation. With a commitment from the County of San Mateo to provide substantial ongoing operating funding, Shelter Network agreed to take on the Menlo Park project, leasing the property from Mid-Pen for a nominal fee as with Shelter Network’s other sites.

Largely due to the previous poor management and the deplorable physical condition of the site, many of the nearby neighbors were unhappy with the Menlo Park facility. Likewise, the Menlo Park City Council was less-than-enthusiastic about the program. Local antagonism toward the program had been exacerbated when Mid-Pen implemented a technical strategy to limit city control over the site; by arranging for the County of San Mateo to lease the site from Mid-Pen for a nominal fee, Mid-Pen effectively shifted the legal jurisdiction over the property from the City of Menlo Park to the County, thus thwarting possible initiatives by the city to force the program to move or shut down.

Shelter Network’s strategy for combating this antagonism was to present the agency’s arrival as a clean break with the property’s previous management, promising greatly improved maintenance and supervision of the program. As one of the previous property managers, Mid-Pen did not appreciate this public implication of mismanagement, and the relationship between Shelter Network and Mid-Pen cooled substantially.

In 1991, Shelter Network completed the repairs to the Menlo Park facility, and Haven Family House opened its doors to homeless families. Within less than four years, Shelter Network had completed four major rehab projects and opened four transitional housing programs, nearly doubling the agency’s capacity each year, serving nearly 600 individuals annually by 1991. Having started with a budget of \$150,000, Shelter Network now had a budget of more than \$900,000, and the number of staff had increased from 3 employees in 1987 to 36 employees by 1991. The agency’s growth, greatly facilitated (and largely initiated) by Mid-Pen, had been explosive.

Over the next year, Shelter Network was finally able to focus primarily on solidifying program operations. But soon, the agency’s expansion continued. In 1994, Shelter Network

launched Bridges, a program with a new service model targeting individuals who needed more time to achieve self-sufficiency. Clients were housed in scattered-site apartments, master-leased by Shelter Network, and visited regularly by a case manager. Families and individuals could remain in the program for up to two years (later reduced to one year), while completing a job training or educational program that would allow them to increase their income sufficiently to be able to take over the lease at the end of the program. The program was funded by a new grant from HUD.

Considering the tremendously fast growth experienced by Shelter Network, the agency had coped with program expansion quite well, managing to sustain high client success rates while juggling a series of major rehab projects and the significant workload of hiring and training new staff and managing a growing budget. Nonetheless, some growing pains were evident. Though major grants had been secured for each new program, revenue had not fully kept pace with costs, and the agency particularly struggled to secure sufficient unrestricted funds to cover the cost of administering a larger organization. The budgetary problems came to a head in 1994, when costs had to be cut and a number of support staff were laid off. Still, Shelter Network managed to continue all core program operations.

By 1994, with the addition of Bridges, Shelter Network now operated one scattered-site and four transitional housing programs, serving 800 homeless families and individuals per year. The agency's budget had reached \$1.44 million, with 44 staff members. Still in many ways a grass-roots organization, volunteers continued to play a key role at Shelter Network's program sites, and the agency's Board included many hands-on volunteers and individuals with strong connections to San Mateo County's religious and organized labor communities.

### **The Sunnybrae Shelter Proposal**

In 1993, despite several years of rapid and continuous expansion, Shelter Network had waiting lists for all of its programs. Moreover, because San Mateo County had no year-round emergency shelters, homeless families and single adults on Shelter Network's waiting list often had no safe place to stay while they waited for an opening at one of Shelter Network's transitional housing programs. Seeking to address this problem, Shelter Network's Executive

Director and Board began looking for a site where they could place an emergency shelter for both families and single adults.

Before long, they thought they had identified the perfect property. Located in the Sunnybrae neighborhood of San Mateo, the site was the right size, near transportation and community services, and abutted the railroad tracks, thus minimizing the number of adjacent neighbors. The property owner was willing to sell, and Mid-Peninsula Housing Coalition was willing to facilitate the purchase. Shelter Network moved forward with a proposal to the City of San Mateo for permission to use the site for an emergency shelter.

A few Sunnybrae neighborhood residents who heard about the plan, however, were appalled at the idea of a shelter in their neighborhood. Fearing decreased property values, increased noise, litter, and crime, and other negative consequences of the presence of undesirable or even dangerous homeless people near their homes and families, they mounted a fierce NIMBY (Not-In-My-Back-Yard) campaign against the project. Shelter Network's strong track record of operating programs for homeless people located in residential neighborhoods, with no adverse neighborhood consequences, offered evidence that the Sunnybrae residents' stereotypes about homeless people and fears about the impact of the project were not founded in accurate information. But the group of neighbors were not persuaded by Shelter Network's arguments, and the increasingly contentious dispute carried over into conversations with the City of San Mateo. As tensions escalated, Shelter Network's Executive Director began receiving threatening letters and phone calls demanding that the agency stay out of Sunnybrae.

The culmination of the disagreement came at a public hearing in the City Council chambers on an evening in the spring of 1994, held by the City of San Mateo to consider whether to grant a use permit for the Sunnybrae shelter project. Tensions in the room were palpable, particularly in the aftermath of the threats Shelter Network had received. Because of the threats, undercover police had been placed in the crowd. As individuals from opposing sides began to testify, becoming increasingly angry and emotional, the hostility escalated. John Kelly, then Executive Director of Samaritan House, remembers, "It was one of the scariest nights of my life – I really thought that some of the people there were going to become violent."

In the end, the hearing concluded without incident, but the use permit was not granted, and Shelter Network was forced to give up the project. The experience prompted the Board and staff to postpone any further discussion about opening an emergency shelter. Little did they know that this difficult episode would turn out to be merely a preview of the challenges Shelter Network would face a few months later.

### **Richard Allen Davis**

It was a quiet weekday in November 1994, and Executive Director Chris Sutherland had taken a rare day off from work to relax and catch up on projects at home. When the phone rang that morning, Chris had no idea how much Shelter Network and she personally would be affected by the events that were about to follow. The voice on the other end of the line was Shelter Network's Director of Programs, who stated that she was standing in the office at Turning Point with an FBI agent, and calling for permission to open the confidential client files. And so began the most difficult period of Shelter Network's history.

The file sought by the FBI was that of Richard Allen Davis, who had spent a short period at Turning Point a month earlier, in October 1994. Shelter Network's staff and Board were horrified to learn that Davis had been identified as the prime suspect in the widely publicized kidnapping, rape, and murder of 12-year-old Polly Klaas, who had been abducted at knifepoint from a slumber party at her home in Petaluma, north of San Francisco. Reconstructing the timeline of events, it became clear that Davis had actually been residing at Turning Point on October 1, 1994, the day the crime occurred.

The Polly Klaas case was one of the biggest national news stories of 1994, and soon a media circus descended on Shelter Network. Reporters and television crews camped out in front of Turning Point, and local and national news articles and TV spots appeared with the story that Davis had been homeless and living in Shelter Network's program at the time of the crime. The lurid story about the accused murderer, kidnapper, and child molester living in a homeless shelter reinforced the public's worst stereotypes and greatest fears about the type of people who are homeless. Outrage that such a dangerous individual had been housed at Shelter Network arose quickly and intensely among Shelter Network's neighbors and local elected officials in San Mateo.

Shelter Network's immediate reaction was to cooperate fully with the authorities. The agency also quickly opened an internal investigation to determine how Davis had been admitted to Turning Point, since his criminal history of violence should have made him ineligible for the program. The investigation determined that Davis had entered Turning Point upon his release from jail, as a new parolee. The Shelter Network staff on duty at the time stated that Davis had been referred by the county probation department, which had not disclosed his violent history, and the probation department refused to comment on the matter. This explanation seemed plausible, but other questionable evidence was also uncovered, including indications that notes in Davis's case file had been altered with the knowledge of the Director of Programs. Ultimately, Shelter Network's Director of Programs, as well as the two staff who had allowed Davis to enter Turning Point, were fired. In addition, Shelter Network's policies and procedures were revised to formalize the process for verifying client criminal records and to explicitly identify lines of responsibility for program oversight when the Program Director was absent. Furthermore, Shelter Network's general eligibility criteria were revised to categorically exclude all parolees from Shelter Network's programs.

Though the public outcry about the incident was not unexpected, it was arguably misplaced in being directed at Shelter Network. If Davis had not been admitted to Shelter Network's program, he still would have been released on parole into San Mateo County, but likely without a place to stay. Homeless and sleeping on the street, he certainly would not have been less dangerous to residents inside or outside of San Mateo County.

Nonetheless, public attention continued to focus on Shelter Network's connection to Davis. Reporters from local and national media outlets continually sought comments from Shelter Network for news coverage of the incident. To manage the unwanted media attention, Shelter Network designated the Director of Administration as the sole authorized spokesperson for the agency, thus helping to ensure that Shelter Network's message was targeted and consistent in explaining what had happened and how the agency had responded.

In addition to the media attention, elected officials at the City of San Mateo and the County held numerous public hearings about the incident. At a hearing before the County Board of Supervisors, Chris Sutherland explained Shelter Network's efforts to investigate the incident,

hold staff accountable, and revise agency policies in response. Urging community leaders and residents to move beyond the unfortunate episode, Chris spoke passionately about the need to continue supporting the agency's critical work serving San Mateo County's homeless families and individuals, the vast majority of whom were not dangerous criminals but rather honest, hard-working people in urgent need of housing and support.

At the City of San Mateo, public hearings were held monthly to discuss the incident, often degenerating into bitter arguments between Shelter Network detractors and supporters. In particular, the group of individuals who had vehemently opposed the proposed Sunnybrae shelter a few months earlier mobilized to press for punitive action and more restrictive city rules. Eventually, the city hearings resulted in the adoption of strict new city guidelines for human service agencies, particularly agencies serving homeless individuals, which regulated background checks for staff, volunteers, and clients, as well as eligibility restrictions for residential programs and client supervision requirements.

Throughout the months following the Richard Allen Davis incident, Shelter Network's senior staff, Board members, and outside supporters from the nonprofit and religious communities were intensively engaged in the exhausting process of appearing at hearings, responding to media inquiries, meeting with elected officials, and sending letters to the editors of local newspapers – all while also carrying on the day-to-day operations of the organization. Donations declined as a result of the negative publicity, exacerbated by an economic downturn. From month to month, the staff and Board were uncertain whether the agency would survive. Looking back on the episode, Chris Sutherland described the Richard Allen Davis incident as analogous to Shelter Network “winning the jackpot – in a negative way.”

Nine months later, though, the public uproar had largely died down. Though newspaper articles referencing the episode would surface from time to time, the media largely moved on to other stories, and the public hearings finally ended. Some donors and supporters who had left began returning to Shelter Network, and the agency was finally able to focus once again on operating its programs.

Still, the events left a lasting legacy at Shelter Network and in San Mateo County. As a result of the Richard Allen Davis episode, three Shelter Network staff members lost their jobs;

donations to the organization declined substantially, particularly from individuals; and the agency was forced to revise intake and program oversight policies and narrow its eligibility criteria. New guidelines for human service agencies issued by the City of San Mateo restricted the actions of Shelter Network and many other agencies; at Samaritan House, for example, single adults accessing the clothing donation closet were now required to be chaperoned at all times by a staff member. Throughout San Mateo County, nonprofit organizations curtailed services for parolees and individuals with criminal records, in response to public fear and to protect their organizations from the risk of ending up in a position like Shelter Network. Perhaps the most serious local consequence of the Davis incident was the reinforcement of NIMBY attitudes, particularly toward residential programs serving homeless single adults. In fact, within the 15 years that followed, two new facilities opened to house homeless singles in San Mateo County, and both were sited in industrial, not residential areas – one next door to a county sheriff work furlough facility, and the other on property adjacent to a cargo storage area at the airport.

Given the intensity of the negative publicity around the Richard Allen Davis incident, it is somewhat amazing that Shelter Network not only survived as an organization, but was able to continue operating transitional housing programs located in residential neighborhoods – including the program where Davis had stayed. In retrospect, a number of factors helped the organization weather this difficult period. Perhaps the most critical factor was that prior to the incident, Shelter Network had established a strong community reputation as an effective nonprofit organization with a respected Executive Director. The agency's quick response to the Davis incident, including full cooperation with the authorities, rapid initiation of an internal investigation, acknowledgment of staff responsibility, and revision of program policies, also helped demonstrate to the community that Shelter Network was a responsible and responsive organization. Designating a media spokesperson helped sustain a consistent public message, which was repeated at the numerous public hearings. In addition, the mobilization of the Board of Directors, as well as outside supporters from other nonprofits and religious congregations, helped make the case that Shelter Network was a vital community organization that deserved continuing support. In some ways, Shelter Network's most effective strategy was just to outlast its critics by continuing to meet with community leaders, engage at hearings, and respond to the media until the negative public attention finally dissipated.

In 1996, Richard Allen Davis was convicted of kidnapping, raping, and murdering Polly Klaas, and was sentenced to death. Later, his extensive criminal record was cited as motivation for California's "three-strikes" law, which was actively promoted by Polly's father, Marc Klaas.

### **Transition to New Leadership**

Executive Director Chris Sutherland had been pregnant throughout the period of controversy over the Richard Allen Davis incident. In August 1994, when most of the public and media attention had finally died down, Chris gave birth to her first child. Shelter Network's Board granted her a well-earned generous five-month paid maternity leave, and the agency's day-to-day management was temporarily taken over by other senior staff.

A few months into her leave, Chris was contacted by Sterling Speirn, President of the Peninsula Community Foundation, who offered Chris a Program Officer position at the Foundation. Having long respected Chris's work at Shelter Network, Sterling had tried previously to recruit her to work at the Foundation, but Chris had responded that she had commitments at Shelter Network and could not consider leaving at that time. This time, however, Sterling informed Chris that he would be unlikely to be able to offer the opportunity to work for the Foundation in the future; if she was ever interested in taking the position, she needed to commit now. Recognizing a unique opportunity to play a different kind of leadership role in human services on the Peninsula, as well as a challenging professional position that would be more compatible with her new family responsibilities, Chris decided to accept the offer in January 1995.

Though she felt somewhat guilty for leaving the organization she had helped found and had lead for nearly seven years, Chris informed Shelter Network's Board of her decision. The Board was initially shocked, and saddened to lose the agency's strong, long-time leader, but they were supportive of her decision. Moreover, they were aware that Chris's relationship with Shelter Network would continue even after she stepped down as Executive Director, since Peninsula Community Foundation was one of the agency's most important funders. Shelter Network's senior staff continued to manage the organization's day-to-day operations, and the Board began the search for a new Executive Director. The search process would last more than seven months.

## **IV. 1995 – 2000: GROWTH WITH A NEW EXECUTIVE DIRECTOR**

### **New Executive Director: Cassandra Benjamin**

Several years of rapid program growth had led to increased operating costs for Shelter Network, and the Richard Allen Davis incident, in combination with an economic downturn, had caused a decline in financial donations. Thus fundraising experience was a key criterion in the Board's search for a new Executive Director. In addition, the Board sought a new leader with the skills to build Shelter Network's infrastructure to match the size and complexity of the agency after years of rapid expansion.

After an involved process of advertising and interviewing, the Board narrowed the candidates for Executive Director down to two finalists. After one of the two dropped out, the leading candidate was Cassandra Benjamin, the young Development Director for Larkin Street Youth Services, an established agency that operated programs for homeless youth in San Francisco.

As the Development Director for an established homeless services agency, Cassandra had acquired substantial experience in fundraising, and had built a strong track record of securing public grants and private donations. On a personal level, Cassandra was a dynamic, outspoken, and quick-thinking leader who was skilled in developing organizational structures and was not afraid to propose big new ideas. As with the hiring of Shelter Network's first Executive Director, the Board was aware that the choice of Cassandra might be viewed as risky because of her young age, since she was only in her twenties at the time. However, they were impressed with her skills, confidence, dynamism, and commitment to the issue of homelessness, and they offered her the job. In September 1995, Cassandra Benjamin joined Shelter Network as the agency's second Executive Director.

### **Infrastructure Development**

Cassandra's tenure at Shelter Network began during a time when national views about homelessness were shifting. By the mid-1990s, homelessness had been a recognized national problem for over ten years, and it was clear that the problem was not going to disappear quickly

or easily. Programs serving homeless individuals had proliferated and had become more established and mature, as many now had nearly a decade of programmatic and administrative experience. In 1995, HUD changed the structure of federal funding for homeless programs to a Continuum of Care model, where individual homeless service programs were required to apply for funds through a coordinated regional proposal that included documentation of a needs assessment, a public input process, and regional planning to provide a full spectrum of homeless services from emergency shelter to transitional housing to permanent housing. This new approach from HUD represented recognition of the maturing of the homeless services field and the need for greater strategic planning and coordination among public and private homeless service providers.

At the time Cassandra Benjamin started as Executive Director, Shelter Network had one scattered-site and four residential programs serving 700 individuals annually, with 44 staff members and a budget of \$1.475 million. Volunteers played an active role at the residential programs, providing child care and special activities and soliciting in-kind donations. Shelter Network's Board of Directors was largely an informal grass-roots board, and included several founding members who had provided hands-on assistance with programs and administration tasks over the years.

The first project Cassandra undertook as the new Executive Director was an assessment of Shelter Network's programs and infrastructure. Managing the agency had been a struggle during the year-long period without a permanent Executive Director, beginning with Chris Sutherland's maternity leave and continuing through the search for her replacement. Particularly because Chris had been a very strong internal and external leader – as one former Board Member stated, “Chris *was* Shelter Network!” – the strain of the long gap in staff leadership was noticeable. However, the agency's programs had continued to function relatively well and had maintained consistently high success rates, with over 80 percent of clients who completed the programs returning to permanent housing.

On the administrative side, however, Cassandra immediately identified a few areas that needed substantial development, related in part to the agency's very rapid program expansion, which had outpaced the development of its administrative infrastructure. In the area of technology, for example, Shelter Network was operating with a handful of donated computers

that lacked current software. Thus Cassandra directed the purchase of a few up-to-date computers for administrative staff. A few of Shelter Network's long-time Board Members, accustomed to the organization operating on a more shoe-string basis focused on minimizing immediate cash expenditures, were initially resistant to spending limited unrestricted funds on new computers when donated older equipment was available. Over time, though, the full Board grew to appreciate Cassandra's strategy of investing in the infrastructure needed to upgrade Shelter Network's administrative capacity.

Cassandra also proposed some changes to the structure of the Board of Directors, in order to begin shifting the Board from its original grass-roots composition toward a more professionalized make-up and function in line with the agency's growing maturity. Board Committees were established to focus on different agency functions, including finances, fundraising, personnel, and programs. Board Member term limits were created to facilitate the evolution of the Board as the agency's needs changed over time. The process of recruiting new Board Members was also formalized in order to enhance the match between skills and connections of Board Members and the management needs of Shelter Network.

### **Financial Challenges: Saving Turning Point**

Perhaps the most important area of underdeveloped infrastructure identified by Cassandra was Shelter Network's finances. Management of both the agency's fundraising and financial accounting had been a particular struggle during the year-long period with no permanent Executive Director. At one point during the interim period, a serious cash short-fall had led the staff to propose, and Board to approve, layoffs of several staff members – only to be followed by the realization that the salaries of the laid-off staff were paid by Shelter Network's HUD grants, with funds that could not be redirected to other expenses – so the staff were reinstated, and other cost-cutting measures had to be sought.

Close examination of the agency balance sheet when Cassandra started revealed a major operating deficit, with revenues expected to fall short of expenses by nearly \$300,000 in the current fiscal year. The shortfall was particularly severe in unrestricted funding for administrative expenses, and some immediate cost-cutting measures had to be implemented, including layoffs for three administrative and maintenance staff. Furthermore, when Cassandra began reviewing Shelter Network's donor files, she discovered that a \$250,000 contribution that

had been designated for the opening of an emergency shelter – a project that had not been implemented – had been incorrectly spent on Shelter Network’s transitional housing program operations, with no funds available to back-fill the donation. Thus one of Cassandra’s first, somewhat awkward tasks as Executive Director was setting up a meeting with the donor to explain the error and ask for retroactive permission to redirect the donation. Fortunately, the donor was more interested in supporting the organization than committed to the original designated project, and she appreciated the honesty of revealing the mistake, so she agreed to the change.

After a full review of Shelter Network’s finances, Cassandra determined that the agency’s greatest financial problem was insufficient ongoing funding for the Turning Point program serving homeless single adults. Ongoing HUD and county grants for Turning Point could not cover the program’s operating costs. Moreover, the program posed a greater fundraising challenge than Shelter Network’s family programs due to the greater stigmatization of homeless single adults as well as the unfortunate legacy of the Richard Allen Davis incident. Consequently, Cassandra proposed to the Board of Directors that Shelter Network close the Turning Point program as a strategy to bring the agency’s finances back to ongoing sustainability. Though the Board strongly supported Turning Point, and many Board members had personally worked hard to help launch the program, they accepted the conclusion that Turning Point was financially unsustainable, and reluctantly agreed to close it.

When Shelter Network informed the County of San Mateo that a decision had been reached to shut down Turning Point, however, the County insisted that the program could not be closed, because it provided a vital community service as San Mateo County’s only transitional housing program for homeless single adults. The County, however, also acknowledged that no additional County funds were available to support Turning Point. Given the task of figuring out a new strategy to keep Turning Point open, Cassandra set up a meeting with Peninsula Community Foundation staff, including Chris Sutherland, to ask for advice and fundraising assistance. Though the Foundation also felt that Turning Point should stay open – with Chris particularly committed to the program, having helped start it – they did not have funds available in the amount that would be required to stabilize the program’s ongoing finances. Everyone was unhappy with the situation, but no one was able to identify a workable strategy to secure the major infusion of funding needed to keep Turning Point open.

Shortly after all parties had become resigned to the closing of the program, Peninsula Community Foundation President Sterling Speirn happened to have a lunch appointment with one of the Foundation's major individual donors, Gordon Russell. Gordon had a strong personal interest in the issue of homelessness, and asked Sterling how the shelters were doing – so Sterling proceeded to tell him about the financial problems at Turning Point. On the spot, Gordon offered to help with a financial contribution. Delighted, Sterling recognized an opening to resolve the Turning Point funding problem. Back in the office, he immediately set in motion a new strategy to help fund Turning Point.

Cassandra had made clear that Shelter Network needed a commitment of three years of funding for the program's operations in order to ensure that Turning Point's financial position was sustainable and would not create financial problems for the agency overall. Of the overall amount needed, Gordon Russell agreed to donate half the funds. Building on Gordon's initial commitment, Peninsula Community Foundation helped Shelter Network establish the Turning Point Leadership Circle, a group of individual donors who committed major donations to cover the full gap in operating funds for Turning Point over three years. PCF also committed funds from the Housing and Homeless Trust Fund. These private donations, in combination with ongoing federal and local government grants, provided enough funding to ensure the program's sustainability for the next three years.

Over the next few years as Executive Director at Shelter Network, Cassandra focused on building the agency's fundraising base by expanding contributions from foundations and individual donors, while maintaining public funding support from federal and local government grants.

### **The Building Brighter Futures Campaign**

Some of Cassandra's greatest leadership strengths as Executive Director were an ability to generate creative, big-picture ideas in response to challenges, as well as a willingness to propose ambitious goals, backed up by careful planning to meet them. The success of the Turning Point Leadership Circle suggested to Cassandra that Shelter Network had more

fundraising potential than previously recognized, which raised the possibility of undertaking new projects that required substantial funding.

Since the abandonment of the Sunnybrae shelter project, Shelter Network had not revisited the idea of opening an emergency shelter, though San Mateo County still lacked any year-round emergency shelters for homeless single adults or families. The County of San Mateo was determined to establish emergency shelters to fill the gap in the homeless services “continuum of care,” and in 1997 they asked Shelter Network to work with them on the project. Cassandra was wary of taking on new programs, particularly a new program serving single adults, mindful of the significant challenges Shelter Network had faced in financially supporting its existing single adult program. However, the community need for emergency shelters was clear and Shelter Network was the most qualified organization to operate effective emergency shelter programs. Moreover, Shelter Network had an interest in preserving its position as the primary homeless services provider in San Mateo County. So the agency agreed to work with the County on the project.

Securing a viable site for an emergency shelter for homeless single adults was extremely challenging. After several properties were considered and rejected, the County and Shelter Network finally agreed on a county-owned facility in Redwood City. Reflecting wariness about the NIMBY legacy of the Richard Allen Davis episode, the site was selected partly because it was located in an industrial area, with no nearby neighbors other than a sheriff’s work furlough facility.

Listening to the county’s proposal, Cassandra Benjamin recognized an opportunity to expand the scope of the project. What if, she suggested, Shelter Network moved its existing Turning Point program into the new Redwood City site as well, creating a new program for homeless single adults that would include both emergency shelter and transitional housing at a single location? The idea was particularly appealing because it would make the Turning Point site available for other purposes – specifically, for use as an emergency shelter for families. Cassandra had long wanted to convert the Turning Point site into a family program for a variety of reasons. Placing a family program at the San Mateo site would fill Shelter Network’s geographical gap in family services, as the site was located in the central county area, between Shelter Network’s family facilities in Daly City and Redwood City. Furthermore, converting the

site to a new purpose with a new name could help Shelter Network finally put to rest the community memories of the Richard Allen Davis incident. Cassandra presented to the Board the idea of creating the two new programs, and raising funds for the capital costs of facility rehab plus five years of program operating costs, in order to ensure the programs started with a stable and sustainable funding base. The Board was supportive of exploring the concept further.

Around the same time, Fran Wagstaff from Mid-Peninsula Housing Coalition called Cassandra and Shelter Network Board Chair Ed Willig to a meeting to discuss the Haven Family House property in Menlo Park, which was owned by Mid-Pen and leased at well-below-market rent to Shelter Network. Fran announced that Mid-Pen wanted to cash out their investment in the Haven site by using it to build a large affordable housing development, proposing that Shelter Network move the Haven program to another location – much to Cassandra and Ed’s surprise. When Cassandra objected to moving Haven, knowing that it would be virtually impossible to secure an equally appropriate site, Fran stated that Shelter Network’s only other option would be to come up with the funds to purchase the property, so that Mid-Pen could use the funds to develop housing elsewhere. Furthermore, Fran indicated that Mid-Pen wanted to move forward with the plan immediately. Still somewhat shocked, Ed and Cassandra took the news back to Shelter Network’s Board of Directors. Though six months of negotiations followed between Mid-Pen and Shelter Network, Mid-Pen refused to back down, and ultimately Shelter Network decided the only option was to raise the funds to purchase the site.

The timing of the Haven Family House events seemed, at the time, to be unfortunate, given the other two major projects Shelter Network was considering undertaking. But in fact the idea of purchasing the Haven property had significant appeal, since the buildings at the site were in serious need of repair. Purchasing the property could allow Shelter Network to upgrade the safety and functionality of the site. Initially, Shelter Network explored the possibility of rehabilitating the facility, but a tour with a construction engineer quickly revealed that the buildings were so poorly built and extensively damaged that they were actually unsafe and needed to be torn down and replaced. Though rebuilding the site would be a much larger and more expensive project than originally anticipated, a full reconstruction had major benefits. The existing buildings were not laid out to make full use of the space available, so demolishing the facility would provide the opportunity to create a larger, better-designed facility that would serve substantially more families.

Undaunted by the large scope of the three projects that Shelter Network was considering, Cassandra began drafting a preliminary estimate of what each would require in terms of planning, fundraising, and implementation. In the end, she arrived at a total estimated cost of more than \$10 million to purchase the Haven property and build a new facility there, as well as rehabilitate the new singles site, convert the Turning Point site into a family program, and secure sufficient funding to operate the new emergency shelters for five years.

At the time, Shelter Network's total annual operating budget was only \$1.86 million, so the idea of raising \$10 million to carry out these three projects was definitely ambitious. Shelter Network hired a fundraising consultant to conduct a campaign feasibility study – and the report they produced advised Shelter Network not to undertake the project. However, in the process of conducting the study, Shelter Network staff had begun conversations with the agency's donors, which revealed that many had the capacity and willingness to contribute more, especially for an exciting new project. Furthermore, Cassandra was confident that Shelter Network would be able to secure federal grants and support from local foundations like the Peninsula Community Foundation and David and Lucile Packard Foundation for the proposed projects. So she proposed to the Board that Shelter Network proceed with the campaign.

Though the fundraising goal was far beyond anything Shelter Network had previously attempted, the Board recognized a unique opportunity to finally open year-round emergency shelters in San Mateo County. Moreover, the organization had no choice but to try to raise the funds to purchase the Haven Family House site if Shelter Network was to continue operating a transitional housing program in or near Menlo Park, since acquiring a comparable property in the extremely high-property-value area would be cost-prohibitive and challenging from a NIMBY perspective. Ultimately, the Board had confidence in Cassandra's fundraising abilities, and saw the campaign as an opportunity that had to be seized in order to meet the needs of homeless families and single adults in San Mateo County, so they decided to approve the project.

In 1998, Shelter Network officially announced the launching of the Building Brighter Futures Campaign, with a goal of raising \$10.75 million for three projects: the rebuilding of Haven Family House, and the opening of two new emergency shelters, one for families – to be called First Step for Families – and one for single adults, to be called Maple Street Shelter.

## *Haven Family House Planning*

Once Shelter Network had committed to the Building Brighter Futures Campaign, Cassandra began working on the logistics of getting the campaign projects underway. One of the first major challenges was securing the funds to purchase the Haven Family House site – a task that had to be completed before any rebuilding plans could move forward. Because the County of San Mateo had a strong interest in maintaining a transitional housing program in the south county area, Cassandra approached County staff to ask for help with the property purchase. Fortunately, the County agreed to provide sufficient funding to cover the entire cost of purchasing the property from Mid-Pen. Furthermore, the County proposed to purchase the property directly and sign a long-term land lease with Shelter Network for a nominal fee, thus preserving County jurisdiction over the land and protecting it in case of local zoning conflicts.

Relieved that the land had been secured, Cassandra next began searching for cost-effective strategies for the construction phase of the project. One of Shelter Network's major donors, Mike Podell, was a successful local housing developer, and had expressed interest in getting more involved with Shelter Network. Cassandra invited him for a site visit at Haven Family House. When Mike arrived at the site, Cassandra proceeded to lead him on a tour, pointing out the positive features of the location as well as the terrible condition of the buildings. As she grabbed a piece of siding attached to one of the buildings, it came off in her hand, making her point that the program needed to be rebuilt – and Mike was sold on the project. In fact, he offered to have his development company manage the project pro bono – an extremely generous offer, exceeding Cassandra's expectations. Reflecting on the moment, Cassandra recalls, "For a builder like Mike, there was something viscerally compelling about the project – partly because the existing buildings were literally falling apart, and also because it was such a prime tract of land for development."

Cassandra and the Board were excited about Mike Podell's offer to provide pro bono general contracting and construction management for the Haven building project, as Shelter Network had no experience managing construction, and the donated services would substantially reduce the costs of the project. On top of the in-kind donation, Mike and his wife also agreed to

make a six-figure cash contribution. The project seemed to be proceeding better than anticipated.

Then, however, a complication arose. San Mateo County's trade unions had been important Shelter Network supporters since the founding of the agency, and were an ongoing source of volunteers, individual donors, in-kind labor donations, and annual Benefit Breakfast sponsorships. Given organized labor's long support of Shelter Network, many of Shelter Network's Board Members and long-time volunteers felt that the new Haven Family House should be built with union workers. However, Mike Podell's private family-owned development company had a long-standing open shop policy, utilizing both union and non-union labor. While committed to paying market-rate wages for quality work, Mike categorically refused to manage the project if he would be forced to use union contractors only. Moreover, the Haven construction was being funded fully through private grants and contributions, with no government grants, so no public funding restrictions mandated the use of officially "prevailing-wage" labor.

No compromise could be reached between the two sides, so the issue was taken to Shelter Network's Board of Directors for a vote – on whether to proceed with M.H. Podell as the pro bono developer with an open shop, or to look for a new (paid) developer who would agree to use only union labor. The pro-union camp felt that Shelter Network had a moral obligation to use union labor for the project, while the pro-Podell camp felt that the increased costs of using exclusively union labor – due to higher contractor costs as well as the loss of the pro bono management services – could not be justified when Shelter Network was already going to have to stretch to meet the original campaign fundraising goal. The Board was evenly divided on the issue, and almost all of the Board Members felt strongly about their positions. Several heated meetings were held to debate the issue. When the final vote was held, a very slim majority of Board Members voted in favor of proceeding with Mike Podell. Though many Board Members personally disagreed with the choice, Shelter Network moved forward with the M.H. Podell managing the project.

Shelter Network's union supporters were very disappointed with the agency's decision not to use exclusively union labor to build the Haven Family House project. In fact, several key union leaders were angry about the decision and withdrew their support from Shelter Network.

For many years afterward, the trade unions that had been among Shelter Network's longest-term and most loyal supporters essentially ended all involvement with the agency.

### *Moving Forward at Haven*

On the positive side, Mike Podell and his team enthusiastically took on the management of the Haven rebuilding project, and soon architectural plans for the site were being developed. Given the historically tense relationship between the Haven program, its neighbors, and the City of Menlo Park, Shelter Network made a strategic decision to give the new facility an attractive, upscale design in order to minimize local objections to the project. In fact, the architects for the new building had also designed the acclaimed interior of San Francisco's redeveloped Ferry Building. Increasing the number of units at the site was a major priority for Shelter Network, but again political considerations led the organization to limit the overall size of the project, knowing that the City of Menlo Park would object to a large facility. Ultimately, the city agreed to support a project with 24 housing units, double the size of the prior Haven facility but smaller than Shelter Network had wanted. These political compromises would ultimately pay off in strong support for the project from city staff and almost no opposition by neighbors.

The Haven Family House reconstruction project created an opportunity to design a facility specifically to meet the needs of homeless families. Plans included one- and two-bedroom apartments, a central playground and courtyard, meeting spaces, staff offices, and a computer lab. Perhaps most significantly, the new facility was designed to include an on-site licensed child care center for toddlers and preschoolers – an unusual feature for a program for homeless families.

From the beginning, Shelter Network planned to identify a nonprofit collaborator to provide the on-site child care services. Previously, through the Organizational Capacity Grants Initiative (OCGI), a nonprofit capacity-building initiative started by Chris Sutherland at Peninsula Community Foundation and sponsored by PCF, the Charles and Helen Schwab Foundation, and the Sobrato Family Foundation, Cassandra Benjamin had met Laurie Wishard, the Executive Director of Family Service Agency (FSA), an experienced child care provider. Thus when designing the Haven Family House child care program, Cassandra approached Laurie to invite FSA to operate the child care center. FSA agreed, and the two agencies developed a joint fundraising plan to support the child care operations. In addition to state preschool funding

secured by FSA, a major grant from First 5 San Mateo County was secured by Shelter Network to fund both the Haven child care center and other services for young children at all of Shelter Network's programs.

### *Emergency Shelter Progress*

As planning for the Haven project continued, the two new emergency shelter projects also progressed. For the Maple Street Shelter single adult program, pro bono architectural services were volunteered by Roger Hagman, a former Shelter Network Board member, and free general contracting was provided by John Plane Construction, another local firm headed by a Shelter Network supporter. In terms of the progress on the First Step for Families project, the former Turning Point facility was modified in order to house families, and a playground was donated for the site by the San Mateo Rotary Club. Fundraising proceeded smoothly, with HUD grants and private foundation funding secured to support the new emergency shelter's first years of operation. Finally, in late 1998, Maple Street Shelter and First Step for Families both opened, representing San Mateo County first year-round emergency shelters for homeless single adults and families.

### *Fundraising Continues*

Throughout the planning and start-up implementation of the three Building Brighter Futures projects, Shelter Network had continued actively raising funds for the campaign. Fortunately, the campaign took place within a ripe fundraising environment, as the dot-com boom had accelerated the local economy. San Mateo County residents included many venture capitalists, high-tech entrepreneurs, and wealthy investors who had benefited from the economic boom and were in a strong position to contribute to Shelter Network's campaign.

Fundraising from major individual donors is typically a key Board Member responsibility at long-established nonprofits, particularly for a major project like a capital campaign. However, Shelter Network's Board, though becoming increasingly professional, had little experience with major gifts fundraising, and few Board Members had personal connections to wealthy individuals with the capacity to make major gifts. As a result, Shelter Network's initial campaign fundraising efforts were largely staff-driven, led by the Executive Director. Before

long, a number of major donors to Shelter Network – who were mostly not Board members – became deeply involved in leadership of the campaign fundraising. Key donors including Mike Podell, Board Member Terry Stark, and other major Shelter Network supporters were invited to become members of a Campaign Leadership Committee that would help with fundraising. Terry worked tirelessly to promote the projects among her Peninsula contacts, making connections that eventually resulted in many important contributions. One of Terry’s contacts, South County donor Florence Goldby, engaged a number of new donors who made large contributions to the Haven Family House project. Donors from the Turning Point Leadership Circle were asked to support the new Maple Street Shelter project, and Peninsula Community Foundation distributed campaign information to its donor-advised funds, resulting in many major gifts. Grant proposals were submitted, direct mail solicitations were sent, and media outreach conducted. In a sign of the exuberant economic times, Shelter Network even received an unexpected \$100,000 donation of stock from a young, newly wealthy dot-com entrepreneur who had never before contributed to the agency. Fundraising success enabled Shelter Network to privately finance the full cost of constructing the new Haven Family House facility.

*Side Note: Rejecting the Clara-Mateo Proposal*

A significant episode during this time that was unrelated to the Building Brighter Futures Campaign was the Clara-Mateo proposal. In 1998, the County of San Mateo identified property on the grounds of the Veterans’ Affairs Hospital in Menlo Park that they wanted to convert to a shelter for homeless families and single adults, and the County asked Shelter Network to bid for the project. Cassandra Benjamin felt that the proposed property was not an ideal environment for homeless families, and moreover, she and the Board felt that the capacity of Shelter Network was already being pushed to its limits by the Building Brighter Futures Campaign. Consequently, Shelter Network decided not to bid for the project, and the Clara-Mateo contract was awarded to a start-up nonprofit. Though Shelter Network could have provided high-quality services to Clara-Mateo clients, and the decision led to increased competition for homeless services funding in future years, the organization retrospectively continued to believe it had made the most responsible choice.

### *Campaign Results, Short-term and Long-term*

In 1999, after a nearly three-year whirlwind of planning, construction, and fundraising, Shelter Network declared the Building Brighter Futures Campaign a success, having completed all three capital projects and exceeded the original fundraising goals. The new Haven Family House opened, welcoming homeless families with an expanded capacity and enhanced amenities. A new collaboration was launched with Family Service Agency, as Haven's on-site child care center began serving toddlers and preschoolers. Maple Street Shelter and First Step for Families, San Mateo County's first year-round emergency shelters, had opened their doors to serve homeless single adults and families, with their first five years of operating funds secured. Somewhat amazingly, Shelter Network had successfully fundraised an amount greater than five times the agency's annual budget. In the process, the agency's donor base had expanded, its community profile had been raised, and its donors had become more committed – which would result in increased annual donations in the years to come, enhancing long-term financial stability. To retain the engaged commitment and expertise of some of the key major donors to the Building Brighter Futures Campaign, Shelter Network created a new Advisory Board.

A side effect of the Building Brighter Futures Campaign was greatly expanded services for the children at all of Shelter Network's programs. With the new child care center at Haven, the opening of the new First Step for Families program, and the expansion of Haven Family House's capacity, the campaign projects dramatically increased the number of children served by Shelter Network, leading to a need to expand staffing and services targeted to meeting children's needs. Funding was secured for a dedicated full- or part-time children's coordinator for each of Shelter Network's family programs, and the licensed child care center opened to provide free day care for families at Haven Family House. In addition, a wide spectrum of collaborative services for children and families were implemented at all of Shelter Network's site, through partnership with other nonprofit and public sector agencies, including play therapy, parenting classes, mobile health services, and workshops on choosing quality child care.

After the Building Brighter Futures Campaign had been completed, Shelter Network had one scattered-site and five residential programs, providing both transitional housing and emergency shelter, with the capacity to serve over 1,900 individuals annually. The agency's operating budget had grown to \$3.22 million, with more than 50 staff members.

## **A Booming Economy, and a Permanent Home for Shelter Network**

While the dot-com boom of the late 1990s was a boon for Shelter Network's fundraising, in other ways the roaring economy created challenges for the organization. In 1999, the agency's Human Resources Manager left to join one of the many dot-com start-ups that had sprung up throughout the Bay Area. Soon, Shelter Network's Finance Manager and Finance Assistant decided to join him, lured away by higher salaries and perks like office foosball tournaments, company surfboards, and extravagant off-site meetings, at jobs using the same skills but in many ways easier than managing the complexity of nonprofit finances and administration with limited resources.

With fierce competition for job seekers in the booming economy, Shelter Network struggled to hire qualified replacements, particularly for the critical Finance Manager position. Two short-lived Finance Managers came and went, leaving the agency's accounting in disarray, and finally the Board Finance Chair had to step in temporarily to take care of the most urgent hands-on financial management tasks. (This crisis would not be permanently resolved until 2001, when the Shelter Network Executive Director and Board Finance Chair would plead with the previous Finance Manager to return, offering a higher salary and new job title, finally resulting in his acceptance of their offer.)

Another consequence of the economic boom was exploding rents on the Peninsula. While employment was easy to find, many families and single adults with low-wage jobs found themselves unable to keep up with skyrocketing rent increases. The rent situation was even more severe for families and single adults living on fixed disability or retirement incomes. As a result, Shelter Network saw increased demand for the agency's services.

At the time, Shelter Network's administrative offices were located in a converted house next door to the First Step for Families facility. In early 2000, to help meet the increased demand for Shelter Network's services, the house was transformed back to residential use as an expansion of the First Step program. The conversion made sense because of the immediate need for increased housing capacity. Moreover, the property represented a unique expansion opportunity because securing residential sites for transitional housing in San Mateo County was

generally very difficult, due to rising property costs as well as NIMBY issues (particularly in the aftermath of the Richard Allen Davis episode). After the site conversion, Shelter Network's administrative staff moved into rented office space.

Soon, though, rents for office space were rising dramatically as well. Through a connection with the Schwab Foundation, a relationship that had started through the OCGI organizational capacity initiative, Shelter Network had sublet relatively affordable space (actually the Schwab Foundation's former offices) in an office park in San Mateo occupied mainly by high-tech start-ups and other nonprofits. But only a few months after moving into the space, the agency learned that the rent for the administrative office suite was going to nearly double – creating a major budgetary strain for the organization, particularly because the overhead expense of administrative office rent was largely paid out of limited unrestricted funds. Though office rents were cheaper in other parts of the Bay Area, relocating outside of San Mateo County was not an option because of the geographically-targeted mission and services of Shelter Network.

Executive Director Cassandra Benjamin knew that the office rent problem had to be resolved quickly. By chance, the issue of office space came up at a meeting she had with the Executive Director of another local nonprofit, Linda Carlson of Women's Recovery Association (WRA), who explained that the office building WRA had rented for years in downtown Burlingame was being sold by the owner, in order to take advantage of the significant increase in property value. Recognizing an opportunity for an innovative solution to both agencies' space problems, Cassandra suggested that Shelter Network and WRA raise the funds to buy the building jointly. Linda jumped at the idea, and both took the proposal back to their Boards of Directors.

The Boards of Shelter Network and WRA both approved of the concept of the joint building purchase, seeing an opportunity to stabilize administrative space costs for the long-term and secure a permanent home for both agencies within the geographical area they were committed to serving. However, they recognized that raising the substantial funds required would be challenging, particularly given the very short opportunity timeframe – all funding for the bid needed to be secured within just 90 days!

Mobilizing quickly, Cassandra and Linda reached out to the County of San Mateo and several long-term philanthropic partners to try to secure the \$4 million in funding needed. The County, thinking creatively, arranged to provide a large subsidized loan from their reserves, the first loan they had made to a nonprofit organization. Two County Supervisors, Jerry Hill and Rich Gordon, as well as the County Manager facilitated the process to make the loan possible. Peninsula Community Foundation (PCF) also played a critical role, presenting the proposal to their donor-advised funds, thereby securing the donations needed for the building downpayment. PCF also helped Shelter Network and WRA secure from the David and Lucile Packard Foundation a Program Relation Investment (PRI) – a long-term low-interest loan, which the Foundation ultimately approved, providing the final major funding needed to make the purchase possible. With the funding secured, a lawyer on Shelter Network’s Board drafted a Tenancy in Common agreement between WRA and Shelter Network, and their joint bid for the building was accepted in late 2000. Over the next few months, the building underwent needed repairs and upgrades, and the two agencies planned to move into their new permanent home in early 2001.

The joint purchase of the building gave both agencies the security of knowing they would not unexpectedly be forced to move, as well as the predictability of knowing their office space expenses for the long-term. Moreover, because of the advantageous terms of the low-interest loans used to finance the purchase, the two agencies could be sure that their space expenses would remain reasonable even if market-rate rents for office space declined in the future, as they might be expected to do.

### **Shelter Network’s Next Transition to New Leadership**

Several months before the administrative building project started, Cassandra Benjamin had approached Shelter Network’s Board of Directors with a request. At the time, the Building Brighter Futures Campaign had just been completed successfully, the new First Step for Families and Maple Street Shelter and Haven Family House sites had opened, and Cassandra had served as Shelter Network’s Executive Director for five years. Having always wanted to take an extended trip abroad, Cassandra requested a three-month sabbatical from her position as Executive Director, proposing that Michele Jackson, by now the Associate Executive Director, could serve as acting Executive Director while she was gone. Appreciative of Cassandra’s hard work and success in leading the agency, particularly throughout the recent Building Brighter

Futures Campaign, the Board agreed to Cassandra's proposal. But they granted her request with the caveat that she commit to staying on as Executive Director for at least six months following her return, which she agreed to do.

In January 2000, Cassandra left Shelter Network for a three-month adventure through Southeast Asia, while Michele Jackson temporarily took over the Executive Director responsibilities. When Cassandra returned, she immediately launched back into her work. However, Michele continued to manage most of the day-to-day program operations at Shelter Network, freeing Cassandra to work on a series of major external projects:

- Responding to a suggestion from John Kelly, a former Shelter Network Board member and the long-term Executive Director of Samaritan House, who was leaving Samaritan House after decades of leading the agency, Cassandra and the Board of Directors explored the possibility of merging Shelter Network and Samaritan House. Ultimately, though, they decided not to pursue the merger, largely because of incompatible Board and organizational cultures.
- A network of San Mateo County churches and synagogues launched a rotating family shelter program, the Interfaith Hospitality Network, to help address the shortage of emergency housing for homeless families. Shelter Network supported the group's efforts as it formed, and served as the referral source to place families in the program once it was operational.
- In Palo Alto, just south of San Mateo County, plans were proposed for a large, multi-service residential facility for homeless single adults and families, the Opportunity Center. Local nonprofit organizations were invited to bid for the contract to operate the housing and services. Seeing a potential opportunity to expand services and raise the agency's profile in the southern Peninsula area, Cassandra and the Board of Directors agreed that Shelter Network should bid for the project. However, the contract was ultimately awarded to a Santa Clara County-based homeless services agency.
- A few months later, Cassandra initiated the joint building purchase project with WRA.

In the meantime, Cassandra also became pregnant. She announced to the Board that she intended to leave the Shelter Network Executive Director position in early 2001, shortly before her baby was due. Having accomplished several major projects, seeing the agency entering a period where the focus would need to be stability rather than growth, and wanting to explore new career opportunities, she felt it was an opportune time to move on.

## **V. 2001 – 2007 AND BEYOND: MATURING WITH A THIRD EXECUTIVE DIRECTOR**

### **New Executive Director: Michele Jackson**

The Board of Directors initiated the search for a new Executive Director with some trepidation, daunted by the challenge of finding a replacement for Cassandra Benjamin who could be an equally strong and competent leader for the organization. They posted the job widely, and received applications from throughout the country. One of the applicants was internal candidate Michele Jackson, the current Associate Executive Director.

Through an exhaustive application review and interview process, the candidates were narrowed to two finalists: Michele and a man who was currently running a large homeless agency in Southern California. They proposed very different approaches to managing Shelter Network; while the Southern California man envisioned Shelter Network expanding to other types of services and acquiring many more properties, Michele proposed continuing to focus on Shelter Network's core services while developing more collaborations. The man had more extensive business experience, while Michele had a stronger direct service background and deep knowledge of San Mateo County. In the end, the Board decided that Michele Jackson, with her extensive experience at Shelter Network and in San Mateo County, would be the best new Executive Director, and she was offered the job. In early 2001, Michele officially became Shelter Network's third Executive Director.

When Michele started as the new Executive Director, she had been working at Shelter Network for over seven years, first as the Program Director of Redwood Family House, then as Director of Programs and Services, and finally as Associate Executive Director. Moreover, she had been living on the Peninsula and working in human services nonprofits for more than 20 years. As a result, she brought in-depth knowledge of Shelter Network and San Mateo County to her new role as Executive Director. A trained social worker with an MSW degree, one of Michele's greatest leadership strengths was an ability to engage Board Members, staff, clients, and community partners, and to promote collaborative working relationships.

Michele's first few months as Executive Director were challenging, as the effort to hire a Director of Programs and Services to fill her former position resulted in multiple internal candidates and a contentious selection process. Before long, though, the transition was complete and Michele continued her tenure at Shelter Network, now as the agency executive.

### **Program Expansion: The First Step for Families Reconstruction Campaign**

During Cassandra Benjamin's final months as Executive Director, she had been approached by Mike Podell, the pro bono developer for the Haven Family House rebuilding project. Pleased with the success of the Haven project, he wanted to volunteer to help with a new major building project for Shelter Network as the pro bono developer, and suggested the agency consider replacing the buildings on the First Step for Families site to expand the program's capacity. Cassandra was excited about the possibility of building on the Haven Family House success to transform First Step into a larger facility, better designed to meet the needs of homeless families. Moreover, the First Step facility – a former DMV office – was old and in need of repairs, and was located on a prime but underutilized piece of property. By rebuilding, Shelter Network could house more than double the number of families at the site. Cassandra took the proposal to Shelter Network's Board of Directors, who approved the preliminary exploration of the idea.

When Cassandra left Shelter Network at the beginning of 2001, she agreed to continue working on the plans for the First Step project as a consultant. In the following months, discussions with Mid-Peninsula Housing Coalition, which owned the First Step property, led to an agreement for a 50-year land lease for \$1 per year. Conceptual architectural plans were drafted, demonstrating that the site could be comfortably rebuilt with nearly 40 housing units as well as an on-site child care center, similar to the design of Haven Family House. The overall estimated capital budget for the project came to \$6 million, and Cassandra drafted a campaign fundraising plan.

In early 2001, Michele Jackson, as Shelter Network's new Executive Director, invited Cassandra to present the campaign plan to Shelter Network's Board of Directors. The Board had some concerns about undertaking a major fundraising campaign, because the economy was just entering a downturn, as the dot-com boom was beginning to bust. However, the Board decided

that the opportunity to expand First Step and more than double the program's capacity, with an offer of pro bono general contracting, needed to be seized – because even after the recent years of expansion, Shelter Network still had a waiting list of as many as 40 families on any given night. So the Board committed to the project.

Construction and fundraising plans moved forward in the months that followed. Major grant proposals were submitted to government funders and private foundations. Full architectural plans were developed. Michele Jackson was approached by the CEO of the San Mateo County Head Start contractor, who was interested in collaborating to operate the on-site child care center as a new Head Start center and had funded child care slots available to allocate to the project. Soon a formal collaboration agreement was finalized.

At the same time, Shelter Network approached the City of San Mateo to discuss the proposed rebuilding project. Following city guidelines, Shelter Network mailed notification of the proposed project to all neighboring addresses on record and hosted several neighborhood meetings. In general, the neighbors seemed to be supportive of the project, as it would replace the older First Step buildings with a newer, more attractive facility. In fact, few neighbors even bothered to respond to the mailings or attend the neighborhood meetings.

Assuming no serious neighborhood issues, Shelter Network moved forward with a request for a use permit from the City of San Mateo. At the public meeting where the permit was discussed, then, Shelter Network staff were surprised when a man stood up to complain that he lived next door to the proposed project in a new condominium development, had not been informed about it, and vehemently objected to a bunch of homeless people moving into his neighborhood and lowering his property value. The City Council, also surprised, postponed the decision on the use permit to another hearing, to allow for more public comment.

Quickly, Shelter Network's staff, Board Members, and project development team mobilized to address the issue, keenly aware that NIMBY challenges had derailed previous Shelter Network projects. Shelter Network attempted to open a dialogue with the upset neighbor, explaining that although he apparently had not realized the fact, homeless families were already living in his neighborhood and clearly not causing any problems, and that the new, more attractive facility was more likely to increase than decrease nearby property values.

Unconvinced, the neighbor repeated his objections to having lazy homeless parents and their delinquent children hanging around his neighborhood, and began soliciting other neighbors to join his protest. Having failed to persuade the irate neighbor, Shelter Network instead focused on reaching out to supportive neighbors and mobilizing Board Members and volunteers to show support at the upcoming public hearing.

The evening of the hearing, Shelter Network's highly organized supporters came out in force. Staff handed out brightly colored "I Support Shelter Network" stickers at the door, to make the supportive crowd more visible. Shelter Network staff, Board Members, and volunteers testified about the importance of the project and the vital community need it addressed, and a mother currently living at First Step testified about how important the program had been for her and her young child. The protesting neighbor also presented his strong objection to the project and the homeless people it served, and a handful of other neighbors appeared with him. But in the end, it was clear that Shelter Network's supporters overwhelmingly outnumbered the protesters, and the agency's presentation of the project as needed and well-planned, with no reason to expect neighborhood problems, was persuasive. The City Council voted unanimously to approve the use permit, allowing the project to move forward.

This victorious City of San Mateo public hearing contrasted sharply with the hostile, disastrous hearing seven years earlier on the proposed Sunnybrae shelter project. In those seven years, Shelter Network had worked hard to continue strengthening the agency's community reputation, and had established a strong reputation with the San Mateo City Council and city staff for providing effective, needed safety-net services for San Mateo residents. That reputation, combined with careful planning for the First Step project, as well as the project's less controversial nature as a family-only program in a neighborhood where Shelter Network already had an established facility, helped ensure that this time Shelter Network succeeded in overcoming NIMBY objections to move forward with its plans.

### **The Dot-Com Bust: Fundraising Challenges**

In 2001 – just as the construction plans, fundraising, and initial public outreach for the First Step for Families rebuilding project had gotten well underway – the dot-com bubble burst, and the national economy was thrust into recession. In San Mateo County, where many people

had worked for and invested in internet start-ups and high-tech companies, the economic downturn was especially severe. Many people lost their jobs, and many individuals saw their net worth drop as savings invested in dot-com stocks suddenly lost most of their value. Though the economy in the rest of the country began recovering in 2002, the effects lingered longer in the Bay Area, with full recovery not achieved until much later than in many other regions.

Shelter Network immediately felt the effects of the dot-com bust. On the program side, demand for Shelter Network's services increased, as parents and single adults lost jobs and were unable to keep up with monthly expenses. At the same time, fundraising became extremely challenging. Individuals became less inclined to donate as incomes and net worth declined. Government revenues dropped, resulting in less money available for grants and contracts to nonprofit organizations. Foundation assets also declined in value, particularly among Bay Area foundations with endowments heavily invested in technology stocks. As a result, many foundations reduced their grant outlays; a few even eliminated entire grantmaking focus areas in order to trim expenditures. Competition for funding became more intense, as nonprofits in all fields struggled to meet their budgets in the difficult fundraising environment.

In addition to all of these factors, Shelter Network also faced the challenge of being committed to a major capital campaign, resulting in the diversion of some funding resources to the First Step reconstruction project. On the one hand, the economic downturn highlighted the need for the First Step expansion, as demand for Shelter Network's family programs increased, resulting in even longer waiting lists and more calls for limited emergency shelter openings. If the rebuilt First Step had been open when the recession started, Shelter Network would not have had to turn away so many families in urgent need of basic safety-net services. In addition, much of the funding secured for the First Step project was categorically restricted to capital expenses, and would not have been granted for operating costs. Moreover, over the long-term, the fundraising campaign for the First Step project was expected to expand Shelter Network's donor base, as individuals who made major campaign donations were likely to increase their future contributions to the agency's annual fund. In the short-term, however, the capital campaign fundraising further strained Shelter Network's ability to weather the challenging economic environment.

Faced with static operating expenses and reduced operating revenues, Shelter Network was eventually forced to make budget cuts in 2003. Administrative expenses and non-fixed costs were trimmed as much as possible, but because the majority of Shelter Network's budget consisted of personnel expenses, some staffing cuts had to be made as well. Budgeted staffing costs were reduced primarily by not filling open positions for case managers and shelter supervisors. Caseloads were redistributed, with program directors at smaller sites asked to take on partial caseloads in addition to their supervisory tasks, and the overall schedule for shelter supervisors was streamlined to reduce unnecessary double coverage. The senior management position of Human Resources Director was eliminated, with responsibilities folded into the Finance Director's job, and program secretary positions at the two smallest residential programs were also cut.

In the end, Shelter Network's budgeted full- and part-time staff positions dropped from 63 to 46, though only a handful of staff were actually laid off, and the agency's annual operating budget declined from \$5.2 million to \$4.8 million. The budget cuts – particularly the staff layoffs – were undesired. Nonetheless, some of the changes prompted by the need to reduce costs resulted in long-term cost-effectiveness gains, such as a shift from costly print advertising to cheaper and more effective online advertising for job openings. The reductions in operating costs allowed Shelter Network to bring its ongoing expenses and revenues back into balance and to continue the commitment to the First Step for Families rebuilding project.

### **The First Step Reconstruction Project Continues**

As the economy dramatically slowed in 2001, and continued to limp along in the years immediately following, Shelter Network proceeded with planning and fundraising for the reconstruction of First Step for Families. The earliest fundraising consisted of proposals for large public capital grants, which were highly successful, ultimately generating more than \$2 million in project funding from the State of California, County of San Mateo, and City of San Mateo.

In applying for the funds, Shelter Network realized that some of the public grants included the requirement that the construction workers on the project be paid prevailing wages, with documentation required to prove that prevailing wage and a variety of other government-

mandated procedures had been followed. Former Executive Director Cassandra Benjamin, who had made the decision to apply for several of the grants, knew that the prevailing wage policy would help rebuild Shelter Network's damaged relationships with local trade unions, and moreover, that the government funding was necessary to complete the project.

However, pro bono project developer Mike Podell, as a private developer who built exclusively privately-funded, market-rate housing, was not experienced with prevailing wage procedures or requirements of publicly-funded construction, and he bristled at the quantity of paperwork and procedural rules involved. The M.H. Podell company had previously managed the rebuilding of Haven Family House for Shelter Network, but that project had been financed completely with private donations, so no public funding requirements had been imposed. Staff at M.H. Podell attempted to learn about and follow the mandates, but the intricate rules and extensive bureaucratic oversight soon led to frustration with the process. Finally, in late 2002, Mike told Michele Jackson that the public funding requirements were beyond his firm's capacity to handle, and he would be unable to continue to manage the project.

At this point, the First Step for Families project was well underway, with architectural plans developed, substantial funds committed, and construction permits about to be granted. With the Podell firm dropping the project, Shelter Network needed to quickly hire both a general contractor and a construction manager – a process with which the agency had no experience. Moreover, M.H. Podell had been providing pro bono construction management and general contracting, but now Shelter Network would have to pay for those services, thus adding a significant unplanned cost to the project, at a time when fundraising was already more challenging than had been expected.

With no option but to move forward, Shelter Network's Executive Director and Board stepped up to the task. Michele Jackson mobilized a special committee of Board Members to deal with the crisis, and sought advice from Board Member Bill Butler, who was an experienced general contractor – his company was unable to bid on the project, but he helped identify qualified general contractors, solicit bids, and conduct interviews to select a new development team. Within a short period of time, a new general contractor and construction manager who were experienced with publicly-funded construction were hired, and the First Step project was able to proceed.

This unexpected turn of events had a number of negative consequences. Mike Podell, who had been one of Shelter Network's most generous long-term supporters, became disenchanted with the First Step project and with Shelter Network. Unplanned general contractor and construction manager fees had to be added to the cost of the project. However, the new development team was experienced and highly committed to the project; at Shelter Network's request, they worked to reduce other project expenses, thus bringing the total cost back within the original budget. Moreover, the stressful but successful process of finding and hiring a new developer helped build Board leadership and ownership of the First Step project. In addition, the fact that construction workers would be paid prevailing wage, particularly given the difficult economic times, helped Shelter Network begin to repair the agency's long-tarnished reputation with San Mateo County's unions, a relationship that had remained tense since the controversy over use of non-union labor to rebuild Haven Family House. Finally, of course, Shelter Network had had no choice but to follow the course of events, as the agency was already deeply invested in the First Step project, which, given the difficult fundraising climate, would have been impossible to carry out without the substantial government funding.

Shelter Network officially launched the private component of the First Step fundraising campaign in 2002. Earlier, several large private foundation grants had been submitted and approved – fortunately, just before the dot-com bust had caused many local foundations' assets to drop in value. Still, the continuing economic stagnation made private fundraising from individual donors much more challenging than had been anticipated.

Over the next two years, grant proposals were submitted and direct mail appeals sent. With support from the Executive Director and development staff, Shelter Network Board and Campaign Leadership Committee Members hosted cocktail parties and teas and sent letters and arranged meetings to ask for donations from their personal contacts. San Mateo County's Rotary Clubs joined the campaign, local realtors raised funds, and numerous community members donated new sheets, towels, laundry baskets, alarm clocks, silverware, and all the other furnishings needed for the new facility. Even the general contractor donated a crib. Slowly but surely the project funds were raised, though the process lasted longer and required more effort to solicit smaller donations from more donors than expected due to the struggling economy.

Ultimately, in June 2004 the new First Step for Families facility was finally completed, on schedule and within the planned project budget. A full \$6.2 million had been raised, ensuring that all construction costs were paid for, with additional operating funds also secured for the newly expanded program and on-site child care center. The facility was fully furnished with new furniture and household items, nearly all donated, and volunteers had set up the new apartments so they would be ready for families to move in. Shelter Network celebrated the hard-won success at a joyous grand opening celebration, with tours of the facility led by staff and Board Members for community members, elected officials, and project donors, as well as local media representatives. A few days later, the first families moved in to the new First Step for Families, and within weeks all the units were full and the program was fully operational.

### **Other Projects in the Meantime**

During the First Step for Families campaign, the development and fundraising for the First Step project was the primary focus of Shelter Network's Executive Director, senior staff, and Board of Directors. However, a few other important events and ventures took place during that time as well.

In terms of the environmental context in which Shelter Network operated, these years saw the competition for funding increase substantially. Nationally, HUD's emphasis in funding shifted away from services and toward brick-and-mortar housing costs, and the national application process became more competitive. Whereas five years earlier, the San Mateo County HUD Continuum of Care application was always expected to win approval, now funding was much less certain, and the proposal had to be prepared carefully to maximize the likelihood of winning federal funds. At a local level, Shelter Network was still the largest homeless services agency in San Mateo County, but more organizations had emerged to serve similar populations, and more nonprofits had matured to the point of successfully applying for major public and private grants, thus increasing competition for government and foundation funding. On the positive side, more nonprofit agencies had developed the organizational capacity to enter into collaborations to enhance services for Shelter Network's homeless clients.

Within this context, Shelter Network undertook a comprehensive strategic planning process in 2001, through which the Board, staff, and other stakeholders examined all aspects of the agency's mission, programs, and structure, in order to chart the organization's course for the

next several years. The end result of the process was essentially a decision to make no major changes; all stakeholders agreed to maintain Shelter Network's existing mission, to continue operating the agency's existing programs, and to proceed toward completion of the First Step reconstruction project. One important outcome of the planning process was the creation of performance goals and objectives for each of Shelter Network's programs and administrative departments.

Other noteworthy events from this period included:

- The County of San Mateo asked Shelter Network to take over the contract for its motel voucher program, which provided emergency vouchers for families who did not qualify for Shelter Network's programs or were unable to enter them because there were no current openings.
- Shelter Network established a collaboration with San Mateo County's primary domestic violence agency, CORA, to lease several units at Haven Family House to CORA as housing for homeless women with children recovering from domestic violence. On-site CORA staff provided case management and services for the families, and the children were able to participate in Shelter Network's children's programming, including the on-site child care center.
- Several collaborative projects were undertaken at Maple Street Shelter. Shelter Network joined a collaboration with two substance abuse treatment providers to make a day treatment program available at Maple Street, with a portion of Maple Street's beds designated for homeless individuals with substance abuse issues who had agreed to participate in the program. On-site treatment counselors from Shelter Network's partner agencies provided the treatment services. Shelter Network also entered into agreements with the county hospital and county mental health department to "sell" some of Maple Street's beds, an arrangement whereby Shelter Network would guarantee housing and services for a specified number of homeless clients referred by these agencies, and in return the agencies would pay Shelter Network a monthly or per-client fee. All of these collaborative projects helped provide much-needed operating funds for Maple Street Shelter, the program for which the agency had the greatest challenge in fundraising.

- A contribution from a major individual donor allowed Shelter Network to upgrade its technology infrastructure, adding computers with internet access for staff and clients at all program sites for the first time, and enhancing the security and functionality of the computer equipment at the administrative office.

By the end of 2004, when the First Step reconstruction project had been completed, Shelter Network had two scattered-site and four residential programs serving over 2,600 homeless parents, children, and single adults annually. The agency had 52 staff members and an operating budget of \$5.16 million. Shelter Network's Board of Directors had evolved into a more professional and less grass-roots role, with Board efforts focused on fundraising and administrative oversight, and members recruited to meet specific goals for professional expertise and community connections.

### **Expansion to a New Program Model: Housing First**

Several months after leaving her role as Executive Director of Shelter Network, Cassandra Benjamin had accepted a position as a Program Officer at the Charles and Helen Schwab Foundation, one of Shelter Network's funders, managing the portfolio of grants in the homelessness focus area. Over the following few years in this position, Cassandra became involved on a national level in promoting a new approach to homeless services, a model called rapid re-housing or Housing First.

The basic philosophy of the Housing First model is that *housing* is the most urgent need for homeless individuals and families. Thus the intervention priority should be moving homeless people back into permanent housing rapidly, then supporting them with services in their homes if needed, rather than the more common approach of requiring homeless people to enter a temporary shelter, participate in services, "fix" their problems, and thereby "earn" the right to move into more permanent housing. Ideally, Housing First programs utilize subsidized housing vouchers or affordable housing units with sliding scale rents, so that homeless families or individuals can be moved immediately and directly into permanent housing regardless of low incomes, lack of savings, or other financial barriers. With or without housing vouchers, Housing First programs first provide intensive hands-on assistance with locating and securing appropriate

permanent housing, followed by voluntary case management and other services offered after the family or individual has moved into their new home. Particularly when coupled with access to subsidized permanent housing, the Housing First approach has been successful in ending homelessness, as well as promoting engagement in follow-up services, for families, single adults, transition-age youth, and even for individuals with complex histories of chronic homelessness, substance abuse, severe mental illness, and/or other serious disabilities.

In 2004, under Cassandra Benjamin's leadership as the homelessness Program Officer, the Schwab Foundation launched the "Shifting Gears" initiative to promote the implementation of the Housing First model in the Bay Area. Several Bay Area homeless service organizations, including Shelter Network, were invited to apply for grants to support Housing First pilot programs targeting homeless families.

Though slightly different from Shelter Network's basic program model, the Housing First approach was compatible with Shelter Network's program philosophy. Shelter Network's programs had always had a much shorter length of stay than most transitional housing programs nationwide, and the agency was strongly focused on the outcome of enabling families and individuals to return to permanent housing quickly. Thus accelerating the speed with which families return to permanent homes of their own was in line with Shelter Network's mission.

Furthermore, the Housing First model offered a strategy to help Shelter Network serve more clients, without further expanding the residential programs or acquiring more sites. After rebuilding First Step for Families, Shelter Network had maximized the housing capacity of all its residential sites, but the agency still had waiting lists for its programs. The Housing First model facilitated moving some families more quickly through Shelter Network's facilities and back into permanent housing, thus opening up space for other families from the waiting list.

Michele Jackson was enthusiastic about the Housing First model, and presented the concept to the Board of Directors, which approved the idea of a pilot project. So Shelter Network staff developed eligibility criteria and program guidelines for a Housing First pilot. Funding limitations meant the original Housing First model had to be modified somewhat for implementation at Shelter Network, particularly because no subsidized housing vouchers or designated permanent affordable housing units were available for the project. Consequently, the

pilot program targeted families only, and eligibility was limited to households that had enough income to be self-sufficient in permanent housing on an ongoing basis, but lacked the savings needed for move-in costs of first and last month's rent and security deposit. Housing First families were identified at the initial Shelter Network referral screening and placed at First Step for Families with a designated Housing First case manager. Initially, casework focused on an intensive housing search, employing efforts of both clients and the case manager. Once appropriate housing had been located, the family signed a lease and Shelter Network paid the move-in costs. The family was then offered follow-up case management in their new housing to ensure the new living situation remained stable. Depending on need, some families received short-term shallow rent subsidies as well, to provide more time to pursue strategies to increase their incomes so that they could afford the full rent on their own over the long-term.

Shelter Network's Housing First pilot project was launched in 2005. Within the first year, the average length of stay in the shelter for Housing First families had been reduced to less than four weeks – as compared to the typical four-month stay for families in Shelter Network's standard transitional housing programs.

### **Challenges and Opportunities**

During the period from 2005 to 2007, Shelter Network experienced a number of challenges and opportunities. In terms of senior staff, the Development Director left in early 2005 after more than six years at Shelter Network, and the agency struggled to hire a new director. Managing fundraising was challenging during the year-long search for a permanent replacement. More positively, turnover in the Director of Programs and Services position led to the hiring of a new Director with professional training as a clinical psychologist, as well as substantial administrative experience, thus increasing Shelter Network's clinical management capacity.

Also during this period, Shelter Network's administrative building co-owner, Women's Recovery Association, experienced serious financial struggles, largely due to large cutbacks in their government funding. Facing a severe funding shortfall, WRA proposed selling the co-owned building to raise operating funds for their agency. Fortunately for Shelter Network, restrictions imposed by the funding used to purchase the building and the Tenancy in Common

agreement prevented WRA from moving forward with the proposal. Fortunately for both Shelter Network and WRA, WRA eventually found a resolution to their financial problems that allowed them to continue to occupy the co-owned building and maintain operations of their community programs.

Some of Shelter Network's other collaborative projects also experienced challenges or changes during this time. The domestic violence agency CORA decided to withdraw from the collaboration at Haven Family House in order to consolidate their programs closer to their main base of operations. Consequently, Shelter Network secured new arrangements to lease the vacated Haven apartments to homeless families served by the county mental health department and the nonprofit Mental Health Services Association. These collaborations allowed Shelter Network to expand services indirectly to serve homeless families with more challenging special needs. New partnerships were also established at Maple Street Shelter, including an arrangement to "sell" beds to Kaiser Hospital.

In terms of activities of the Board of Directors, Board Members increased their focus on and active participation in fundraising, under the leadership of Board Chair Ed Everett. Staffing was also expanded and upgraded in the development department to further support fundraising efforts. To enhance the Shelter Network's financial stability, a new operating reserve/endowment fund was created in 2006, seeded with funds from a recently received bequest. In tandem with the creation of this new reserve fund, Shelter Network's Board developed an investment policy for the agency as well.

### **Expanding to a New Target Population: Chronically Homeless Individuals**

In the early 2000s, national advocates and policymakers involved in the issue of homelessness began shifting their attention to a particular homeless subpopulation: chronically homeless individuals, defined as single adults with mental or physical disabilities (including substance addiction) who had been continuously homeless for at least a year. Research showed these highly visible "hard-core" homeless individuals used a disproportionate share of both homeless services as well as emergency medical care and other public services. Finding effective approaches to house chronically homeless individuals and address their service needs became a major emphasis of federal HUD funding for homelessness beginning in 2002, and local

jurisdictions began to focus on the issue of chronic homelessness as well. Consensus built in the field that the most successful practice for addressing the needs of chronically homeless individuals was permanent supportive housing, or non-time-limited affordable housing with individualized on-site case management and supportive services.

Compared to more urban regions, the Peninsula's homeless population was more concentrated among transient or short-term homeless families and individuals than chronically homeless men and women. However, San Mateo County did have some chronically homeless individuals, with limited services available for them. Some chronically homeless individuals lived on the streets of downtown San Mateo, and in 2006 the City of San Mateo approached Shelter Network with a proposal to develop a permanent supportive housing program to serve these homeless individuals. The city had identified a suitable property in San Mateo, a residential hotel, and was willing to commit funding to rehab the building and help support the program operations.

Shelter Network's programs were largely designed to address transient homelessness – to assist families and individuals who had temporarily become homeless, due to a financial or personal crisis, so that they could return to permanent housing and self-sufficiency as quickly as possible. Historically, Shelter Network's programs had largely excluded the hardest-to-serve homeless individuals, including chronically homeless single adults. The agency's original eligibility criteria excluded individuals who had active substance abuse problems, active domestic violence threats, or a history of violence, and after the Richard Allen Davis episode the programs also excluded all parolees.

The primary benefits of maintaining these relatively strict eligibility criteria were 1) simplification of the clinical aspect of the programs, making it easier to train and supervise direct service staff; and 2) higher program success rates and less stigmatized client populations, which made fundraising and generating public support for the programs easier. More restrictive eligibility criteria also made it easier to gain neighborhood acceptance of the residential programs, which was particularly important given the history of NIMBYism in San Mateo County. Moreover, waiting lists for Shelter Network's programs indicated that even if some homeless individuals were excluded from services, the agency was still meeting a critical need.

However, this limited program eligibility had sometimes lead to criticism that the agency was “creaming,” or only serving the highest-functioning, easiest-to-serve clients, leaving needier and more vulnerable individuals without services. As the largest homeless service provider in San Mateo County, as well as an agency with a reputation for quality services and programs, Shelter Network faced internal and external pressure to expand services to homeless populations with more barriers to self-sufficiency. Often the needs of these homeless individuals went unmet, because appropriate high-quality programs did not exist in San Mateo County or lacked adequate capacity.

Early exploration of expanding the client population, under Cassandra Benjamin, had been rejected by the Board of Directors as unnecessary and unfeasible, given the need to sustain public support in a NIMBY environment. Later, however, under Michele Jackson’s leadership, Shelter Network had made some small-scale forays into serving homeless individuals with more serious mental and physical challenges. For example, units at Haven Family House were made available to women recovering from domestic violence through collaboration with CORA; and the collaboration to bring on-site substance abuse day treatment to Maple Street Shelter enabled that program to serve some single adults with ongoing substance use issues. Up to this point, though, all expansions to more vulnerable populations had been accomplished through collaboration, where Shelter Network made space available in its programs but clients’ special needs were addressed through services provided and supervised by other agencies. The launching of the permanent supportive housing project would represent the first time Shelter Network had directly provided clinical services for homeless individuals with multiple serious needs, as well as the first attempt to manage non-time-limited permanent housing, both major new steps for the agency.

Michele felt strongly that Shelter Network had a responsibility to address the needs of San Mateo County’s chronically homeless individuals and the capacity to serve them well, particularly now that the agency had a Director of Programs and Services with a very strong clinical background. The Director of Programs and Services was also committed to the idea that Shelter Network could and should serve the chronically homeless population. However, Michele knew the permanent supportive housing project would represent new territory for Shelter Network, targeting a different population with a different program model, and that the Board of Directors might be hesitant to commit to the project.

Thus Michele first approached the Board Chair, who was somewhat skeptical at first but persuaded by Michele's commitment. They agreed to present the idea to the full Board at a weekend retreat. Much discussion followed at the retreat about the match of this project with Shelter Network's existing programs and strengths, the agency's clinical capacity to manage such a program, compatibility with the organization's mission, and risks of expansion to a new program that might pose a fundraising challenge due to the more stigmatized population served. Michele and the Director of Programs and Services argued that Shelter Network had a responsibility to meet the needs of chronically homeless individuals if the agency had the capacity to do so. Moreover, the agency was already serving some of these individuals at Maple Street Shelter, but serving them poorly because transitional housing could not meet their needs. Ultimately, the Board approved the project, recognizing that Shelter Network did have the clinical capacity to serve this more challenging population and was the service provider in the best position to meet this unmet need effectively, as a mature agency able to take on the risk of expanding to a new service area. The Board and staff agreed, however, to start the new program on a small scale, so that unexpected challenges could be addressed and program modifications could be made more easily as the agency implemented the new model.

In March 2007, Shelter Network's Vendome Hotel permanent supportive housing program opened in San Mateo, and chronically homeless residents began to move into the site's 15 studio apartments.

## **VI. REFLECTIONS AND CONCLUSION**

### **Twenty Years of Service to San Mateo County's Homeless Families and Individuals**

Over twenty years of operations in San Mateo County, Shelter Network provided safe housing and support to a total of more than 32,000 parents, children, and single men and women. And consistently over the years, over 80 percent of the families and individuals who completed the agency's programs succeeded in returning to permanent housing. Two decades after Shelter Network started out, as a grass-roots agency with one small program, the organization has grown to now operate nine residential and scattered-site programs, with a budget of \$7 million, an active and professional Board, and more than 50 staff.

Looking back over Shelter Network's 20-year history, the agency has encountered several significant challenges, both internal and external, and achieved some important accomplishments. Challenges include the failed Sunnybrae shelter proposal; the Richard Allen Davis incident; operating budget shortfalls; the Haven Family House rebuilding union controversy; skyrocketing rents and staff attrition during the dot-com boom; fundraising challenges during the dot-com bust; mid-course management changes for the First Step for Families reconstruction; and the need to find replacements for the agency's strong first and then second Executive Directors. Accomplishments include launching four residential programs within the agency's first four years of existence; adding six more site-based and scattered-site programs over the following years; expanding services and collaboration to incorporate licensed child care, enhanced children's services, a Housing First approach, and services for chronically homeless individuals; completing two major fundraising campaigns; building a solid administrative infrastructure; and sustaining strong program outcomes throughout the organization's two decades of operations.

Frequently during Shelter Network's history, the agency succeeded in transforming challenges into opportunities for growth and development. The Turning Point budget crisis became an opportunity to engage a circle of major donors. Unaffordable office rent inspired a collaborative project to purchase a permanent home for Shelter Network. Fundraising and project management challenges during the First Step reconstruction campaign lead to a stronger and more engaged Board of Directors. The losses of strong Executive Directors became

opportunities to bring in new leaders with different skills and talents. As a result, twenty years after its founding, Shelter Network is a very strong nonprofit organization, with an outstanding community reputation, extensive collaborative relationships, a solid and diverse funding base, and consistent program outcomes.

Reflecting on Shelter Network's history, a number of key factors emerge that help explain how the organization has successfully sustained growth and weathered challenges to achieve its strong current position. Some of the most important internal factors include:

- **Executive staff leadership:** Each of Shelter Network's three Executive Directors have been strong, highly competent leaders. Perhaps most importantly, each has had a skill set well-suited to Shelter Network's stage of development at the time they were managing the agency. Chris Sutherland's hands-on energy, ability to build community relationships, and thoughtful design of programs and messages enabled the agency to thrive during its early grass-roots years of rapid growth. In the middle years, Cassandra Benjamin brought in administrative and fundraising skills to develop Shelter Network's infrastructure, and her creative thinking and confident enthusiasm for ambitious new projects allowed the organization to successfully seize opportunities for major expansion and development. Shelter Network's third Executive Director, Michele Jackson, has extensive community relationships and an engaging, collaborative management style, which has strengthened Shelter Network's institutional relationships, helped bring the Board of Directors to a new level of active engagement, and enabled the agency to expand services and maximize use of existing facilities through new collaborations.
- **Collaboration:** In fact, collaboration has been a key factor in Shelter Network's success throughout its organizational history. From the very beginning, Shelter Network's partnership with Mid-Peninsula Housing Coalition made it possible to secure residential properties for use as transitional housing at a highly affordable cost in an area with extremely high housing costs. Collaboration with local referral agencies facilitated broad outreach without significant internal agency costs. Shelter Network's purchase of its administrative office building would not have been possible without the partnership with Women's Recovery Association. And bringing in collaborators to operate on-site child care centers, instead of attempting to manage the programs directly, enabled Shelter

Network to tap into existing community expertise and expanded fundraising capacity to enhance services for homeless families.

- **Diverse base of support:** From the start, Shelter Network has been funded through a combination of public and private sources. Since its early years, the agency had maintained a diverse funding base, including federal, state, county, and city grants and contracts; private foundation grants; corporate contributions; donations from community organizations; and individual contributions from major donors and other community members. Diversity of funding sources has promoted resiliency in the agency's finances, minimizing the negative consequences of unexpectedly losing any single revenue stream.
- **Strategic messaging:** Shelter Network's public messages about homelessness and the agency's programs have been remarkably consistent over 20 years. Because San Mateo County is a suburban county with little visible homelessness, as well as a fairly conservative area by Bay Area standards, Shelter Network's messages have focused on awareness of the problem of homelessness, empathy for and confidence in homeless individuals, and emphasis on Shelter Network's program outcomes of helping people return to permanent housing. At city council meetings, fundraisers, and outreach events, Shelter Network emphasizes consistent talking points: homelessness *does* exist on the Peninsula, where it largely affects families; most homeless people in San Mateo County are hard-working community members – just like you – who are experiencing a temporary crisis; given housing and support, homeless families and single adults are capable of setting goals and taking action to get back on their feet; and there *is* a solution to homelessness – every year, over 80 percent of homeless families and individuals completing Shelter Network's programs return to permanent housing. Over the years, the agency's consistent messages have led to increased public awareness of the existence and nature of homelessness in San Mateo County, and have helped build Shelter Network's reputation as an effective community organization meeting an important need.

For the agency's two major fundraising campaigns, strategic messages were developed in the early planning stages to succinctly explain the need for, strategy, and expected results of the projects. Staff and Board Members repeated these messages in grant proposals, public meetings, donor events, and media contacts. The consistent framing promoted

broad community awareness of the campaign projects and their significance, helping to generate financial and political support.

- **Client-driven program model focused on measurable outcomes:** The core program model of Shelter Network is rooted in respect for and confidence in the capacity of homeless individuals to set their own goals and take action to improve their lives. Case managers guide the process of goal setting and help clients connect to needed resources, but the program strongly emphasizes the efforts of clients themselves, and all case planning focuses on the primary goal of achieving permanent housing. Training new frontline staff on this program model is fairly straightforward, and little clinical specialization is required, since the focus is achieving the concrete short-term outcome of returning to permanent housing, rather than addressing longer-term challenges or complex mental health issues.

The effectiveness of the core model is reflected in the measurable program outcomes, namely consistently high success rates throughout the organization's history. From the very beginning, Shelter Network implemented evaluation processes to measure success in helping clients achieve the outcome of permanent housing. This cutting-edge early emphasis on outcome measurement, continued through the present, greatly enhanced the agency's ability to garner public support and secure funding.

- **Calculated risk-taking:** Throughout Shelter Network's history, the agency's Board and staff leadership have demonstrated a willingness to take risks in order to grow or take advantage of key opportunities. Not all risks resulted in unqualified successes – the Sunnybrae shelter project serving as one example – but in most cases thoughtful, entrepreneurial risk-taking has been a key characteristic of the important decisions that have most strongly and positively affected the organization. Examples include the very rapid expansion in the earliest years; the hiring of very young Executive Directors, both Chris Sutherland and Cassandra Benjamin; taking on the Building Brighter Futures Campaign, with a fundraising goal of five times the agency's operating budget; and branching out into new service areas, including permanent supportive housing for chronically homeless individuals. At the same time, Shelter Network has not blindly agreed to every proposed project. Some opportunities, such as taking on the Clara-Mateo

program or operating the armory-based Winter Shelter, were evaluated and rejected as non-priorities that would have excessively strained the organization's capacity at the time.

In addition to these internal factors, a number of characteristics of Shelter Network's external environment have also contributed to the organization's success. Many of these external strengths are reinforced by the fact that San Mateo County is relatively small, so that leaders from different sectors and organizations all tend to know each other well and interact frequently. Some of these key external factors include:

- **Collaborative nonprofit community:** Collaboration with other nonprofit organizations has been vital to Shelter Network's success, and these relationships have been facilitated by the prevailing attitude of cooperation and mutual support among San Mateo County's human services nonprofits. This collaborative atmosphere dates back to Shelter Network's earliest years, as exemplified by the county-wide Hunger and Homelessness Action Committee that was initiated around the same time as Shelter Network's founding. The spirit of cooperation has made organizations willing to take on the risks of major partnerships with Shelter Network, such as the joint office building purchase or operating the on-site child care centers, in order to better serve the community by working together.
- **Community foundation leadership and partnership:** Peninsula Community Foundation, the community foundation serving San Mateo County, consistently played a leadership role in promoting services and projects that benefited the community's vulnerable residents. Many of Shelter Network's most ambitious and ultimately successful projects would not have been possible without the substantial early assistance of PCF staff and participation of the foundation's major individual donors, as well as grants from the foundation's endowment. Specific examples of projects in which Peninsula Community Foundation played a key role in early strategizing and connecting Shelter Network to key donors and community resources, as well as contributing grant funds, include the Turning Point Leadership Circle, the Building Brighter Futures Campaign, the joint office building purchase, and the First Step reconstruction campaign. Knowing that the Foundation could be relied on as a committed community partner

enabled Shelter Network to “think big” and take advantage of opportunities to expand and develop.

- **Public sector leadership and partnership:** The local government of San Mateo County, comprising the county and city governments, has also consistently played a leadership role in coordinating and supporting human services. The county stepped in to provide major financial or in-kind support, sometimes on short notice, to support Shelter Network on several key projects, such as by purchasing the Haven Family House property from Mid-Peninsula Housing Coalition, offering the county-owned Maple Street Shelter site for Shelter Network’s singles program, and making available a low-interest loan for the joint office building purchase. Ongoing county funding also comprises a significant portion of Shelter Network’s operating budget, and over the years, both county staff and elected officials have helped Shelter Network to strategize and secure the resources needed to move forward with important projects. Cities up and down the Peninsula have also been supportive of Shelter Network’s programs from the earliest years; though NIMBY issues have led to serious tensions at times, overall the support has been substantial, and Shelter Network is unusual in receiving financial contributions from nearly every city within its geographic service area.
- **Availability of substantial private resources:** Finally, Shelter Network has benefited from the fact that San Mateo County is a relatively well-off area. The county includes some extremely wealthy communities and has a relatively large number of well-endowed private foundations and successful businesses, thus facilitating nonprofit fundraising efforts.

A final key factor connects these environmental assets and internal strengths to facilitate the organization’s success – namely, a **community sense of ownership** of Shelter Network’s mission and programs. Key contributors to this sense of community ownership include the grass-roots effort that helped found Shelter Network, the diversity of its donors and supporters, intensive outreach efforts for major fundraising campaigns, and the agency’s active engagement in collaboration, as well as the general emphasis on cooperation and partnership among San Mateo County’s nonprofit, public sector, and philanthropic communities. As a result, a broad range of community institutions and individuals – from volunteers, to Board Members, to local

foundations, to elected officials, to county government, to community groups – think of Shelter Network as “their” organization. Elected officials mention Shelter Network’s programs as positive examples of what local government provides for constituents. Board Members participate actively in meetings and Board projects, and ask friends to donate to Shelter Network instead of giving holiday gifts. Service clubs organize donation drives to collect household items for Shelter Network’s programs. And when Shelter Network encounters a serious challenge or unique opportunity, many institutions and individuals throughout the community feel a connection and responsibility to participate in strategizing next steps and securing needed resources. This community sense of ownership is perhaps Shelter Network’s most important organizational asset.

### **Conclusion: Looking Forward**

In recent years, the rhetoric of national policymakers and advocates around the issue of homelessness has shifted to a call for *ending* homelessness, rather than continuing to manage homelessness. Realizing that homeless services had developed into an established industry, with funds largely focused on short-term interventions like overnight shelters, advocates pushed for more strategic investment, emphasizing approaches to prevent homelessness and move homeless individuals off the streets and into stable long-term housing. In 2003, HUD unveiled a national 10-Year Plan to End Homelessness, and counties and cities across the country soon followed suit by creating local 10-Year Plans.

Ending homelessness is a goal of Shelter Network as well – the organization’s staff and Board have long stated that their long-term desire is to “put Shelter Network out of business.” And on an individual-by-individual basis, Shelter Network has been successfully ending homelessness; over the course of two decades, more than 80 percent of families and single adults completing the agency’s programs have returned to permanent housing.

Yet after twenty years of services and major program growth, Shelter Network still has waiting lists for its programs, and the number of homeless individuals in San Mateo County has not substantially declined. Thus looking forward, a question facing the agency’s Board and staff leadership is what role Shelter Network might play in efforts to help prevent homelessness. Already, Shelter Network has become more active in advocating for the development of

permanent affordable housing on the Peninsula, with Executive Director Michele Jackson now serving on the Board of Directors for San Mateo County's Housing Endowment and Regional Trust Fund (HEART). Future efforts could possibly focus on promoting living wages, sponsoring eviction prevention programs, or other as-yet-undetermined areas of advocacy or implementation, though Shelter Network would have to assess its organizational capacity to take on such new activities. In the more immediate term, Shelter Network will continue to focus on managing quality programs and a solid infrastructure, building collaborations, enhancing services for clients, and maintaining strong success rates in enabling homeless individuals to return to permanent housing.

\* \* \*

It is a crisp afternoon in January 2008. In San Mateo, a mother and her two sons are getting ready to leave Shelter Network's First Step for Families program, to move into their own apartment. With the support of her case manager, the mother had found a new job a month after arriving at First Step, and had saved nearly all of her income since then. Now in a position to pay first month's rent and security deposit, she had secured a lease for a small apartment, not far away, for her family.

Packed belongings in tow, the mother and her boys head to the elevator, down to the first floor, and out the front door to the car waiting to take them home. Standing outside, the mother's case manager, smiling, gives her a hug and a "congratulations!" and leans down to tell the boys she hopes they'll come back to visit soon. The mother and her sons climb in the car, and they drive away slowly, the boys waving goodbye as they leave.

And one family at a time, Shelter Network continues its work as a pioneering nonprofit organization, providing solutions to homelessness in San Mateo County.

## VII. SOURCES AND ACKNOWLEDGMENTS

Sources consulted in the research for this organizational history included minutes of Shelter Network Board meetings, agency newsletters, strategic plans, legal documents, the Board Member orientation manual, grant proposals, and public relations documents including brochures, fact sheets, campaign solicitation packets, special event materials, and the agency website. Special thanks to Shelter Network Communications Associate Elissa Test, and the volunteers and staff who assisted her, who searched through boxed archives, computer hard drives, and agency files to locate, copy, and collect all of these materials.

Much of the research for this project consisted of interviews with key individuals from Shelter Network's history. Special thanks to the individuals who participated in these interviews, including:

Fran Wagstaff, Executive Director, Mid-Peninsula Housing Coalition

Adrienne Tissier, current Shelter Network Board Member and former Board Chair, as well as current San Mateo County Supervisor and former City Council Member of Daly City

Marcy Saunders, former Shelter Network Board Member and former President of San Mateo County Building & Trades Council

John Kelly, former Shelter Network Board Member and former Executive Director of Samaritan House

Chris Sutherland, former Shelter Network Executive Director and former Director of Programs at Peninsula Community Foundation

Laura Peterhans, former Shelter Network Board Member

Corinne Centeno, former Shelter Network Board Chair and current Director of Redwood City Department of Parks, Facilities, Recreation, and Community Services

Ed Willig, former Shelter Network Board Chair

Cassandra Benjamin, former Shelter Network Executive Director and former Senior Program Officer at the Charles & Helen Schwab Foundation

Bill Regan, former Shelter Network Board Chair and current Advisory Board Member

Ed Everett, former Shelter Network Board Chair and former City Manager of Redwood City

Michele Jackson, current Shelter Network Executive Director

Please note that to protect client confidentiality, all descriptions of Shelter Network clients included in this organizational history are composite and/or fictionalized. Note as well that primary author Sara Kimberlin is a former Shelter Network staff member, having served as Development Director and in other development department positions from 1998 to 2005.