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Shelter Network: Serving Homeless Families and Individuals (1987–2007)

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Shelter Network is a nonprofit organization that delivers a range of services that meet the needs of homeless families and individuals in order to help them achieve stable housing and self-sufficiency. The agency began as a grassroots community effort to respond to the growing problem of homelessness and its relationship with its external community continues to play an important role in its financing, growth, and development. Over its 20-year history, Shelter Network has overcome multiple challenges related to leadership, finance, and community support and has grown from a grassroots agency into an organization with a budget of $7 million.

KEYWORDS Organizational history, nonprofit organization, housing, homelessness

INTRODUCTION TO SHELTER NETWORK

Shelter Network was established as a nonprofit organization in 1987 to meet the needs of homeless families and individuals on the San Francisco Peninsula. The agency's mission is to provide housing and supportive services that enable homeless families and single adults of San Mateo County to

All written and verbal sources used to develop this case study can be found in the Appendix B.

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re-establish self-sufficiency and return to permanent homes of their own. Today, Shelter network serves more than 3,500 homeless men, women, and children through seven site-based and four scattered-site programs.

Since the organization's founding, it has steadily expanded its programs, overcoming many challenges and celebrating accomplishments that can be understood by two key factors. 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. Externally, Shelter Network's success was made possible by San Mateo County's collaborative nonprofit community, the leadership of its philanthropic and public sectors, and the resources available in this relatively wealthy area. As a result Shelter Network has acquired a strong sense of community ownership that has significantly contributed to its abilities to survive challenges and seize opportunities.

Shelter Network's Founding

Homelessness emerged as a recognized social problem in the United States in the 1980s. Congress passed the McKinney–Vento Homeless Assistance Act in 1987 to provide multi-year funding to address homelessness through the local provision of both emergency shelter and transitional time-limited housing coupled with supportive services to help homeless individuals return to permanent housing.

San Mateo County is a largely suburban and wealthy county located south of San Francisco in Northern California. While there were not many individuals visibly homeless on the streets of San Mateo County in the late 1980s, the growing awareness of homelessness nationally led to concerns locally, among residents and community leaders, about the increasing numbers of homeless families and single adults in the county. Thus in 1987, Shelter Network was established to address the problem of homelessness in San Mateo County. The establishment of Shelter Network was somewhat unusual for a nonprofit organization. Three different groups, working largely independently, came together under the leadership of the Mid-Peninsula Housing Coalition (Mid-Pen), a nonprofit affordable housing provider that owned several affordable housing developments and became increasingly aware of the need for transitional housing programs.

Mid-Pen had acquired a few residential properties that were suitable for shorter-term housing for homeless individuals and had leased them to Emergency Housing Consortium (EHC), a homeless services organization operating in the neighboring county. In 1987, when Mid-Pen acquired a building suitable for transitional housing in Daly City, they opted to lay the groundwork for the establishment of an independent, Peninsula-based nonprofit that would operate transitional housing programs in San Mateo County.

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. Grant requests were submitted to the U.S. Department of Housing and Urban Development (HUD) for the federal McKinney–Vento funds, and for private funding to the local Packard Foundation. Mid-Pen staff and Board Members recruited a small group of individuals to serve as the Board of Directors for the new nonprofit and handed off the legal documents, 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.

The Shelter Network Board comprises the second group of "founders." The Board's first action was to present the idea of a transitional housing program to the City Council of Daly City. The Council saw the proposal as an effective way to meet the needs of working families who had been unable to keep up with housing costs, a project that would be closely supervised so as not to adversely affect the neighboring property, and worthy of support; thereby approving a facility use permit and funding a portion of program operations.

At the same time that Mid-Pen was submitting the paperwork to establish Shelter Network, the United Way convened a meeting of community leaders and residents in San Mateo County to identify gaps in services. Homelessness was identified as a key problem and the group committed itself to taking action to resolve the problem, ultimately becoming a third group of Shelter Network "founders." The group soon learned of the new Shelter Network Board and joined forces with them to address homelessness in San Mateo County.

Simultaneously, the Shelter Network Board began searching for an executive director. They found Chris Sutherland working at a transitional housing program in Los Angeles and were impressed with her poise and experience, despite her youthful age of 26. Chris Sutherland became Shelter Network's first executive director in November 1987, and thereby the final "founder" of Shelter Network.

Chris came to Shelter Network with a strong understanding of transitional housing for the homeless. Within days of starting her job, she learned that the grants submitted on behalf of Shelter Network were funded and would begin serving families within two months. Working with the Board, Chris quickly began hiring staff, developing policies and procedures, and coordinating the repairs and furnishings required to make the Daly City property habitable and to set up staff offices. In January 1988 Shelter Network's first transitional housing program—Family Crossroads—opened its doors.

Shelter Network's founding was unique, driven by diverse groups and individuals that converged to establish the agency. The agency was both a grassroots 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 its legal

infrastructure and institutional grants in place, but was also heavily reliant on volunteers, in-kind donations, and jack-of-all-trades staff to launch its first program. From the beginning, the organization was a nonprofit supported by close relationships with local and national government, as well as local foundations.

Core Program Model

Developing the service model was the first task that Chris and the Board accomplished. The agency's initial eligibility criteria targeted those experiencing temporary problems and excluded the hardest-to-serve homeless families and individuals. Those who were excluded had substance abuse issues, histories of violence and/or domestic violence, or serious mental or physical disabilities. These eligibility criteria that limited the admission of homeless populations were seen as necessary to: (a) keep the scope of services within the agency's clinical capacity, (b) target services to those best positioned to quickly benefit from the services, and (c) secure acceptance of the residential programs among neighbors and local politicians.

The caseloads include 10–15 families or single adults. The case planning was client centered; whereby clients develop three to five goals that enabled them to return to and maintain permanent housing as well as the tasks and timelines needed to meet their goals. Since housing, food, and other basic necessities were free, clients had few living expenses which enabled them to save a substantial portion of their income. Clients were required to save at least 50% of their monthly income in a savings account provided by Shelter Network, which was returned when clients left or needed help with move-on costs. Because these policies enabled clients to save money more quickly than programs that charge client fees, Shelter Network achieved both shorter client stays and higher success rates for returning to permanent housing than many other transitional housing programs.

Shelter Network programs were 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 timeframe was shorter than most transitional housing programs, which are typically 12–24 months in duration. After completing Shelter Network's programs, families and individuals can voluntarily participate in follow-up/aftercare workshops.

From its beginning, Shelter Network focused on a single key outcome; namely, enabling homeless families and individuals to return to permanent housing. The process of measuring outcomes was incorporated in the first programs (e.g., at least 80% of families completing the program would return to permanent housing). At the time, setting measurable performance goals was cutting-edge for nonprofits, particularly in homeless services. Shelter Network's approach to performance measurement became a model for other

HUD-funded homeless programs in northern California and contributed to their success in securing grants.

EARLY YEARS OF RAPID GROWTH WITH THE FOUNDING EXECUTIVE DIRECTOR (1987–1995)

The early years were a period of intense organizational development. Through personal connections, Shelter Network built a base of volunteers and donors as well as relationships with funders, local cities, the County and other local nonprofit human service providers. In 1989, Mid-Pen presented Shelter Network with an opportunity to lease a former DMV office and adjacent house in San Mateo for $1 per year. The administrative staff would eventually occupy the house on the property, and the building was converted to housing for single adults. The rehabilitation of the property required a tremendous effort, with most of the work donated by union members and community volunteers. A HUD grant was secured and, in late 1989, Turning Point opened to serve homeless families.

In 1990, Mid-Pen and 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 EHC, who had struggled to supervise the site, and the program was in need of physical repair, rehabilitation, and management. The Board and Chris agreed to take the project under the condition that the City fund both rehab and program operations. Redwood City agreed and Shelter Network moved forward with the repairs and applied for a HUD operating grant. Redwood Family House was opened in 1990 to serve homeless families.

A year later, Mid-Pen again approached Shelter Network to ask them to take over a converted motel located in Menlo Park. The property had been mismanaged as transitional housing and needed extensive rehabilitation. With a commitment from San Mateo County to provide ongoing funding, Shelter Network accepted the project. In 1991, Shelter Network completed the repairs to the Menlo Park facility, and Haven Family House opened its doors to serve homeless families.

In 1994, Shelter Network launched Bridges, a program for individuals who needed more time to achieve self-sufficiency. Clients were housed in scattered-site apartments (master-leased by Shelter Network) and were 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 enable 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.

By 1994, Shelter Network operated one scattered-site and four transitional housing programs, serving 800 homeless families and individuals per

year. The agency's budget reached $1.44 million, with 44 employees. Still operating as a grassroots organization, volunteers continued to play a key role at Shelter Network's program sites and the agency's Board included many volunteers with strong connections to San Mateo's religious and organized labor communities.

The Sunnybrae Shelter Proposal

Despite rapid expansion, Shelter Network had waiting lists for all of its programs. Because San Mateo County had no year-round emergency shelters, those on the waiting list often had no safe place to stay while they waited for an opening at one of Shelter Network's housing programs. In order to address this problem, Shelter Network identified a property located in the Sunnybrae neighborhood of San Mateo where the property owner was willing to sell and Mid-Pen was willing to facilitate the purchase so that Shelter Network could move forward with a proposal to the City. A few Sunnybrae residents were appalled by the idea of a shelter in their neighborhood and mounted a fierce NIMBY (Not-In-My-Back-Yard) campaign. Shelter Network's experience with operating programs in residential neighborhoods proved to be insufficient evidence to allay the fears of the Sunnybrae residents. The neighbors were not persuaded and a contentious dispute carried over into conversations with the City of San Mateo, including threatening letters and phone calls to stay out of Sunnybrae received by the executive director of Shelter Network.

The culmination of the disagreement came at a public City Council hearing in the spring of 1994. Tensions in the room were palpable, and the hostility escalated as individuals from opposing sides testified. The hearing concluded without incident, but the permit was not granted. The experience prompted the Board and staff to postpone any further discussion about opening an emergency shelter.

Richard Allen Davis

Soon after the collapse of the Sunnybrae Shelter proposal, an FBI agent arrived at the Turning Point program in November 1994 seeking a confidential client file for Richard Allen Davis, who had spent a short period at Turning Point a month earlier. Shelter Network's staff and Board were horrified to learn that Davis was 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 been residing at Turning Point on the day the crime occurred.

The Polly Klaas case was one of the biggest national news stories of 1994 and the media descended on Shelter Network. The lurid story about the accused murderer, kidnapper, and child molester living in a homeless

shelter reinforced the public's worst stereotypes and fears about the type of people who are homeless. Outrage that such a dangerous individual had been housed at Shelter Network rose quickly among Shelter Network's neighbors and local elected officials in San Mateo.

Shelter Network immediately cooperated with the authorities and opened an internal investigation to determine how Davis had been admitted to Turning Point, since his criminal history should have made him ineligible for the program. The investigation determined that Davis had entered Turning Point upon his release from jail. Staff on duty at the time stated that Davis was referred by the county probation department and his violent history had not been disclosed. Other evidence indicated that notes in Davis's case file had been altered. Ultimately, Shelter Network's director of programs and the two staff who had admitted Davis were fired. Additionally, Shelter Network's policies and procedures were revised to formalize the process of verifying client criminal records and explicitly identify lines of responsibility 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 was not unexpected, it was misplaced when it was directed at Shelter Network. If Davis had not been admitted to Shelter Network's program, he still would have been released on parole in San Mateo County, most likely without a place to stay. To manage the media, Shelter Network designated the director of administration as the authorized spokesperson for the agency in order to ensure that their 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. Chris Sutherland explained Shelter Network's efforts to investigate the incident, hold staff accountable, revise agency policies, and urged the community to move beyond the unfortunate episode and continue supporting the agency's work serving San Mateo County's homeless families and individuals. The 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, eligibility restrictions for residential programs, and client supervision requirements.

Nine months after the incident, the public uproar largely died down, but the events left a lasting legacy at Shelter Network and in San Mateo County. New guidelines for human service agencies issued by the City of San Mateo restricted the actions of Shelter Network and other agencies. Throughout San Mateo County, nonprofits curtailed services for parolees and those with criminal records to protect their organizations from the risk of being in a position like Shelter Network. The incident reinforced the NIMBY attitudes in the community, particularly toward residential programs serving homeless single adults.

Given the intensity of the negative publicity, it was difficult to continue operating transitional housing programs in residential neighborhoods. The following factors helped the agency survive this period: (a) a strong reputation as an effective and respected nonprofit, (b) a quick and cooperative response, (c) an internal investigation that acknowledged staff responsibility (d) revised program policies, and (e) designating a media spokesperson to sustain a consistent public message. The mobilization of the Board and outside supporters helped make the case that Shelter Network was a vital organization that deserved continuing support.

In January 1995 Chris Sutherland left Shelter Network to work for the Peninsula Community Foundation. While senior staff managed the daily operations, the Board began a seven month search for a new executive director.

GROWTH WITH A NEW EXECUTIVE DIRECTOR (1995–2000)

The rapid program growth had resulted in increased operating costs for Shelter Network and the Davis incident, in combination with the declining economy related to the dot.com implosion, had caused a decline in donations. As a result, fundraising became the primary focus of the Board's search for a new executive director. The Board hired Executive Director Cassandra Benjamin, the former development director for Larkin Street Youth Services, which operates programs for homeless youth in San Francisco. Cassandra had substantial fundraising experience and a strong track record of securing grants and donations. As with the hiring of Chris, the Board was aware that the choice of Cassandra might be viewed as risky because of her young age. However, they were impressed with her skills, confidence, dynamism, and commitment to the issue of homelessness. In September 1995, Cassandra Benjamin joined Shelter Network as its second executive director.

When Cassandra began as executive director, Shelter Network had one scattered-site and four residential programs serving 700 individuals annually, employed 44 staff members, and operated a budget of $1.48 million. Based on an assessment of the agency's programs and infrastructure, Cassandra identified areas needing development related to organizational systems, including governance issues such as developing a more professionalized board with committees that focused on different agency functions, establishing term limits, and a board recruitment process.

Financial Challenges

Perhaps the most important area of underdeveloped infrastructure was Shelter Network's finances. The management of the agency's fundraising and financial accounting had been a struggle, especially the operating deficit

of nearly $300,000. The shortfall required immediate cost-cutting measures, including layoffs for three administrative and maintenance staff.

Cassandra determined that the agency's greatest financial problem was insufficient funding for the Turning Point program serving homeless single adults. Ongoing HUD and county grants could not cover the program's operating costs and the program posed greater fundraising challenges because of the stigmatization associated with homeless single adults. Cassandra proposed the closing of Turning Point as a strategy to bring the agency's finances back into alignment. Though the Board strongly supported Turning Point, and many had personally worked hard to launch the program, they accepted the conclusion that Turning Point was financially unsustainable and reluctantly agreed to close it.

San Mateo County was not supportive of the closing of Turning Point as it was the county's only transitional housing program serving single homeless adults; however, they could not offer more funding. Cassandra next met with the Peninsula Community Foundation to ask for advice and assistance. Though the foundation felt that Turning Point should stay open, they also did not have funds to stabilize the program's ongoing finances. Coincidentally, the Peninsula Community Foundation President attended a lunch with one of the Foundation's major donors. This donor had a strong personal interest in the issue of homelessness and once he learned of the financial problems at Turning Point, he offered a sizeable contribution. Shelter Network needed a commitment of three years of funding for program operations to ensure that Turning Point was sustainable. The donor committed half of the funds, and the Peninsula Community Foundation helped Shelter Network establish the Turning Point Leadership Circle, a group of individual donors who committed major donations to cover the gap in operating funds for over three years. Peninsula Community Foundation also committed funds from the Housing and Homeless Trust Fund. These donations, in combination with ongoing government grants, provided enough funding to ensure the program's sustainability for the next three years.

The Building Brighter Futures Campaign

San Mateo County 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 those serving single adults. However, the community need for emergency shelters was clear and Shelter Network was the most qualified organization to operate effective emergency shelter programs.

The County and Shelter Network agreed on a county-owned facility in Redwood City to house the shelter. Cassandra recognized an opportunity to expand the scope of the project and proposed moving the existing Turning Point program to the new Redwood City site that would include both emer-

gency shelter and transitional housing at a single location. This proposal would allow the Turning Point site to be available for use as an emergency shelter for families.

Around the same time, Mid-Pen decided that they wanted to cash out their investment in the Haven Family House site by using it to build a large affordable housing development, proposing that the Haven program move to another location. Cassandra objected to moving Haven, thus Shelter Network's only option was to raise the funds to purchase the property. Purchasing the property would allow Shelter Network to upgrade the safety and functionality of the site. A tour with a construction engineer revealed that the buildings were unsafe and needed to be replaced. Though rebuilding the site would be an expensive project, demolishing the facility would provide the opportunity to create a larger, better-designed facility to serve more families.

Cassandra drafted an estimate of what each of the three projects under consideration would require in terms of planning, fundraising, and implementation. She arrived at a total estimated cost of more than $10 million to purchase the Haven property and build a new facility there, rehabilitate the new singles site, convert the Turning Point site into a family program, and secure sufficient funding to operate the emergency shelter for five years. Shelter Network staff began conversations with the agency's donors and it became clear that they had the capacity and willingness to contribute more. Furthermore, Cassandra was confident that Shelter Network would be able to secure federal grants and support from local foundations so she proposed to the Board that Shelter Network proceed with a multi-million dollar fundraising 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 Menlo Park. The Board had confidence in Cassandra's fundraising abilities, saw the campaign as an opportunity to meet the needs of homeless families and adults in San Mateo County, and approved the campaign. In 1998, Shelter Network officially announced the launch 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

The County agreed to cover the purchase of the Haven Family House site and sign a long-term lease with Shelter Network for a nominal fee, thus

preserving County jurisdiction over the land and protecting it in case of zoning conflicts. One of Shelter Network's major donors was a local housing developer and had expressed interest in getting more involved with Shelter Network. Cassandra led him on a tour of Haven Family House, pointing out the positives of the location as well as the terrible condition of the buildings. The donor offered to have his development company manage the project pro bono—an extremely generous offer, substantially reducing the costs of the project.

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 upscale design to minimize local objections. Increasing the number of units at the site was a major priority for Shelter Network, but political considerations limited the size of the project. The City agreed to support a project with 24 housing units, double the size of the current Haven facility but smaller than Shelter Network had wanted. These political compromises would ultimately pay off in support for the project from city staff and little opposition from the 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. Shelter Network approached Family Service Agency (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 grant from First Five of San Mateo County (funding program for children 0–5 years of age) was secured to fund the Haven child care center and other services for children at all of Shelter Network's programs.

As planning for the Haven project continued, the two new emergency shelter projects also progressed. Pro bono architectural and contracting services were volunteered for the Maple Street Shelter. The former Turning Point facility was modified to house families and a playground was donated for the site by the San Mateo Rotary Club. Fundraising proceeded smoothly, with HUD grants and foundation funding secured to support the shelter's first years of operation. In late 1998, both programs opened, representing San Mateo County's first year-round emergency shelters for homeless single adults and families.

Fundraising Continues

Throughout the planning and start-up of the three Building Brighter Futures projects, Shelter Network continued actively raising funds for the campaign. Fortunately, it was a ripe fundraising environment, as the dot-com boom had

accelerated the local economy. Shelter Network's Board had little experience with major gifts fundraising and few members had personal connections to wealthy individuals. As a result, Shelter Network's initial fundraising efforts were largely staff driven. Before long, a number of major donors to Shelter Network who were not board members became deeply involved in the Campaign Leadership Committee to help with fundraising. Grant proposals were submitted, direct mail solicitations were sent, and media outreach conducted. The fundraising success enabled Shelter Network to privately finance the full cost of constructing the new Haven Family House facility.

In 1999, Shelter Network declared the Building Brighter Futures Campaign a success, having completed all three projects and exceeding their fundraising goals. The Haven Family House opened and a new collaboration was launched with FSA. Maple Street Shelter and First Step for Families opened their doors to homeless single adults and families, with their first five years of operating funds secured. Shelter Network had successfully raised an amount greater than five times the agency's annual budget. In the process, the agency's donor base had expanded, its community profile raised, and its donors had become more committed. To sustain the commitment and expertise of key donors to the campaign, Shelter Network created an 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 and a need to expand staffing. Funding was secured for a children's coordinator for each of Shelter Network's family programs, and the licensed child care center provided free day care for families at Haven Family House. A wide spectrum of collaborative services for children and families were implemented at all of the sites through partnerships with other nonprofit and public agencies. After the fundraising campaign was 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.

While the dot-com boom of the late 1990s was a boon for Shelter Network's fundraising, the roaring economy also created challenges for the organization. Several key management employees were lured away by higher salaries and perks, and the competitive environment made them difficult to replace. Another consequence of the economic boom was exploding rents on the Peninsula. Many families and single adults with low-wage jobs, or living on fixed disability or retirement incomes were unable to keep up with skyrocketing rental increases. As a result, Shelter Network experienced an increased demand for services. Shelter Network's administrative offices were located in a converted house. In early 2000, to help meet the increased demand for services, the house was transformed back to residential use as an expansion of the First Step for Families program. Shelter Network's adminis-

trative staff moved into rented office space but, a few months later learned that the rent was going to nearly double. Ultimately, Shelter Network and the Women's Recovery Association jointly purchased a building in downtown Burlingame, and moved into their permanent home in 2001.

MATURING WITH A THIRD EXECUTIVE DIRECTOR (2001–2007 AND BEYOND)

After nearly six years, Cassandra announced to the Board that she intended to leave the executive director position in early 2001. The Board initiated a national search for a new executive director. One of the applicants was current Associate Executive Director Michele Jackson, who officially became Shelter Network's third executive director in early 2001. Michele had worked at Shelter Network for over seven years, first as the program director of Redwood Family House, then as director of programs and services, and then as associate executive director before becoming executive director.

In Cassandra Benjamin's final months, she was approached by the pro bono developer of the Haven Family House rebuilding project. Pleased with the success of the Haven project, he wanted to help with a new building project for Shelter Network as the pro bono developer, and suggested the agency consider replacing the First Step for Families site to expand the program's capacity. Shelter Network's Board of Directors approved the preliminary exploration of the idea. When Cassandra left Shelter Network in early 2001, she agreed to continue working on the plans for the First Step project as a consultant. In the following months, discussions with Mid-Pen, which owned the First Step property, led to an agreement for a 50-year land lease for $1 per year. Architectural plans were drafted; the estimated capital budget for the project came to $6 million.

In early 2001, Michele Jackson invited Cassandra to present the campaign plan to Shelter Network's Board of Directors. 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 its recent expansions, the agency still had a waiting list of as many as 40 families on any given night. Construction and fundraising moved forward and grant proposals were submitted to public and private funders. Michele 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 a formal agreement was finalized.

The Dot-Com Bust: Fundraising Challenges

In 2001, as the First Step for Families rebuilding project was well underway, the national economy was thrust into recession. Shelter Network immediately

felt the effects of the dot-com bust. The demand for services increased, fundraising was a challenge, less government money was available, and the assets of the local foundations declined in value. As a result, competition for funding intensified, as nonprofits in all fields struggled to meet their budgets.

Faced with continuing operating expenses and reduced operating revenues, Shelter Network made budget cuts in 2003. Administrative expenses and non-fixed costs were trimmed and some staffing cuts were made. Caseloads were redistributed, the human resources director position was eliminated, and program secretary positions at two residential programs were cut. The number of staff positions dropped from 63 to 46, though only a handful of staff was actually laid off, and the agency's annual operating budget declined from $5.2 to $4.8 million.

Shelter Network proceeded with planning for the First Step for Families. Early fundraising consisted of proposals for large public capital grants, ultimately generating over $2 million. Shelter Network officially launched the private component of the First Step campaign in 2002. Over the next two years, grant proposals were submitted and direct mail appeals sent. The Board and Campaign Leadership Committee hosted parties and requested donations. San Mateo County's Rotary Clubs, local real estate agents, and community members supported the project.

The First Step for Families facility was completed in June 2004 and $6.2 million had been raised, covering all construction costs with additional operating funds secured for the expanded program and child care center. Shelter Network celebrated the success at a joyous grand opening celebration, with tours of the facility led by staff and board members for community members, elected officials, project donors, and local media representatives. Within weeks, all the units were full and the program was fully operational. By the end of 2004, 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 employees and an operating budget of $5.16 million.

Developing a New Program Model

After leaving Shelter Network, Cassandra Benjamin accepted a position as a program officer at the Schwab Foundation and became involved 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. The service priority focuses on moving people first into permanent housing and then supporting them with services in their homes, 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. In 2004, under Cassandra's

leadership, 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.

The Housing First approach was compatible with Shelter Network's program philosophy and offered a strategy to help serve more clients without expanding the residential programs. Shelter Network had maximized the housing capacity of all its residential sites, but 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 was enthusiastic about the Housing First model and the Board approved a pilot project. The pilot program targeted families 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. Initial management focused on as housing search, employing efforts of both clients and staff. 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 home. Shelter Network's Housing First pilot project was launched in 2005. Within the first year, the average stay in the shelter for Housing First families was reduced to less than four weeks.

Expanding Services to a New Target Population

In the early 2000s, national advocates and policymakers shifted their attention and HUD funding to a particular homeless subpopulation; namely, chronically homeless single adults with mental or physical disabilities (including substance addiction) who had been continuously homeless for at least a year. By 2002, there was a growing consensus that addressing the needs of these individuals required permanent supportive housing with individualized on-site case management and services.

In 2006 the City of San Mateo approached Shelter Network with a proposal to develop a permanent supportive housing program to serve these individuals. The City had identified a residential hotel in San Mateo and was willing to fund rehabilitation of the building and help support program operations. The focus of Shelter Network on temporarily homeless families and individuals had largely excluded the hardest-to-serve individuals, including chronically homeless single adults. Shelter Network faced internal and external pressure to expand services to homeless populations with more barriers to self-sufficiency. Michele and the Board recognized that Shelter Network had the clinical capacity to serve this more challenging population and was in the best position to meet this unmet need effectively.

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.

REFLECTIONS AND CONCLUSION

For over 20 years, Shelter Network has provided safe housing and support to more than 32,000 parents, children, and single men and women. Over 80% of those who completed the agency's programs succeeded in returning to permanent housing. The organization has grown from a small grassroots agency to a mature organization that operates nine residential and scattered-site programs with an active and professional board, more than 50 staff and a budget of $7 million (Appendix A).

Over the past 20 years, the agency has encountered both internal and external challenges and achieved important accomplishments by transforming challenges into opportunities for growth and development. With regard to internal challenges, the accomplishments include the realities that Shelter Network is a strong nonprofit organization with the following characteristics: (a) an outstanding reputation, (b) extensive collaborative relationships, (c) a solid and diverse funding base, and (d) consistent program outcomes. Reflecting on the agency's history, several key factors help explain how the organization has sustained its growth:

- *A reputation of executive staff leadership and strategic messaging:* Each of the 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 that they were managing the agency and thereby contributed substantially to the agency's outstanding reputation. Shelter Network's public messages about homelessness and their programs have been remarkably consistent over 20 years. These messages have increased community awareness of the existence of homelessness in San Mateo County, and helped build Shelter Network's reputation as an effective organization meeting an important need.
- *Collaboration:* Collaboration has been a key factor in Shelter Network's success throughout its history. For example, Shelter Network's early partnership with Mid-Pen made it possible to secure residential properties at a highly affordable cost.
- *Diverse base of financial support:* Shelter Network is funded through a combination of public and private sources. Funding diversity has promoted resiliency in the agency's finances.
- *Client-driven program model focused on measurable outcomes and calculated risks:* 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. The effectiveness of the core model is reflected in the measurable program outcomes, namely consistently high success rates throughout the organization's history. Shelter Network's Board and staff have consistently been open and willing to take risks in order to improve client services as well as take advantage of key opportunities.

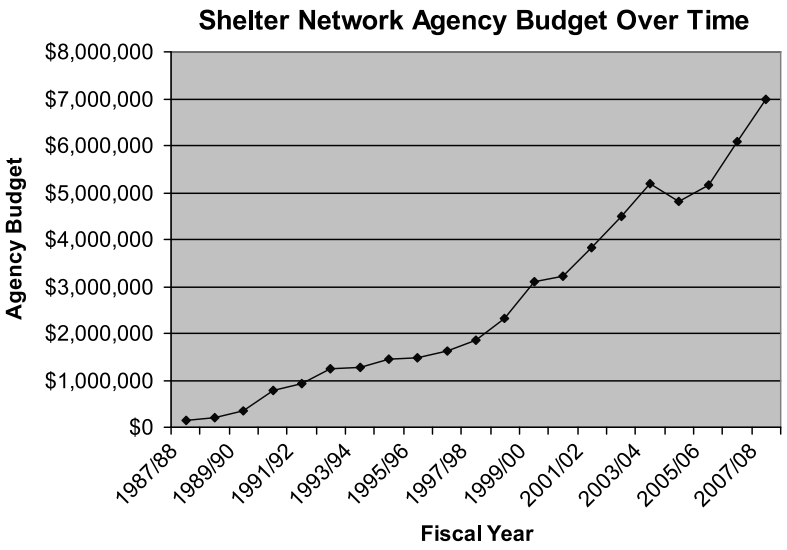
In addition to internal factors, the following characteristics of Shelter Network's external environment have also contributed to the organization's success: (a) collaborative nonprofit community, (b) foundation partnerships, (c) public sector partnerships, and (d) significant donor population.

- *Collaborative nonprofit community:* Collaboration with other nonprofits has been vital to Shelter Network's success. These relationships have been facilitated by the prevailing attitude of mutual support among San Mateo County's human services nonprofits.
- *Community foundation leadership and partnership:* Peninsula Community Foundation consistently promoted services and projects to benefit the community's vulnerable residents. Many of Shelter Network's most ambitious and successful projects would have been impossible without the early assistance of foundation staff, donors, and endowment. Knowing that the Peninsula Community Foundation could be relied on as a community partner enabled Shelter Network to "think big" and take advantage of opportunities to expand.
- *Public sector leadership and partnership:* The local government of San Mateo County has also consistently played a leadership role in coordinating and supporting human services for homeless families and individuals. Ongoing county funding comprises a significant portion of Shelter Network's operating budget, and both county staff and elected officials have helped Shelter Network secure the resources needed to move forward with important projects.
- *Availability of substantial private resources:* Shelter Network has benefited from the fact that San Mateo County has a large number of well-endowed private foundations and successful businesses that greatly facilitate fundraising efforts.

The factor that connects these external assets with internal strengths is the *community sense of ownership* of Shelter Network's mission and programs. A broad range of community stakeholders who include volunteers, board members, local foundations, elected officials, county government, and 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 feel a connection and responsibility to participate in developing strategies to secure needed resources. This community sense of ownership might be viewed as Shelter Network's most important asset.

APPENDIX A: BUDGET TREND LINE



APPENDIX B: SOURCES OF INFORMATION

Interviews

Fran Wagstaff—Executive Director, Mid-Peninsula Housing Coalition
Adrienne Tissier—current Shelter Network Board Member and former Board Chair
Marcy Saunders—former Shelter Network Board Member
John Kelly—former Shelter Network Board Member
Chris Sutherland—former Shelter Network Executive Director
Laura Peterhans—former Shelter Network Board Member
Corinne Centeno—former Shelter Network Board Chair
Ed Willig—former Shelter Network Board Chair
Cassandra Benjamin—former Shelter Network Executive Director

Bill Regan—former Shelter Network Board Chair and current Advisory Board Member
Ed Everett—former Shelter Network Board Chair
Michele Jackson—current Shelter Network Executive Director

Documents

Shelter Network Annual Reports and Financial Statements
Shelter Network Board of Directors Meeting Minutes
Shelter Network Board of Directors Orientation Manual
Shelter Network Grant Proposals
Shelter Network Newsletters
Shelter Network Public Relations Documents (e.g., brochures, fact sheets, campaign solicitation packets, special events materials and the agency website)
Shelter Network Strategic Plans