

TO: Department of Homelessness and Supportive Housing (HSH)

FROM: Commissioner Guerrero, Homelessness Oversight Commission (HOC)

DATE: September 28, 2026

I am submitting the following policy statement to provide crucial background on why the Department's rebidding process cannot be treated as a routine corporate contracting exercise.

When human service procurement relies solely on generic municipal models, prioritizing administrative efficiency and standardized unit costs over domain-specific expertise, the homeless response system risks severe, harmful regression.

Reprocuring homeless response services is not merely an exercise in vendor selection; it is the structural engineering of a complex safety net. If we overlook cultural competencies, evidence-based trauma practices, authentic lived expertise co-design, and frontline operational realities, we risk destabilizing service delivery, increasing system churn, and driving vulnerable populations away from care.

Below is a research based deep-dive on the empirical science behind **trust building** and why **community buy-in is taught as foundational (101)** when attempting to reform systems serving marginalized populations.

The Evidence-Based Science of Trust Building & Buy-In in Homelessness Response Systems

1. Why Top-Down Reform Without Prior Trust Is Counter-Effective

Entering a human service ecosystem to mandate operational or structural changes without first establishing relational trust triggers systemic self-defense mechanisms across providers, frontline staff, and unhoused residents. Research across public health, implementation science, and organizational sociology demonstrates that top-down reform attempts lacking trust actively worsen outcomes through specific, well-documented mechanisms:

- **Institutional Trauma & Active Avoidance Behavior:**
 - **The Mechanism:** Marginalized populations, particularly chronically unhoused individuals, possess a rational institutional distrust forged through repeated cycles of system fragmentation, broken administrative promises, and punitive service models.
 - **According to research published in *BMC Public Health*,** when municipal systems introduce administrative changes without establishing transparent trust, unhoused clients perceive the shift as a threat to their survival strategies. Rather than engaging with new "improved" programs, clients actively disengage from

formal services, returning to informal survival networks or unsheltered settings to maintain autonomy and safety.

- **The Implementation Gap & Administrative Sabotage:**

- **The Mechanism:** In implementation science, the "Implementation Gap" refers to the failure of policy intentions to translate into field reality. When government entities attempt system redesign without frontline provider trust, staff experience high levels of operational cynicism.
- **According to research in *Human Service Organizations: Management, Leadership & Governance*,** frontline CBO workers who feel that system shifts are imposed without trust-building do not adopt new practice behaviors. Instead, they engage in passive resistance or workaround behaviors to protect their clients from perceived administrative harm, resulting in fragmented service delivery, inaccurate data collection, and failed contract performance.

- **Workforce Churn & Attrition Cascades:**

- **The Mechanism:** Trust acts as the primary buffer against workplace burnout in high-stress, low-margin human services.
- **According to organizational health studies by the Urban Institute,** top-down system re-allocations executed without relational trust trigger spike increases in staff turnover. In homeless services, where client outcomes are heavily dependent on long-term relational stability, losing experienced frontline workers breaks client trust, spikes caseloads, and directly increases program drop-out rates.

2. Why "Buy-In" Is Taught as the 101 of Working with Marginalized Communities

In social work, public health, and participatory community development, "buy-in" is not an optional administrative feature or a public relations goal; it is taught as the foundational prerequisites (Community Practice 101) for engaging marginalized groups.

- **The Principle of Epistemic Justice:**

- **The Concept:** Epistemic justice recognizes that marginalized communities possess unique, highly specialized knowledge about how systems function or fail in practice.
- **According to public health community engagement frameworks published by the National Institutes of Health (NIH),** administrative decision-makers who

lack lived experience cannot accurately identify operational bottlenecks. Community buy-in is taught as the core mechanism to ensure that policy designs match structural realities on the ground, preventing costly administrative missteps.

- **Shifting from Extraction to Co-Ownership:**

- **The Concept:** Traditional public administration often treats marginalized groups as passive subjects of intervention or advisory targets. In community development 101, true buy-in requires moving up the spectrum of participation from consultation to shared decision-making power.
- **According to the *Arnstein Ladder of Citizen Participation* model applied in public health,** programs designed *for* marginalized communities without their structural buy-in consistently fail because they lack legitimacy. Conversely, systems built through authentic co-design foster high community compliance, long-term program sustainability, and organic peer-to-peer recruitment.

- **Sustainability Through Shared Ownership:**

- **The Concept:** External top-down mandates collapse as soon as administrative priorities or leadership change. Buy-in creates institutional memory and community ownership.
- **According to literature on community-driven development in the *Journal of Community Practice*,** when local CBOs, frontline workers, and unhoused leaders co-author system reforms, they become long-term stewards of those changes. This shared ownership creates resilience against administrative turbulence, ensuring that best practices survive political and contract transitions.

1. The Evidence for Best Practices in Procurement Transparency & Outcome Tracking

Why It Matters:

Transparency in procurement extends beyond posting RFP schedules; it requires open-source methodology regarding how performance metrics and "positive outcomes" are weighted. In human services, generic procurement frameworks often default to linear performance metrics, such as raw bed turnover or rapid exit counts.

When outcome frameworks do not adjust for acuity or low-barrier intake, providers are inadvertently incentivized to engage in "**creaming**" (also known as "cream-skimming"). The term originates from public policy and economic literature, where service providers select or prioritize the easiest-to-serve clients (the "cream of the crop") to meet contractual performance

targets easily. In homeless response systems, this results in programs prioritizing individuals with low service needs while turning away or penalizing programs that accept chronically unhoused, severely traumatized, or high-acuity clients.

Research & Empirical Evidence:

- **According to a comprehensive systematic review published in the *American Journal of Public Health*** examining Housing First and supportive housing frameworks, low-barrier programs that serve high-acuity individuals consistently achieve long-term housing retention rates between 75% and 91%, demonstrating that client retention, rather than rapid program turnover, is the primary measure of true housing stability.
- **According to research from the National Alliance to End Homelessness**, evaluating providers without adjusting for client acuity creates structural disincentives for organizations to accept clients with complex mental health or substance use challenges, directly threatening low-barrier system goals.
- **According to cost-benefit analyses published by the Substance Abuse and Mental Health Services Administration (SAMHSA)**, transparent outcome frameworks that prioritize sustained housing retention generate significant long-term municipal cost offsets by dramatically reducing public expenditures on emergency rooms, psychiatric holds, and county jail stays.

Policy Implication:

Transparent rebidding should publicly detail how scoring rubrics weigh long-term stability and acuity-adjusted retention over superficial volume metrics, ensuring providers serving complex populations are fairly evaluated and supported.

2. Centering Trauma-Informed Systems (TIS) & Moving Beyond to Person-Centered Care

Why It Matters:

Homelessness is fundamentally a state of acute physical, structural, and psychological trauma. While **Trauma-Informed Systems (TIS)** ensure that services "do no harm" by establishing emotional and physical safety, a robust human services system must move beyond TIS to prioritize **Person-Centered Care (PCC)** as a core element of cultural competence.

Person-centered care shifts the operational paradigm from asking "*What is wrong with this client?*" or "*How do we manage this case?*" to asking "*What does this individual need to thrive, and how do we honor their autonomy?*" Treating rebidding like a standard corporate bid risks selecting entities that utilize rigid, compliance-heavy models, such as mandatory attendance, rigid curfew bans, or immediate discharge for behavioral symptoms. Overlooking person-centered principles leads to institutional disengagement, where unhoused individuals actively avoid municipal care systems because the services feel paternalistic or punitive.

Research & Empirical Evidence:

- **According to a landmark study in the *American Journal of Community Psychology***, person-centered supportive housing models that maximize consumer choice and self-determination achieve significantly higher housing retention rates and lower shelter re-entry rates compared to high-barrier, compliance-driven programs.
- **According to research published in *Psychiatric Services***, service models that embed person-centered planning significantly increase client trust and service engagement among individuals with complex psychiatric and co-occurring conditions, reducing emergency crisis utilization.
- **According to findings from the Center for Health Care Strategies**, institutionalizing trauma-informed and person-centered operational standards significantly reduces critical incidents, emergency calls, and staff turnover within supportive housing facilities.

Policy Implication:

Rebidding evaluation rubrics should explicitly score a provider's structural capacity to deliver both TIS and person-centered care. Scoring criteria must reward programs that demonstrate individual choice, flexible harm-reduction strategies, and relational care, ensuring administrative streamlining never supersedes client dignity.

3. Co-Design vs. Tokenism: Lived Expertise as the Architects of System Design

Why It Matters:

In public administration, **"buy-in"** is often reduced to advisory panels where individuals with lived experience are invited to "have a seat at the table." However, research in participatory governance demonstrates that simply asking unhoused or formerly unhoused individuals to advise on pre-determined plans without decision-making power leads to **tokenism, performative engagement, and feelings of exploitation**.

When participants share deeply personal, traumatic experiences only to see bureaucratic systems proceed with pre-packaged corporate models, it erodes trust in municipal governance. To prevent exploitation and build authentic system efficacy, individuals with lived experience must not merely be consulted as advisory subjects; they must be compensated and empowered as the **co-architects** of the rebidding framework, scoring rubrics, and program designs.

Research & Empirical Evidence:

- **According to research published by the Homelessness Research Institute**, lived-experience leadership in program design directly identifies operational bottlenecks and systemic barriers that traditional municipal administrators miss, resulting in significantly higher program utilization and lower drop-out rates.

- **According to the *Arnstein Ladder of Citizen Participation* framework applied to human services by the Urban Institute**, consult-only advisory boards without structural decision-making power generate "participatory fatigue" and re-traumatization, whereas models built on co-design and shared power foster sustainable community trust and long-term program stability.
- **According to financial operational data from the National Council of Nonprofits**, community-based human service providers operate on extremely narrow financial margins. Sudden or top-down procurement changes executed without co-design with local organizations and unhoused leaders elevate organizational insolvency and destroy service continuity.
- **According to research published in *Human Service Organizations: Management, Leadership & Governance***, organizational uncertainty and lack of authentic inclusion during municipal bidding processes directly heighten frontline staff burnout, leading to high turnover that fractures trust-based client relationships.

Policy Implication:

The Department must move beyond tokenistic advisory committees by embedding compensated individuals with lived experience directly onto RFP design teams, scoring panels, and evaluation committees as equal co-architects of the rebidding process.

4. Mitigating Client Displacement and System Capacity Overload

Why It Matters:

Reallocating municipal contracts inevitably creates the risk that established providers are defunded or scaled back. If contract transitions are managed purely through administrative end-dates without continuity-of-care planning, vulnerable clients face abrupt service termination. This creates an influx of unmanaged demand on neighboring providers, inflates waitlists, and drives newly unhoused or unstably housed individuals back into homelessness.

Research & Empirical Evidence:

- **According to longitudinal studies published in *The Lancet Public Health***, continuity of care during housing and service transitions is the single most critical factor in preventing individuals from returning to unsheltered homelessness.
- **According to policy evaluations by the U.S. Interagency Council on Homelessness (USICH)**, abruptly defunding or transitioning service contracts without warm handoffs and bridge funding creates systemic bottlenecks, increasing wait times across the entire safety net and overwhelming remaining CBOs.
- **According to research from the U.S. Department of Housing and Urban Development (HUD)**, unmanaged service displacements lead to spike increases in emergency department visits, shelter system strain, and crisis interventions across municipal networks.

Policy Implication:

A responsible rebidding model must incorporate explicit mitigation and bridge-funding plans to preserve client-provider relationships, prevent waitlist inflation, and ensure zero service displacement during organizational contract transitions.