



**DATE:** February 22, 2022

**CATEGORY:** New Business

**DEPT.:** City Manager's Office

**TITLE:** **Guaranteed Basic Income Pilot Program – "Elevate MV"**

### RECOMMENDATION

1. Adopt a Resolution of the City Council of the City of Mountain View Approving the Guaranteed Basic Income Pilot Program, to be read in title only, further reading waived (Attachment 1 to the Council report).
2. Appropriate \$580,510 from the General Non-Operating Fund (GNOF) to the City Manager's Office for the unfunded recommendations included in this report to fund \$570,769 in recommended contracts, \$1,500 for lived-experience advisors, and \$8,241 for project contingency for additional pilot program implementation needs. (Five votes required)
3. Authorize the City Manager or designee to execute an agreement with the Community Services Agency for a total not to exceed \$1,358,366 to be the project Nonprofit Implementation Partner, including \$1 million in Fiscal Year 2022-23 funding for direct cash payments to participants and \$358,366 for two case manager-level program staff, temporary hourly staff, a fiscal/payment processor subcontract, and administration of a Benefits Conservation Fund for the pilot program.
4. Authorize the City Manager or designee to execute an agreement with the Center for Guaranteed Income Research at the University of Pennsylvania for a total not to exceed \$212,403 to be the project Research Partner and provide Randomized Controlled Trial evaluation for the pilot program.
5. Authorize the City Manager or designee to execute a nonbinding Memorandum of Understanding with the Mayors for a Guaranteed Income to be a Thought Partner on the project for no-cost, one-on-one technical assistance for the pilot program.

## **PURPOSE**

The purpose of this report is for the City Council to adopt the Guaranteed Basic Income (GBI) Pilot Program, which has been named *Elevate MV*. This report includes updates and incorporates feedback from the Council’s September 28, 2021 Study Session.

## **BACKGROUND**

### **Guaranteed Basic Income Programs Overview**

A detailed analysis of GBI programs was presented at the Study Session on September 28, 2021, and the memorandum is provided as a reference ([Attachment 2, Study Session – September 28, 2021](#)). A short overview is provided below:

- GBI programs provide a flat monthly cash payment to a defined population of residents. GBI programs are not like other financial assistance programs as they are unconditional, unrestricted, and include regular payments for a period, often while collecting survey and participation data that helps inform larger policy and program development focused on alleviating poverty.
- Programs can offer connections to other social safety-net programs to assist in the longer-term stabilization of residents in need, but this is not required – unlike other government assistance programs that have specific restrictions and requirements.
- GBI recipients are empowered to make their own decisions on how to spend money in the way that best meets their basic needs, providing dignity and self-determination.

### **Study Session Staff Recommendations**

At the Study Session, staff presented recommendations drawn from learning about the leading GBI pilot examples and policy institutes to meet the City’s goals to:

- Help the most vulnerable residents disproportionately affected by wide-ranging financial challenges, including the extended ramifications of the COVID-19 pandemic.
- Provide longer-term (one to two years) guaranteed income for residents in need and offer optional tools and resources to increase the stability of participants and their families.

Staff recommended a GBI program centered on:

- Aiding extremely low-income Mountain View families and custodial caregivers with one or more children under the age of 18 at the time of application. Income eligibility would be set at 30% AMI, like most residents assisted through the City’s rent relief program administered by CSA.
- Mountain View residents without regard to immigration documentation and/or housing status.
- Providing participants \$500 a month from 12 to 24 months (\$6,000 per year), serving approximately 166 families.

### **Council Direction**

In June 2021, the City Council appropriated \$1 million for a GBI pilot in the Fiscal Year 2021-22 Adopted Budget. Before this action, on May 25, 2021, the City Council adopted a resolution committing support for the principles of a basic income program and the development of a cash-based pilot program in Mountain View. This resolution also authorized participation in the Mayors for a Guaranteed Income (MGI) initiative, a network of 60+ mayors advocating for a guaranteed income to ensure that all Americans have an income floor (Attachment 3, Council report – [May 25, 2021](#)). In taking this action, the Council affirmed their support to further address the growing income inequality arising out of the pandemic. At the September 28, 2021 Study Session, the City Council indicated support for staff recommendations for goals, design, and anticipated outcomes for the GBI pilot program; to fund a modest Benefits Conservation Fund and research design and evaluation component; and look to philanthropic and corporate sponsors for additional funding.

Members of the Council also indicated an interest in staff continuing to monitor the proposed State basic income program requirements for funding opportunities and exploring whether there could be linkage with the County of Santa Clara basic income program (such as aged-out foster care youth) or the proposed State basic income program (such as pregnant individuals and/or youth aging out of foster care).

### **Project Timeline**

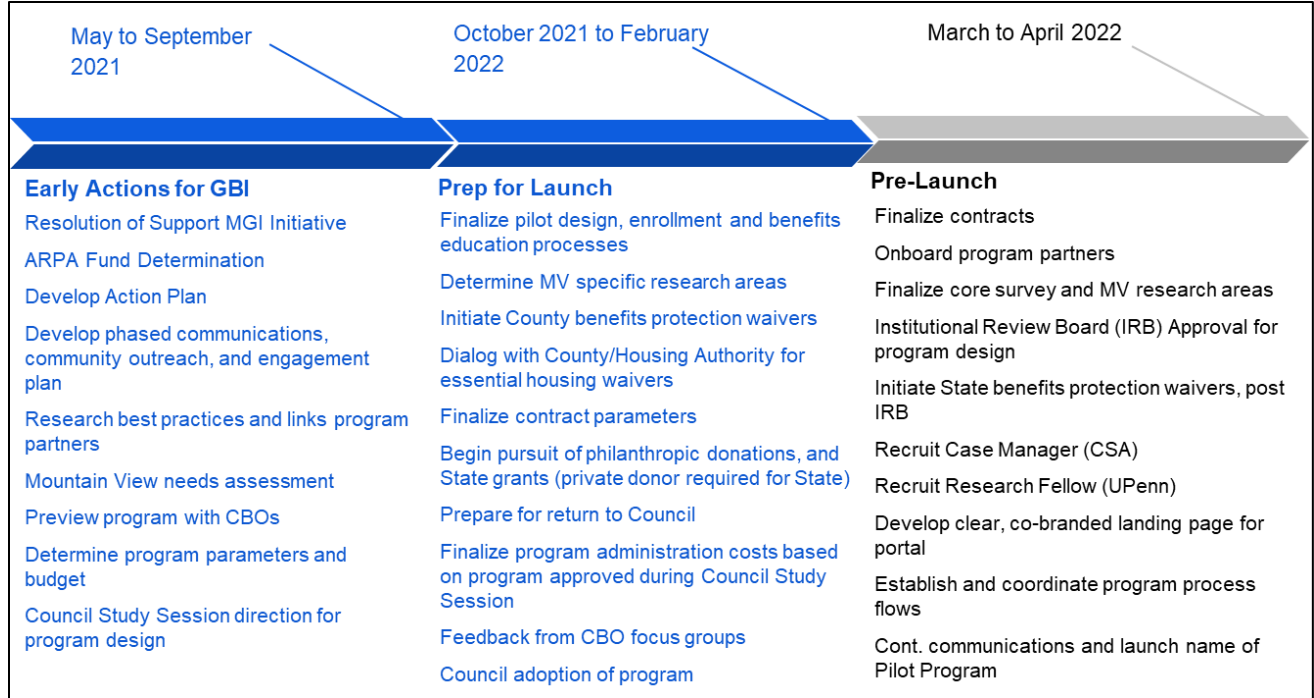
As discussed at the Council Study Session, according to research by the Jain Family Institute (JFI) and MGI, successful guaranteed basic income pilots are often multi-year projects that require careful planning and coordination. Accordingly, the cross-departmental team led by the City Manager’s Office and the Economic Development

Division have developed a detailed action plan and continue working on its implementation (Attachment 4).

The focus of the team’s work since the September Study Session has been on preparation for the Council pilot program adoption recommended in this report. This includes the following:

- Finalizing the pilot design;
- Working on the enrollment and benefits education processes;
- Obtaining feedback from internal staff and external Community-Based Organization (CBO) focus groups regarding the pilot program;
- Establishing the program identity/branding; and
- Finalizing contract parameters and costs based on direction from the September 2021 Council Study Session.

The high points of the project timeline are summarized in the figures below (subject to change).

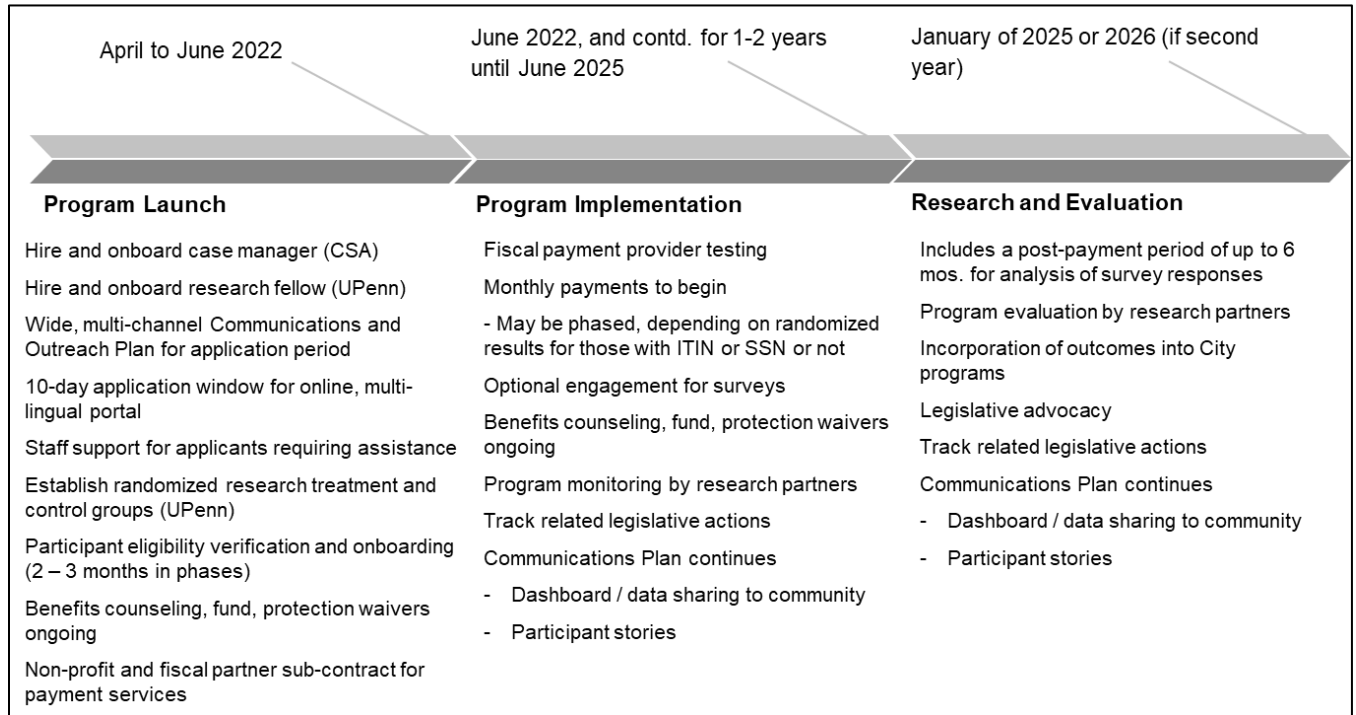


**Figure 1 – Timeline Before Launch**

The timeline has been updated to include the additional time necessary for preparation to return to Council; for project partners to recruit and hire the staff members who will support the project implementation; to conduct extensive outreach before the program launch with the short application window of 10 days; and to on-board participants. For the pilot program, the actions prior to providing cash payments are some of the most staff-intense.

In particular, a robust, widespread, accessible messaging campaign well in advance of the application opening is vital – doing so allows eligible members of the community to make plans to apply. The application will remain open for 10 days, with the averages for similar GBI programs at 7 to 10 days, since they are likely to be oversubscribed for the intake of applications. Our research partners have no data to suggest that leaving the window open longer increases equity.

The research window has also been extended to reflect the evaluation process that occurs for up to 18 months after the pilot stops cash payments. The partners on the project are committed to meeting the timeline goals but will need to incorporate flexibility to ensure a successful pilot launch.



**Figure 2 – Estimated Timeline for Launch and Implementation**

**ANALYSIS**

The refined program, research designs, and costs will be discussed in this section of this report. Council action is required for program adoption, contract authority, and budget appropriation.

The report also includes information regarding supplemental research areas, an update on the State Basic Income Program Grants, linkage with the County of Santa Clara, and an update on philanthropic donation outreach. These items are provided for Council's information, and action is not required.

**City Council Program Adoption**

Staff recommends that Council adopt the Pilot Program, named *Elevate MV*, for an initial 12-month term with an option for a 12-month extension. A second year will be

considered as a part of the Fiscal Year 2022-23 budget process. The core program criteria are summarized below and in Figure 3:

	Program Mechanics
Program Design	<p><b>3 eligibility criteria:</b></p> <ul style="list-style-type: none"> <li>• Resident of Mountain View regardless of immigration status; unhoused eligible</li> <li>• Income at or below 30% AMI (Extremely low-income, or ELI)</li> <li>• Parental/Custodial caregiver for at least one child under the age of 18 at the time of the application</li> </ul>
Disbursement	\$500/month distributed to 166 people via debit card or bank account (assistance for the un-banked will be provided)
Program Length	12 months followed by a 12-month extension (and longer with donations/philanthropy), subject to Council approval
Supportive Safety-Net Services	Ongoing optional service during Program for participants and includes benefits counseling, linkages to applicable social safety-net programs, and financial coaching
Benefit Conservation Fund	Flexibly scaled based on assessment of impacts to participants’ benefits and potential waivers obtained
Research Design	Optional core survey followed by surveys during and after the program, survey data analysis, research and evaluation for contributing qualitative data to the important policy debate and pursuing benefit waivers
Anticipated Project Outcomes	<ul style="list-style-type: none"> <li>• Elevate the Mountain View quality of life for the most vulnerable</li> <li>• Provide basic income for participating Mountain View residents to meet essential needs, financial security and empowering individual decision-making</li> <li>• Learn from our participants as a representative sample of the ELI community</li> <li>• Create financial stability to support and enable greater full time employment participation</li> <li>• Access to supportive services to program participants that willingly accept the offering</li> <li>• Innovate with new and existing social service partners/agencies</li> <li>• Potential identification of new City or Community programs based upon GBI research findings that align with Mountain View for All goals</li> <li>• Contribute research findings to the national knowledge base and policy debate/advocacy on Basic Income programs to help inform the policy debate</li> </ul>

**Figure 3 – GBI Program Overview**

- Must be a current resident of Mountain View and maintain residency throughout the pilot, with a verification process that staff recommends be as inclusive as possible and include:
  - For applicants in fixed housing, proof of Mountain View residency to include a current California Driver License or Identification, car registration, or rental agreement on property management letterhead with a current address, or a recent utility bill or bank statement.

- For applicants not currently in fixed housing, proof of Mountain View residency to include providing a letter on letterhead from a homeless shelter or nonprofit safety-net human services provider, serving Mountain View or students covered by the McKinney-Vento Act.

Program flexibility as used for the rent relief program would be incorporated for CSA program staff to review situations on a case-by case basis to make findings establishing eligibility for the program, as appropriate.

- Earning at or below 30% Area Median Income (AMI) as shown in the table below.

Income Level	Income Limits by Household Size		
	2	3	4
Extremely Low-Income (ELI) <30% of Area Median Income	\$39,800	\$44,750	\$49,700
<i>*2022 to be released in the coming months.</i>			

**Figure 4: 2021 Santa Clara County Area Median Income (AMI) Limits**

**Summary of Recommended Council Actions No. 1: Staff recommends the formal adoption of the program with the approval of the attached resolution, to be read in title only, further reading waived (Attachment 1 to the Council report).**

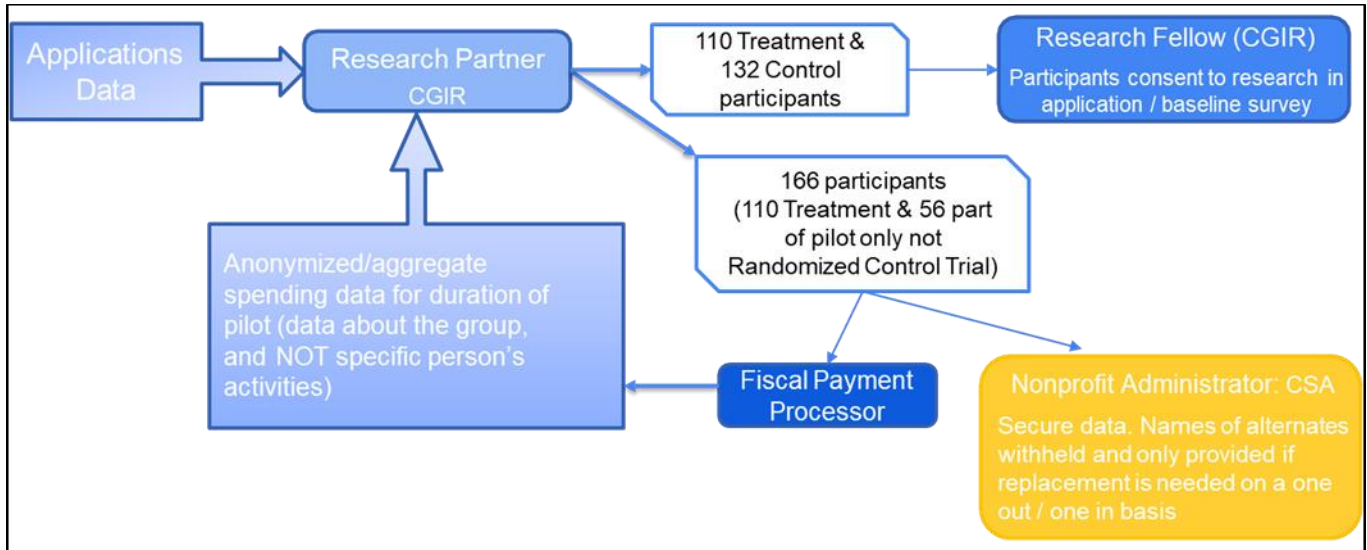
**Research Areas**

The pilot includes a Randomized Controlled Trial (RCT) survey conducted by the Center for Guaranteed Income Research (CGIR) at the University of Pennsylvania (UPenn) to understand the effects of providing an unconditional guaranteed income at \$500 per month. The core survey includes measures of physical functioning, mental health, income volatility, spending, consumption, employment, education, job status, family dynamics and parenting, stress, coping, hope and mattering, household food security, and COVID-19 variables.

Although the program will serve 166 participants, the representative survey sample size is 110, so the RCT will survey 110 participants as well as 132 nonparticipants as the control group. The treatment and control groups will be surveyed every six months beginning with the core survey at the time of application and concluding six months after the pilot has fully ended. In addition, in-depth individual interviews of 30 participants would be conducted by a research fellow. The core survey methodology employed by

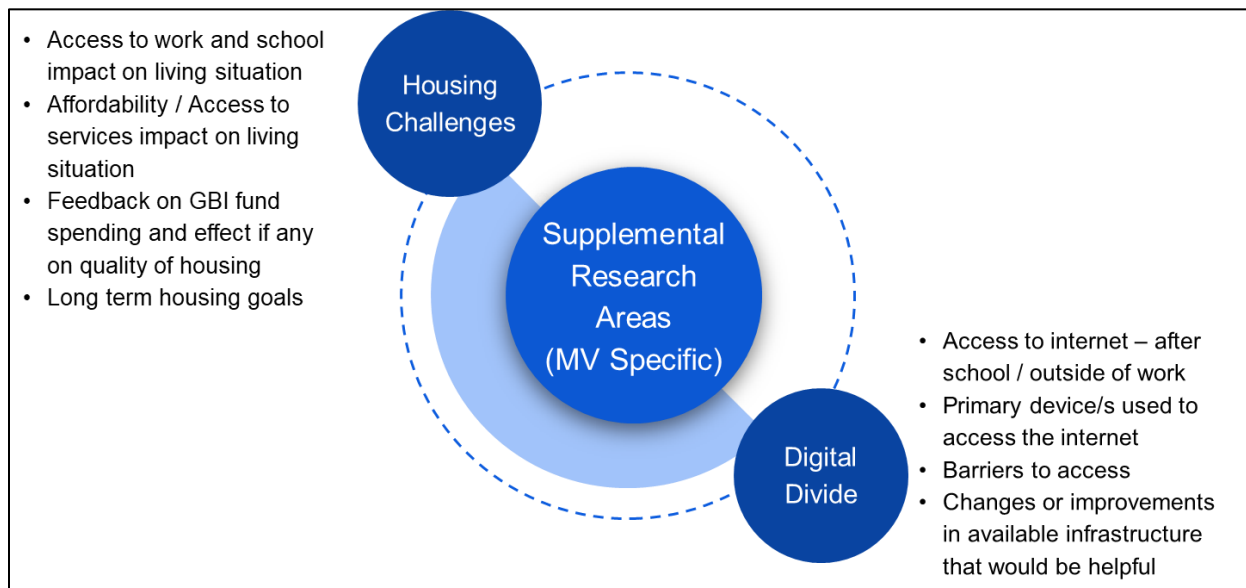


CGIR has been reviewed by an Institutional Review Board to ensure compliance with ethical research standards. Figure 5 below summarizes the research data flow.



**Figure 5 – Research Data Flow**

In addition to the core survey information that will be collected by CGIR, the City can add supplemental research screens to better understand the Mountain View community. The City is proposing two supplemental research screens for additional data collection addressing the topics of digital divide and housing stability (see Figure 6).



**Figure 6 – Supplemental Research Areas: Mountain View Screens**

CGIR will be providing a final report of all findings from the *Elevate MV* pilot 12 months after the final collection round, which occurs six months after the final disbursement. The City of Mountain View will also be provided an online dashboard showing demographic and anonymized spending data of program participants.

The early and most recently available research findings from the Stockton Economic Empowerment Demonstration (SEED) basic income pilot found:

- Basic income programs reduced income volatility or the month-to-month income fluctuations that households face.
- Unconditional cash-enabled recipients to find full-time employment.
- Recipients were healthier, showing less depression and anxiety and enhanced well-being.
- Basic income alleviated financial scarcity, creating new opportunities for self-determination, goal-setting, and choice-making.

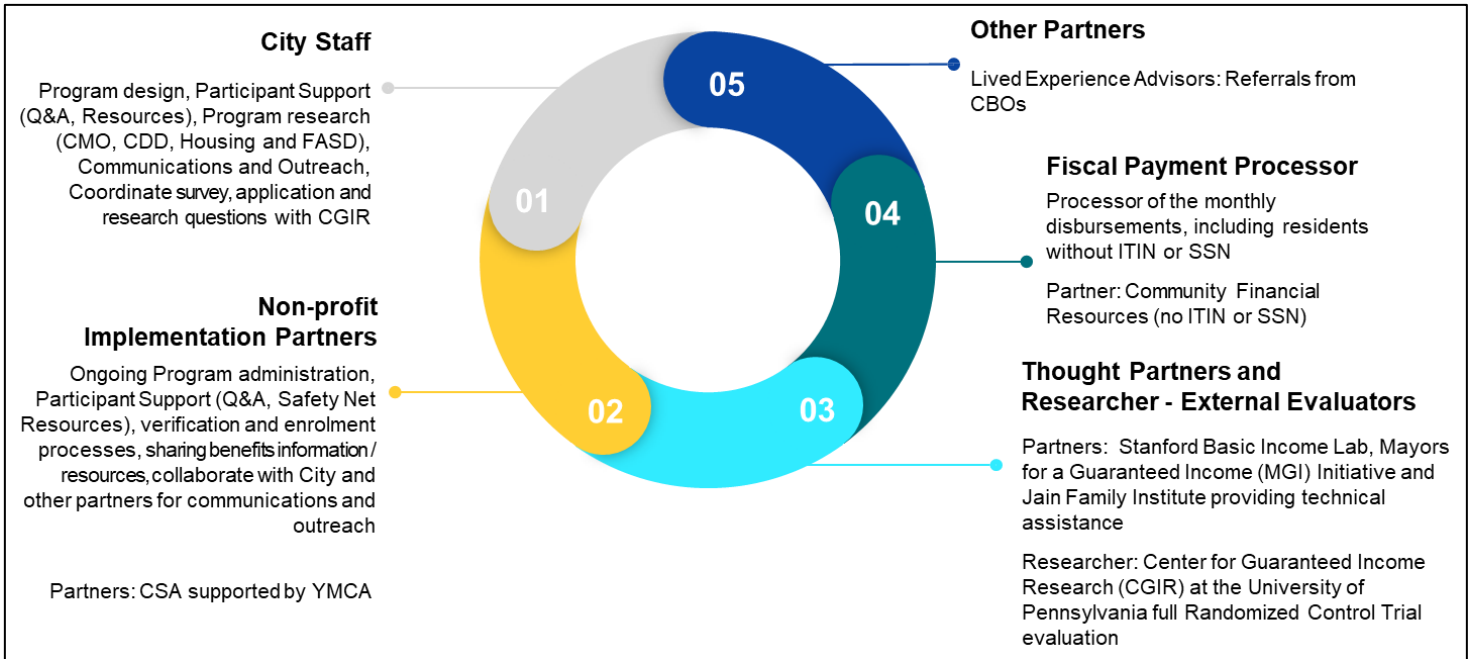
### **Refined Recommendations for Implementation Actors, Budget, and Term**

The Study Session report shared how GBI works from start to finish, including outreach, application, eligibility determination, research design, set up of the implementation process, ongoing program administration, and evaluation. As previously noted, the complexity in establishing and operating a GBI program requires considerations that go beyond typical financial assistance programs.

Program implementation includes key partners to accomplish the various tasks of launching and running a successful pilot. Each of these partners brings unique expertise and resources. As part of the Study Session program design recommendations, staff included preliminary partnership opportunities and estimated the one-time costs required for comprehensive program implementation. Staff has continued to work on defining and identifying the required partnerships as discussed below. The pilot's initial term will be for one year, and the associated agreements will include the preparation for launch as well as the evaluation period. Consideration of a second year of the pilot will be incorporated into the budget process for Fiscal Year 2022-23.

The figure below provides a refined summary of the partners recommended for this pilot. In addition, the next section includes a summary of the partner roles, whether there has

been any change in the recommendation or cost estimate since the Study Session, and if any Council action is required.



**Figure 7 – Multiple Implementation Actors and Roles**

**City Staff:**

**(Existing Staff Resources)**

The cross-departmental team developed pilot parameters for City Council approval at the September 28, 2021 Study Session and has continued program development consistent with the direction of the Council. The team assists with: the coordination of the research design; substantial communications and outreach (both in advance of the application window and on an ongoing basis); development of the application, applicable surveys and other enrollment processes with the selected nonprofit partner(s); and support of the application process.

Staff will address important feedback received from focus groups and board presentations to enlist the assistance of the City’s nonprofit partners to support applicants that may have challenges filling out an online web or mobile-device form. The team will work on plans to incorporate this assistance and seek to partner on application hubs (with any applicable COVID restrictions at that time). Existing staff resources are designated for the pilot as part of the Strategic Roadmap Action Plan for Fiscal Years 2021-23.

There have been no changes to this recommendation.

**Council Action Required:** None.

*Thought Partners – Stanford Basic Income Lab and Jain Family Institute:* (No Cost)

Included in the Study Session memorandum, the City has finalized joint letters of agreement with the Stanford Basic Income Lab (BIL) and the Jain Family Institute (JFI). These two organizations have given freely of their time to assist in guiding staff and the development of the pilot recommendations.

There have been no changes to this recommendation.

**Council Action Required:** None.

*Technical Assistance Partner – Mayors for a Guaranteed Income (MGI):* (No Cost)

The team has been working informally with Mayors for a Guaranteed Income (MGI) since May 2021. Staff recommends that one-on-one technical assistance and ongoing support be reflected in a nonbinding Memorandum of Understanding (MOU). Scope for the MOU will include biweekly check-ins with MGI and coordination with the CGIR at the UPenn to ensure that work is coordinated. This work includes technical assistance on pilot design and progress, communications support, review of reports or other program documents, opportunities to elevate the voice of the City as a champion for a guaranteed income, and opportunities to share the stories of guaranteed income recipients.

Staff has updated the recommendation to enter a nonbinding MOU.

**Council Action Required:** Authorize the City Manager to execute the MOU.

*Researchers and External Evaluator Partner – Center for  
Guaranteed Income Research at the University of Pennsylvania:* (\$212,403)

Staff recommended a Randomized Controlled Trial evaluation to be implemented by the UPenn, CGIR as the Research and External Evaluation Partner. This recommendation was based on the Center’s track record and their partnership with MGI to support and offer research design for GBI pilots at a discounted cost.

The agreement scope will include:

- Services provided by a lead research team at UPenn, and a research fellow who will be employed by the CGIR but based locally;

- An online application website link with a cobranded City and CGIR landing page;
- A random selection of applicants for the pilot, including treatment and control groups; and coordination of ongoing surveys and survey incentives;
- An online dashboard showing anonymized participant demographic and spending data, updated quarterly; and
- A final report of all findings of the local experiment 12 months after the final collection round.

There have been no changes to this recommendation, but the cost has decreased for the first year.

**Council Action Required: A budget appropriation and authorization for the City Manager to execute the agreement with the University of Pennsylvania, Center for Guaranteed Income Research.**

***Nonprofit Implementation Partner – Community Services Agency: (\$1,358,366)***

As discussed in this report, GBI is not simply a financial assistance program. Importantly, there is not just one provider of GBI; it requires a team effort. The best practices indicate that having a trusted, connected partner within the community is the best pathway to a successful GBI program. The nonprofit enables the grant nature of funds to participants. Staff indicated in the Study Session report that although all of our local service organizations are stretched to their limits at this time, particularly their administrative and staffing capacity, coupled with heavy workloads, City staff will be able to build a partnership to support the program with CSA as the designated safety-net provider for Mountain View and the YMCA. CSA is recommended to lead this pilot as the nonprofit implementation partner to administer the \$1 million in participant payments. YMCA is engaged and willing to collaborate and support the City and CSA on this initiative.

Since the Study Session, staff has worked with CSA to determine the number of staff needed to support *Elevate MV*, without placing an undue burden on the other programs CSA provides. Staffing needs include both ongoing case management as well as support for the intensive two- to three-month onboarding phase. Research indicates that GBI staffing models range from one to three full-time equivalent positions.

Staff worked with CSA to determine the workload components of the pilot program and what the existing operating constraints are of the nonprofit. As a result, staff recommends funding the equivalent of 2.0 full-time employees to provide case

management-level staff program assistance, at a cost of \$240,000, for up to 18 months due to the advanced on-boarding phase, along with \$30,000 for temporary hourly staff.

The agreement scope will include:

- Soliciting applications along with the City;
- Contacting and enrolling the participants that are randomly chosen by CGIR (CSA will not have a role in the randomized selection process);
- Providing the crucial onboarding process with verification of the applicant’s information to meet program criteria;
- Engaging a recommended sub-consultant approved by the City to serve as the fiscal administrator dispensing payments to selected participants to include participants without bank accounts and for those without Social Security numbers and an Individual Taxpayer Identification Number (ITIN);
- Sharing information that will be sourced from reliable sources about benefits and administering the City Benefits Conservation Fund; and
- Connecting program participants with any needed services.

Due to the scale and complexity of the GBI project, staff presented an overview of the Pilot Program and Work Plan to the CSA Board for review on October 28, 2021 and January 27, 2022 and responded to questions. The CSA Board consideration of the partnership is expected on February 17, 2022 (after this report is published), and staff will provide an update on the outcome at the Council meeting.

The recommendation incorporates \$38,366 for CSA to subcontract with a fiscal/payment processor for monthly payments and \$50,000 for CSA administration of the City’s modest Benefits Conservation Fund. This recommendation has been modified from the Study Session to incorporate these two roles for CSA and includes the additional costs for staff necessary to implement the program.

**Council Action Required: Authorize a budget appropriation and authorize the City Manager to execute the agreement with CSA.**

*Lived Experience Project Panel and Project Contingency:* **\$1,500 and \$8,241**

Staff recommended that advisors with lived-experience be incorporated into the pilot to offer feedback to provide useful input to ensure the program meets the need of our extremely low-income residents. The informal panel of advisors will be drawn from a referral by the group of community-based organizations that meet monthly. The panel will be convened by the GBI team and participants will receive a modest stipend of \$100 (total cost \$1,500) for meeting attendance and other lived-experience advice.

The recommendation has been modified to incorporate refined costs and a new recommendation for a contingency (\$8,241) to address any unknown implementation needs for the pilot program.

**Council Action Required: Authorize budget appropriation.**

**Summary of Recommended Council Actions Nos. 2 through 5: Staff recommends the City Council appropriate funds for the unfunded recommendations in this report; authorize the City Manager to execute agreements with the Community Services Agency (CSA); Center for Guaranteed Income Research (CGIR) at the University of Pennsylvania (UPenn); and a nonbinding Memorandum of Understanding (MOU) with the Mayors for a Guaranteed Income (MGI) as described in this section of this report.**

### **Other Updates**

#### **State Basic Income Program Grants**

The City Council expressed an interest in the California GBI Pilot Program grant opportunities, and staff has been monitoring developments to determine if Mountain View’s pilot could be eligible. Governor Newsom signed Assembly Bill 153, which requires the California Department of Social Services to administer the State program. The program, which received funding in this year’s State budget, will provide grants to help administer guaranteed income pilot programs. Currently, there does not seem to be alignment between the City’s program and the State funding specifications, which prioritize pilots that serve California residents who age out of foster care or who are pregnant. In addition, to receive State funding, a GBI program must show commitments of additional funding from nongovernmental sources equal to or greater than 50% of the amount of funding to be provided by the State.

## **County of Santa Clara**

Members of the Council also indicated an interest in connections with Santa Clara County Human Services and associated agencies. Staff has reached out and engaged with multiple agencies, including Health and Human Services, the Office of Supportive Housing, and the nonprofit Destination: Home SV, which is also developing a new GBI pilot for knowledge-sharing and to initiate waiver processes to protect the major safety-net benefits of the GBI pilot participants. The possibility of impact to the Section 8 (Housing Choice), one of the largest benefits of concern, has been addressed as staff has been successful in securing waivers from the Santa Clara Housing Authority, whose letter is attached to this report (Attachment 5). In addition, the team expects similar progress on County-level housing subsidy waivers for one or more special-funded programs. This will leave the State CalFresh and CalWorks benefits programs as two of the more challenging waivers being pursued.

### **Aged Foster Youth**

Members of the Council also indicated an interest in understanding the degree of local need for the aged foster youth as related to the County GBI program. Staff reached out to the Department of Family and Children’s Services, which determined that there are a limited number of placements (13) of aged-out foster youth in out-of-home placements in Mountain View.

### **Philanthropic Donation Outreach**

Staff has drafted a donor outreach plan and will continue to pursue options. Staff has begun communications and engagement; however, no philanthropic funding has been identified thus far. The impact of the COVID-19 pandemic on foundations and philanthropic organizations around our region has been significant, and a considerable amount of funding has focused, and is continuing to focus, on relief programs and other public policy initiatives.

### **FISCAL IMPACT**

During the September 28, 2021 Study Session, staff outlined a need for additional funds beyond the Council’s \$1 million commitment of payments to participants to implement a Mountain View basic income pilot that would preserve participant benefits. This funding includes a randomized, controlled trial research component, stipends for lived-experience advisors, and implementation partner staffing. Based on initial research, the original estimate of funding needed was between \$500,000 and \$650,000. Staff’s estimate



to support a 12-month pilot is \$580,510, which would be funded from the General Non-Operating Fund.

The discussion at the Study Session shared that there is some variation in project length for GBI pilots, generally ranging from one to two years. Longer pilots provide greater stability for the participants and expand data gathering. Consideration of a second year of the pilot will be incorporated into the budget process for Fiscal Year 2022-23. The costs would include: \$1 million for the cash payments to program participants; approximately \$160,000 for the CSA program staff; \$113,000 for a second year of research and evaluation; and \$13,165 for the fiscal payment processor. It is estimated the total cost for a second year would be \$1,286,165.

## CONCLUSION

Staff recommends the City Council adopt the Program Resolution; appropriate funds for the unfunded recommendations included in this report; authorize the City Manager to execute agreements with the Community Services Agency (CSA) to be the Nonprofit Implementation Partner; the Center for Guaranteed Income Research (CGIR) to be the project Research Partner; and Mayors for a Guaranteed Income (MGI) to be a Thought Partner for the GBI Pilot Program.

## **PUBLIC NOTICING**

Agenda posting and meeting date shared on the GBI webpage. A copy of the report was sent to interested GBI-project parties, including YMCA of Silicon Valley, CSA, Community Financial Resources (CFR), Mayors for a Guaranteed Income (MGI), Jain Family Institute (JFI), Stanford Basic Income Lab (BIL), Mountain View Chamber of Commerce and the Downtown District, and the CBO team that the City’s Human Services Division meets with monthly.

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- Attachments:
1. Resolution
  2. Study Session Memorandum – [September 28, 2021](#)
  3. Council Report – [May 25, 2021](#)
  4. GBI Action Plan Summary Update
  5. Housing Authority Santa Clara County Letter – December 20, 2021