



**DATE:** February 23, 2016

**CATEGORY:** New Business

**DEPT.:** Community Development

**TITLE:** **Community Plan to End Homelessness**

### **RECOMMENDATION**

1. Hear presentations from staff and Destination Home regarding the Community Plan to End Homelessness in Santa Clara County: 2015-2020 (Community Plan).
2. Adopt a Resolution Supporting the Community Plan to End Homelessness in Santa Clara County: 2015-2020, to be read in title only, further reading waived (Attachment 1 to the Council report).
3. Adopt a Resolution of the City of Mountain View Adopting the Resolution of the Housing Task Force of the County of Santa Clara Finding that the Problem of Homelessness in Santa Clara County Constitutes a Crisis and Urging Jurisdictions within the County to Consider Policy Options for Funding Affordable Housing for the Purpose of Housing the Homeless, to be read in title only, further reading waived (Attachment 2 to the Council report).
4. Provide direction on whether or not to bring back parameters and funding options for new programs to address homelessness.

### **BACKGROUND**

#### **Community Plan to End Homelessness in Santa Clara County: 2015-2020**

Destination Home is a public-private partnership established in 2008 to address homelessness in Santa Clara County. In 2013 and 2014, Destination Home, in collaboration with Santa Clara County jurisdictions and homeless services agencies, prepared the Community Plan to End Homelessness in Santa Clara County: 2015-2020 (Attachment 3). Over 200 communities, business, and civic leaders participated in the planning process that included several summit meetings held throughout Santa Clara County. In developing the Community Plan, Destination Home staff coordinated with

City and County leaders, the Housing Authority of the County of Santa Clara, Santa Clara Valley Water District, homeless service providers, business organizations, and philanthropy and community institutions.

The Community Plan's main objectives include better coordination of agencies and resources, the creation of 6,000 housing opportunities within a 2015-2020 Plan period, and a more integrated homeless service network. To help promote the Plan, Destination Home is seeking a statement of support from local governments, business groups, and community foundations. Countywide support is intended to help Destination Home build momentum around the Plan and pursue joint funding and implementation opportunities. To date, the County Board of Supervisors and City Councils of San Jose, Morgan Hill, Gilroy, Campbell, Cupertino, and Milpitas, along with the Santa Clara County Cities Association, have endorsed the Plan. Destination Home now seeks support of the Plan from Mountain View's City Council. At the February 23 Council Meeting, Destination Home will give a brief presentation on the Plan and some of the key initiatives they hope to implement within the Plan's five-year period.

## **ANALYSIS**

### **Community Plan to End Homelessness**

#### **Overview**

The Community Plan is organized by the three key strategies noted below. The strategies work together to help the homeless access housing and services as quickly as possible and ensure that households at risk of homelessness receive the services they need to remain in their homes.

1. **Disrupt the System**—Develop strategies and innovative prototypes that transform the systems related to housing homeless people.
2. **Build the Solution**—Secure the funding needed to provide 6,000 housing opportunities with services to those who are homeless and those at risk of homelessness.
3. **Serve the Person**—Adopt an approach that recognizes the need for client-centered strategies with different responses for different levels of need and different groups, targeting resources to the specific individual or household.

The Plan's goals are to house and provide services for 2,518 chronically homeless persons, 718 veterans, and 2,333 children, youth, and families. These numbers were derived from the previous Homeless Census conducted in 2013. An annual Implementation Guide will accompany the Community Plan, providing specific actions, goals, and milestones for each year.

### Homeless Census Data

Countywide, the 2015 Homeless Census' point-in-time count identified a total of 6,196 homeless persons. In Mountain View, the same Census counted 276 homeless persons, representing four percent of the Countywide total.

Table 1 presents a snapshot of Homeless Census numbers from 2013 and 2015 for Mountain View and surrounding cities.

**Table 1: Homeless Count Results for Mountain View and Neighboring Jurisdictions**

City	No. of Homeless Counted in 2013 Homeless Census	No. of Homeless Counted in 2015 Homeless Census	Percent Change
Mountain View	139	276	99% Increase
Palo Alto	157	219	39% increase
Sunnyvale	425	288	32% decrease
Los Altos	6	18	200% increase

As shown, the total number of homeless in Mountain View counted in the 2015 Homeless Census almost doubled from the previous 2013 Homeless Census. Overall, the number of homeless persons counted also increased for every city in northern Santa Clara County from 2013 to 2015, except for Sunnyvale. This could be due in part to the 2014 closure of the Armory in Sunnyvale, where persons who typically stayed at that cold weather shelter from October through April went to neighboring cities. Other factors listed in the Homeless Census that could have contributed to the increase in the number of persons counted in Mountain View and other cities were increasing rents, lack of a job, and limited incomes. Countywide, a majority of the surveyed homeless were male (63%), 25 years of age or older (87%), and had been homeless for more than a year (63%). Staff from local service agencies also indicated that the homeless in Mountain View tended to be adult males. They also have noticed an increase in the number of homeless seniors and seniors who are on the verge of becoming homeless.

## Existing City Activities to Address Homelessness

The City's current efforts to help prevent and end homelessness can be grouped under two main categories: (1) funding for the development of subsidized units and facilities and (2) funding for shelter and service programs.

### 1. Funding for the Development of Subsidized Units and Facilities

#### a. Units for Very Low- and Extremely Low-Income Households

The City collects affordable housing impact fees assessed on market rate residential and commercial development. The Council used these fees and other affordable housing funds to help fund 13 subsidized housing projects in Mountain View totaling 1,197 units serving primarily very low- and extremely low-income households.<sup>1</sup> Subsidized units provide a permanent housing resource for groups on limited incomes, such as households transitioning from homelessness. San Antonio Place Apartments (210 San Antonio Circle), in particular, has 10 of its 118 assisted units specifically reserved for formerly homeless persons. There is significant demand for the subsidized units and all have closed waitlists, with waits ranging from 18 months to over five years.

There are three additional subsidized housing projects currently in the funding and entitlement approval pipeline. These projects could add up to 243 units to the City's existing affordable rental stock in the next two or three years. All of the units will be affordable to households earning 60 percent AMI or less and most of those units will target extremely low- and very low-income households.

#### b. Shelter and Transitional Housing Facilities in Mountain View

The City also helped fund the development of the following two facilities that serve the homeless:

- Graduate House, operated by Life Moves, is a transitional home for up to five adults. At Graduate House, case-managed, employed clients

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<sup>1</sup> Very Low-Income households are those households earning less than or equal to 50 percent of the Area Median Income (AMI). Extremely Low-Income households are those households earning less than 30 percent AMI. The AMI varies by household size and is published by the Department of Housing and Urban Development.

may stay up to 18 months as they work toward achieving self-sufficiency.

- Quetzal House, operated by Bill Wilson Center, is a youth shelter that annually serves about 40 runaway homeless youths and youths in the foster care system.

The City helped fund the acquisition of these two properties with Community Development Block Grant (CDBG) funds in the late 1990s: \$262,000 to Life Moves and \$165,000 to Bill Wilson Center. Both properties are part of the Continuum of Care network to shelter and house the homeless under the Housing-First approach promoted in the Community Plan.

c. Facilities Located Outside of Mountain View

Below is a list of facilities in other cities the City previously helped fund using federal CDBG funds to provide shelter to homeless and near-homeless clients. Mountain View residents may access these facilities depending on their availability.

**Table 2: City-Funded Facilities Outside of Mountain View**

Housing/Unit Type	Location	Year Developed	Mountain View Funding
Sobrato Family Shelter – 50 transitional housing units for families with children	Santa Clara	2001	\$150,000
HomeFirst – 24 co-housing, transitional units for survivors of domestic violence and their children	Santa Clara	2001	\$100,000
Sobrato Youth Shelter/Transitional Housing – Eight-bed shelter and nine co-housing units for chronically homeless youth and youth transitioning from foster care	San Jose	2008	\$75,000
Maitri Shelter/Transitional Housing – Four-unit co-housing facility for survivors of domestic violence and their children	Cupertino	2009	\$75,000

## 2. Funding for Shelter and Services

In addition to funding the development of units, the City has annually funded shelter for the homeless and support services provided through nonprofit agencies. The agency currently funded to provide shelter is LifeMoves (formerly InnVision Shelter Network), who operates 18 facilities (shelters and transitional homes) throughout Santa Clara and San Mateo Counties. The City also provides funding to the Community Services Agency of Mountain View, Los Altos, and Los Altos Hills, which operates four programs that assist the homeless and those at risk of homelessness. A summary of programs the City currently funds to help the homeless and prevent homelessness is provided below in Table 3:

**Table 3: Existing Programs that Address and Prevent Homelessness**

Agency	Program	Funding	Clients Annually Served
LifeMoves	<p><b>Shelter and Support Services</b></p> <p>Provides emergency shelter and transitional and permanent supportive housing to homeless persons and families.</p>	<p>\$21,376/CDBG</p> <p>\$5,000/ General Funds</p>	14
Community Services Agency Community Services Agency	<p><b>Alpha Omega Program</b></p> <p>Assists homeless persons and families in accessing public benefits, vocational training, permanent housing, and health care in addition to providing hygiene and emergency supplies.</p>	<p>\$6,326/CDBG</p> <p>\$5,000/ General Funds</p>	300
	<p><b>Emergency Assistance Program</b></p> <p>Provides basic needs services to prevent low-income persons and families from becoming homeless.</p>	<p>\$27,755/CDBG</p> <p>\$5,000/ General Funds</p>	3,500
	<p><b>Emergency Rental Voucher Program</b></p> <p>Provides motel vouchers to lower-income persons and households for stays typically less than 15 days.</p>	<p>\$36,000/ Below-Market-Rate (BMR) Housing Funds</p>	14
	<p><b>Rent Assistance Program (Newly funded in 2015)</b></p> <p>Rent assistance equivalent to the amount of a rent increase is provided to households earning up to 80 percent of the Area Median Income. The assistance lasts from four up to nine months, depending on a household's needs.</p>	<p>\$150,000/ BMR Housing Funds</p>	100

For Fiscal Year 2015-16, the Council awarded an additional \$5,000 in General Fund money to LifeMoves' Shelter and Support Services and CSA's Alpha Omega programs. The funding was intended to expand services and help additional clients. In addition to the programs above, CSA is planning to launch a Volunteer Outreach Program sometime in 2016 or 2017. Under the program, trained community volunteers would help engage homeless persons, refer them to CSA resources, and deliver backpacks filled with food and emergency supplies. Additional funding for the Alpha Omega and LifeMove's Shelter programs and new funding for the Volunteer Outreach or other programs could be considered during the Fiscal Year 2017-18 CDBG/HOME funding cycle. Applications for that cycle will be accepted in October 2016. On the February 23 agenda is another item regarding a Safe Parking Program to assist homeless vehicle dwellers.

### **New Potential Programs to Address Homelessness**

The Community Plan and Homeless Census survey highlight the need for housing for the homeless and job training for homeless persons who can work. Two potential programs that could help address these needs are the Tenant Based Rental Assistance (TBRA) and Job Training and Placement programs. Two neighboring cities have these types of programs as shown in Table 4.

**Table 4: Summary of Potential Programs for the Homeless**

<b>Program</b>	<b>Purpose</b>	<b>Funding Source</b>	<b>Annual Funding to Programs in Other Cities</b>	<b>Annual Clients/ Households Served</b>
TBRA	Provides rent subsidies for a specified period to a targeted population.	Federal HOME Funds	\$250,000 to \$300,000 annually (Sunnyvale)	15-20 households (Sunnyvale)
Job Training and Placement	Provides job readiness training, job skills training, and job placement for low-income individuals who are homeless, recently homeless, or at risk of homelessness.	Federal CDBG Funds	\$395,000 (Sunnyvale) \$290,000 (Palo Alto)	50-60 clients (Sunnyvale) 30 clients (Palo Alto)

### Tenant Based Rental Assistance Program

TBRA, similar to other types of rental assistance, is a rental subsidy that helps make up the difference between what a renter can afford to pay and the actual rent for a unit. The biggest challenge in implementing this program is finding landlords willing to participate in the program. If the City was to implement a TBRA program, it is likely that program participants would have difficulty finding housing in Mountain View in this current market. Most participants would probably need to relocate to other cities to find housing.

Federal Home Investment Partnership (HOME) funds are a common funding source for TBRA programs, because the federal allocation has declined to where they are not widely used for other allowed purposes. Also, HOME's TBRA program has built-in parameters, such as a two-year maximum assistance period and established income limits for program participants. Under HOME, the TBRA program limits rents for participating landlords and rents must be capped for cost control, but jurisdictions can determine the rent caps and standards used to determine assistance amounts. TBRA can provide rental assistance to households earning up to 80 percent AMI. However, most cities that have TBRA programs focus on the homeless and other special needs populations.

Three cities in Santa Clara County are operating HOME-funded TBRA programs: Sunnyvale, San Jose, and Santa Clara. The City of Santa Clara just approved its TBRA program this year. All three cities contract with Abode Services, a nonprofit organization with over 13 years of experience in creating and administering rental subsidy programs for homeless and special needs populations. There are not many other agencies that administer TBRA programs.

Sunnyvale began funding its TBRA program in 2012 and funding has ranged between \$250,000 and \$300,000 per year, depending on availability of HOME funds. Sunnyvale also provides about \$30,000 annually in local funds to Abode Services for program administration. Mountain View's HOME allocation is \$180,000 and in the past five years these funds have been primarily used to help fund rehabilitation activities at existing subsidized rental complexes. However, there are only four existing subsidized complexes eligible to receive HOME funds, limiting future opportunities to use the funds for this purpose. If similar to Sunnyvale's program structure, then about 12 households could be served. All of Mountain View's HOME funds would be needed to make it feasible for the program to operate. During the period while the program is in operation, the HOME funds would not be available for other activities unless the federal allocation increases.



The benefit of a HOME-funded TBRA program is that jurisdictions are able to comply with the HOME expenditure requirement. A TBRA program would also help address regional homelessness. The main drawback is the difficulty in finding landlords willing to accept tenants with subsidies, which results in participants needing to relocate to other cities to obtain a unit. In Sunnyvale's TBRA program, only one participant was able to obtain housing in that city within the past two years.

If the Council is interested in exploring a TBRA program, direction could be given to develop program parameters for the next CDBG/HOME funding cycle that will begin in October 2016.

### Job Training and Placement Program

Under this program, participants must work with a case manager and receive one-on-one coaching and support. Participants are evaluated on their individual performance and recognized for their accomplishments. The skills learned through this program can be used by the individuals to seek other employment opportunities. Currently, Downtown Streets Team (DST) is the primary service organization who administers this program in Palo Alto, Sunnyvale, and other areas of Santa Clara County. DST was founded by the Palo Alto Business Improvement District (BID) in 2006 with the goals of reducing panhandling, providing job reentry skills to the homeless, and keeping streets clean.

Palo Alto contracts solely with DST to provide job training and placement services and other case management services. Sunnyvale's contact with DST is through a partnership with Sunnyvale Community Services (SCS), a nonprofit agency which already provides case management services for housing searches, substance abuse counseling, and basic needs. In this manner, DST can focus on the job training and employment component and avoid duplicating SCS's services.

Both cities use Federal CDBG funds for their job training and placement programs, since the activity is eligible for those funds. If the Council is interested in funding this program using CDBG funds, staff would first coordinate with Community Services Agency, who already administers programs and provides case management services for the homeless, then issue a Request for Proposals (required by HUD) for an agency to administer the program. The selected agency would need to work with City staff and local businesses to develop employment opportunities and launch the program. These steps could be implemented as part of the next CDBG/HOME funding cycle that begins in October 2016.

## **Santa Clara County Housing Task Force's Resolution Request**

Related to the Community Plan, the City received a letter from the Santa Clara County Housing Task Force (Task Force) on December 14, 2015. The letter requests the City Council consider adoption of its resolution. The County Board of Supervisors formed the Task Force in February 2015 and charged it with developing solutions to address the immediate housing needs of homeless families and individuals throughout the County. A Resolution adopting the Task Force's Resolution is provided in Attachment 2. In its Resolution, the Housing Task Force encourages cities to declare homelessness a crisis, enact certain measures to help fund and produce affordable housing, and support the Community Plan. The City has already implemented most of the measures recommended by the Task Force, including:

- Adoption of a BMR Housing (Inclusionary) Ordinance and Rental Housing and Housing Impact fees that are assessed on new market-rate residential rental and commercial development;
- Reservation of Boomerang funds for affordable housing activities;
- Approval of a use of a City-owned parking lot (surplus land) for the development of the Franklin Street Apartments (135 Franklin Street), which consists of 51 subsidized rental units for very low- and extremely low-income families.
- Approval of the development of San Antonio Place Apartments, which consist of efficiency studios (micro units).
- Adoption of a General Plan Amendment requirement for mobile home park conversions, in addition to a Zoning Amendment requirement, making approval of conversions less likely to occur.
- The Council previously considered a ballot measure for an affordable housing parcel tax in 2011. Results from the associated feasibility survey completed in 2012 indicated that support was not in the two-thirds range required for passage of a parcel tax measure.

The remaining Task Force recommendation is approval of a resolution supporting the Community Plan, which is being considered as part of this agenda item. On February 9, 2016, the Council asked staff to monitor regional revenue measures related to housing and report back as part of the Budget Narrative in April. In response to the Task Force's request, staff recommends the Council adopt the resolutions in Attachments 1 and 2.

## **FISCAL IMPACT**

There is no fiscal impact associated with the adoption of the attached resolutions. Supporting the Community Plan and the Task Force's recommendations do not commit the City of Mountain View to any one component of the Plan or Task Force's request. If the City Council directs staff to return with parameters and funding options for certain programs, staff will present the associated fiscal impacts when they are brought back for consideration.

## **CONCLUSION**

Destination Home is seeking Council support for the Community Plan to End Homelessness: 2015-2020. A resolution supporting the Community Plan is provided in Attachment 1. A resolution adopting the Housing Task Force's Resolution is provided in Attachment 2. The City has funded numerous local and regional solutions to address homelessness. The City Council could consider two new programs that serve the homeless: a Downtown Streets Program and the Tenant Based Rental Assistance Program. If the City Council is interested in funding these new programs, staff would return with program parameters and funding options in fall 2016.

## **ALTERNATIVES**

1. Do not adopt the resolution supporting the Community Plan.
2. Provide other direction to staff.

**PUBLIC NOTICING**

The meeting agenda and Council report have been posted on the City's website and announced on Channel 26, cable television, and notices were sent to the County of Santa Clara and CSA.

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- Attachments:
1. Resolution Supporting Community Plan to End Homelessness in Santa Clara County: 2015-2020
  2. Resolution of the Housing Task Force of the County of Santa Clara
  3. Community Plan to End Homelessness in Santa Clara County: 2015-2020
  4. Santa Clara County Housing Task Force Request Letter