



DATE: March 7, 2017

CATEGORY: Unfinished Business

DEPT.: City Manager's Office and
Community Development

TITLE: **Strategies to Assist the Homeless and
Unstably Housed Residents**

RECOMMENDATION

Receive an update and recommendations related to short-term homeless initiatives approved in October 2016, and provide input regarding options for longer-term strategies in partnership with the County and other agencies to assist the homeless and unstably housed residents living in vehicles on City streets.

It is recommended that the Council:

1. Approve recommendations and/or provide direction to staff to refine short-term programs and services. The recommendations are:
 - a. Continue to fund an Outreach Worker through Fiscal Year 2018-19 (\$90,000 for the City's share of the cost with the County).
 - b. Continue to fund a Case Worker to continue through Fiscal Year 2018-19 with the County for Permanent Supportive Housing (PSH) (\$250,000).
 - c. Complete the Community Services Agency outreach plan (\$75,000).
 - d. Reserve funding for Permanent Supportive Housing (PSH) assistance, Rapid Rehousing, or other needs (\$250,000).
 - e. Provide contingency funding for homeless initiatives (\$25,000).
 - f. Continue to fund a Porta-Potti at Rengstorff Park (\$12,000).
 - g. Provide direction on a pilot RV waste disposal program (\$25,000).

2. Provide direction to the City Manager to include appropriations of \$250,000 in one-time housing funds in the Fiscal Year 2017-18 Budget to be used for housing or services to low-income residents.
3. Provide direction to the City Manager to include appropriations of \$477,000 in the Fiscal Year 2017-18 budget for homeless initiatives from one-time funds Public Benefits – San Antonio.
4. Authorize the City Manager to execute contracts consistent with approved recommendations with Santa Clara County or other provider for homeless support programs, up to \$370,000, for a Caseworker and Outreach Worker services.
5. Provide input on six longer-term strategies to house the homeless, as discussed in this report.

BACKGROUND

One of the City Council's top three priorities is to increase housing availability and affordability. The regional housing crisis and homelessness are significant and growing issues for many communities. A visible manifestation is the presence of numerous RVs and other vehicles used as housing on Mountain View streets. For the past two years, the City has been exploring a broad range of options to increase housing supply and to assist displaced residents and those who are unstably housed/unsheltered or homeless.

Staff last reported to the Council on the needs and options related to people living in their vehicles on October 4, 2016. At this meeting, Council provided direction to implement various short-term measures to meet the basic care and human service needs of people living in vehicles and to address traffic visibility concerns. The approved options included: weekly mobile hygiene services, waste-tank caps to help prevent RV leaks, monthly street cleaning on Crisanto Avenue and Latham Street, an ADA-compliant portable toilet and servicing in Rengstorff Park, support for rotating shelters or safe parking programs if developed by faith-based/nonprofit organizations, ongoing review of identified RV parking areas to assess traffic visibility and safety, funding for outreach and caseworker services to link homeless individuals to housing and social services, and a search for a local waste dump site (Attachment 1 and Attachment 2).

To provide solutions over the longer term, the City is increasing the overall housing supply and has passed several ordinances to assist renters and enable people to remain in their homes.

ANALYSIS

Since October 2016, City staff has implemented or begun the implementation of the approved action items. A detailed work plan summary is provided as an attachment to this report with an update on all actions (Attachment 3). Key accomplishments include the following:

- Partnering with the County and the Community Services Agency (CSA) for a permanent Outreach Worker and Case Worker.
- Direct outreach to people living in vehicles.
- Development of outreach material and a webpage.
- Twenty-four (24) hour Porta-Potti at Rengstorff Park, securing waste tanks and catchment basins for leaks, and analysis of waste dump station options.
- Reviews of street parking for visibility concerns.
- Street cleaning refinements, including monthly cleaning of Crisanto Avenue.
- Held conversations about rotating shelter or safe parking programs.
- A review of enforcement options.

In addition, staff has completed further analysis to understand better the needs of the mobile homeless population; developed recommendations to extend certain short-term programs for an additional one to two years and provided expanded funding to make housing services available to more people; and provided information about various longer-term approaches and opportunities to assist the homeless and unstably housed. The sections below summarize staff's analysis in each of these areas.

A GROWING UNDERSTANDING OF NEEDS

Since the October 2016 report, staff has continued to expand its understanding of the scope and complexity of the issue of people living in vehicles in our community and gathering information from prior surveys, new counts, direct outreach and assessments, resident feedback, and City staff data.

Surveys and Counts

The County homeless census serves as a baseline for the understanding of homelessness. This survey captures individuals and families sleeping in emergency shelters and transitional housing, as well as people sleeping on the streets, in cars, in abandoned properties, or in other places not meant for human habitation. Mountain View homelessness nearly doubled from 139 in 2013, to 276 in 2015. With the release of the recently conducted 2017 Point-in-Time Count in the spring, these numbers may rise further.

The LifeMoves outreach survey conducted for the City in June 2016 found 126 inhabited vehicles in specific areas of Mountain View with known concentrations. A further Citywide visual vehicle count conducted in February 2017 on two separate occasions by our Police Parking Enforcement and Community Services Officers estimated the numbers of inhabited vehicles in the range of 150. Staff has had other rough counts that are in range of 100 to 150 vehicles (the majority are RVs).

As a result of the City's partnership with the County, an outreach team was assigned in December to work with people living in vehicles in Mountain View until the approved dedicated Outreach Worker at CSA could be hired. Over the months of December 2016 and January 2017, the County team reached out to 82 clients during daylight hours. Of these clients, 21 were assessed to be chronically homeless and other highly vulnerable individuals or families who need long-term support to stay housed. Four residents were assessed to be families or individuals who are episodically homeless and have the ability to generate sufficient income to afford housing long-term. The outreach team left information for the remaining 57 vehicles whose occupants were not present or did not answer.

This outreach is a painstaking process and requires multiple attempts. Outreach Workers need time to build trust to reach the majority of residents living in vehicles. Even with time, some of the residents may choose not to engage.

The new CSA Outreach Worker funded by the City and County started in January and the caseload generated by the County's outreach team transferred over on March 1, 2017. To ensure continuity during the transitional period, the County staff will remain part of the team and assist the new Outreach Worker. The new Outreach Worker and CSA support staff will consider several modality changes, including more evening hours, providing Spanish support, and adding an assessment of specific needs, such as waste tank options.

Other Community/Resident Feedback

The City continues to receive feedback about this issue through e-mails, letters, calls, social media, and *Ask Mountain View*. City staff developed a new webpage (http://www.mountainview.gov/depts/comdev/preservation/living_in_vehicles_and_homeless_information.asp) to offer information and created a new topic in *Ask Mountain View*, with an anonymous option, to elicit easier feedback from residents. The communications mainly note concerns about illegal activity, requests for enforcement, and parking restrictions. There have also been communications expressing concerns about the welfare of the homeless.

City Data Collection

Staff continues to track calls for service and staff activity related to the issues associated with people living in vehicles or the homeless. Data collected by the Police, Fire, Public Works, Community Development, Library, and Community Services Departments, the City Attorney's Code Enforcement Division, and the City Manager's Office shows an increasing volume of activity. This has included an uptick in illegal activity and complaints about parking near homes, excessive litter and garbage, requests for debris removal, and increased reports of encampments in parks, trails, and creeks.

Between July 2016 and January 2017, staff spent over 1,500 hours on issues connected to residents living in vehicles. The City Manager's Office staff responsible for managing this special project represents about one-third of the total staff hours, with the other departments adding the remaining hours on top of their existing workloads (Attachment 4).

Overall, staff sees a rise in activity associated with homelessness. The data reveal that the homeless needs continue to grow. Moreover, they show a high percentage of the residents living in vehicles are eligible for low-income services, including housing subsidies on a level that exceed current availability. All of the trends in the data point to the need for supportive services and a range of housing strategies in order to effectively respond to homelessness.

SHORT-TERM HOMELESS INITIATIVES

The October report generally defined short-term options as "Basic Care and Outreach and Services to Link to Housing." This report focuses on those options requiring further Council direction at this time, including continued and new recommendations and provides further analysis of parking options, the potential for establishing a dump station, and continued dialogue with the County, CSA, and faith community on

rotating sheltering or safe parking programs. As noted previously, a full work plan update on action items from October 2016 is provided as an attachment to this report (Attachment 3).

Staff-based recommendations on the City's growing understanding of a need for a comprehensive homeless response, which includes coordinated services and housing integrated care along a "continuum of care." The next section of this report will discuss important housing policy-level concepts further. Many of these concepts mirror the Santa Clara County Community Plan to End Homelessness, which offers a guide for cities like Mountain View that have supported this plan by City Council Resolution (Attachment 5).

Human Services and Programs Recommendations

Below are staff's six recommendations to continue and enhance programs and services just begun. The data on needs for the residents living in vehicles informed staff's recommendations. Performance measure markers that will guide program review will include the County's biannual homeless counts in 2017 and, in 2019, surveys or counts conducted by the City and data on clients served.

The Financial Impact section of this report provides detailed cost and budget requests. The recommended funding sources for these recommendations are the same as noted in the October 2016 report, one-time funds, including the public benefit obligation of the 400 San Antonio Road project.

1. **Outreach Worker (\$90,000 shared cost with the County):** Continue through Fiscal Year 2018-19 the City and County funding of a full-time Outreach Worker based at CSA. The Outreach Worker will continue to connect with residents living in vehicles, assess their needs, and identify services that will help them. This will include both active outreach to those living in vehicles and coordinated services at stationary locations to connect residents to human services and housing programs. The Outreach Worker assesses the individuals and families and determines the type of housing intervention that is needed to resolve permanently the household's homelessness. The assessment data is entered into a Countywide management information system, enabling County staff to connect Mountain View homeless residents to appropriate housing programs that are available throughout the County.
2. **Case Worker (\$250,000):** Continue through Fiscal Year 2018-19 a County Case Worker through the Permanent Supportive Housing (PSH) Program. This person will assist in expanding the City's access to the County's Continuum of Care. The

County will continue to subcontract with Peninsula Healthcare Connection (PHC), one of the County's six PSH Program contract agencies that provide case management and supportive services to approximately 20 chronically homeless cases in Mountain View to transition them into permanent supportive housing (the capacity overall may be higher as there are associated County programs that residents may be eligible for). Based on the City's vehicle survey, some of the people living in vehicles in Mountain View will need such ongoing assistance if they are to achieve and sustain stable housing. The County will ensure that each PSH Program participant receives a rental subsidy or an affordable housing unit. On average, the value of housing assistance will be \$15,000 per household per year.

3. **Support CSA Outreach Plan (\$75,000):** Provide one-time additional funds to CSA to implement fully the outreach program, including an outreach vehicle, insurance, technical and supply needs, and administrative support for data entry.
4. **Provide for Additional Permanent Supportive Housing (PSH), Rapid Rehousing or Other Needs (\$250,000):** The temporary Outreach Workers have already identified 21 clients in Mountain View eligible for PSH and 5 for Rapid Rehousing after two months of outreach. The City could supplement the existing agreements with the County for PSH and supplement the work of the grant-funded effort lead by *Destination: Home* as needed. The County and *Destination: Home* are managing the \$1 million grant from Google to implement a Rapid Rehousing Program and enhance homelessness prevention efforts in Mountain View and Sunnyvale. *Destination: Home* has just completed an RFP and expects to begin providing services in April 2017.
5. **Contingency Funding (\$25,000):** Reserve funding for other exploratory homeless service needs, such as potential RV repair funds, RV storage fees, or other needs that may be specific to the residents living in vehicles.
6. **Porta-Potti (\$12,000):** Continue the ADA-compliant Porta-Potti services with enhanced lighting and screening at Rengstorff Park in until June 2018.

Waste Dump Station Options

Public Works has conducted additional analysis of siting, construction, and operational issues associated with developing a public RV sanitary waste disposal facility that would provide an environmentally responsible local option for RV residents to dispose of their gray and black water waste. Internally, staff's review included gathering input from Planning, Building, Fire/Environmental Protection, Police, Traffic Engineering,

Community Services and Public Services. Staff also contacted the City of Palo Alto, Santa Clara County Parks, the Santa Clara Valley Water District, and private septic and portable restroom companies in order to assess the full range of options for providing an RV waste dump facility in Mountain View. Staff has not yet conducted a survey of residents who live in RVs to gauge the interest in using a fixed-location dump facility.

Three alternatives are summarized below and described in greater detail in Attachment 6 for the Council to consider:

1. **Construct a Municipal RV Waste Dump Facility**—Staff identified two potential sites for construction of a municipal RV waste dump facility: adjacent to the Municipal Operations Center (MOC) on Whisman Road and a location in Shoreline Amphitheatre Parking Lots A/B. Should the City Council direct staff to proceed with a construction option, staff would develop a project for incorporation in the upcoming Capital Improvement Program. If Council elects to pursue construction of a facility, staff recommends carrying both the MOC and the Shoreline site options through a more detailed alternatives analysis, which would allow for outreach to potential users and surrounding neighbors of the sites. Staff would return to the Council with a preferred alternative and a cost estimate before proceeding to final design and construction.

Cost Estimate: The current estimated range of costs is \$150,000 to \$250,000 depending on the improvements needed at each location. Recommendations regarding hours of operation, staffing, and any user fees would be brought forward in conjunction with the preferred site recommendation.

2. **Pilot RV Waste Disposal Program**— Considering the uncertainty of utilization and investment associated with providing this new service, an alternative is a pilot program where a vendor is stationed to evacuate the waste tanks of RVs that are driven to a preannounced location. Based on conversations with vendors, staff believes that such a service could be provided for a fee of \$400 to \$600 for two to four hours plus \$30 to \$50 per RV serviced.

If this service were offered two times per week and serviced 30 RVs per week, the cost would be approximately \$2,000 per week, or approximately \$25,000 for a three-month pilot. This cost is preliminary, as staff has not yet sought formal submittals from vendors. Staff recommends that the three-month trial be conducted at both the MOC and Shoreline sites (approximately six weeks at each site). The City would conduct public notification of the neighboring property owners and residents at each site, and outreach to the RV residents regarding the hours of operation of the facility. Issues and any complaints would be monitored

and a report would be provided back to Council at the end of the trial with data on usage, costs, and any associated issues or complaints along with a recommendation regarding any permanent facility.

Cost Estimate: Approximately \$25,000.

3. **Collect More Information**—The Council could defer a decision on either a permanent or a pilot facility until more information is collected by the new CSA Outreach Worker on the needs of RV residents and the demand for a facility. Once information has been collected on the number of residents that would use a facility, the frequency of use and any operating parameters (e.g., hours of operation, cost-sharing ability, location constraints), staff would return to the Council with a more specific recommendation.

Cost Estimate: No additional costs beyond those already anticipated for the Outreach Worker would be incurred with this option.

Staff recommends proceeding with a Pilot RV Waste Disposal Program. The advantages of such a program include:

- It could be implemented quickly.
- Without a significant investment of capital or land, the market for such a service could be tested.
- The program would be staffed by the vendor, so there would be no opportunity for illicit activity at an unmonitored site.
- The program is flexible, so location(s), hours, and other parameters could be adjusted based on experience.

Enforcement

As noted in the October 4, 2016 Council report, enforcement of the Mountain View City Code section that regulated dwelling in vehicles has been suspended in light of the *Desertrain v. Los Angeles* case. In this case, the 9th U.S. Circuit Court of Appeals ruled that a provision of the City of Los Angeles City Code, which prohibited people from using their vehicles as living quarters, was unconstitutional based on the particular language in the ordinance. The wake of this case has left a growing concern about local enforcement options.

The Police Department and Fire Department-Environmental Services Division reviewed procedures and continue to approach this issue with compassion using education, information, resource referrals, and enforcement of other current valid codes. The City continues to issue citations for violations of parking in excess of 72 hours, registration expired in excess of six months, discharge of hazardous material in the gutter/storm drain, and illegal garbage dumping.

At the October meeting, City Council requested follow-up on two enforcement matters. The first was a review of whether RVs could be rented out by “landlords,” as was noted during the vehicle census/survey LifeMoves conducted in June of 2016. State law does not prohibit an RV owner from leasing an RV to someone else. The regulatory scheme is built around a presumption that habitation in RVs occurs in RV parks as opposed to public streets and consequently does not specifically address the current situation. A business license may be required for such use; it does not authorize the use.

The second was to have the Public Works Department review known streets where residents live in vehicles where the parking may pose visibility or other traffic safety concerns. Public Works traffic staff reviewed these locations and added some red curbs around driveways along Latham Street.

As noted in the October 2016 report, rather than adding new signs and shifting residents living in cars from one location to another, the human services enhancements to programs and services aim to help the City to reach the residents living in vehicles and address the underlying issues of living in one’s vehicle. However, these efforts may still not move each resident out of living in a vehicle. In the future, the City may consider further regulations for the use of streets, which could include additional parking regulation, such as:

1. Additional red curbs to improve traffic and safety.
2. Height or length limits where tall vehicles create visibility concerns even though red curb may already exist.
3. Prohibitions for RV parking on streets.
4. No parking at certain times.
5. Additional limited no parking on certain days for street sweeping.
6. No overnight parking in residential areas (with or without a permit process).

The City could also consider revising City codes associated with parking such as the City's ordinance prohibiting dwelling in vehicles. Cities such as Los Angeles have recently enacted new, temporary regulations prohibiting parking/living in your vehicle 1,500' from parks, schools, and day cares at any time, or in a residential area from 9:00 p.m. to 6:00 a.m. This ordinance involves constitutional issues and would be a significant work item for staff.

Additional support for the outreach, enforcement, and coordination will also be considered as part of the Fiscal Year 2017-18-budget process for a Community Outreach Police Officer. The new Officer would be assigned to focus on improving the effectiveness of the Police Department's handling of community concerns and issues related to vulnerable populations, to include homeless and mentally ill persons.

Rotating Shelter or Safe Parking Programs

City staff continues to dialogue with stakeholders and there is key interest by the County and the faith community to collaborate to help the homeless. After numerous discussions regarding options to establish a safe parking program, a cold weather and a rotating shelter, concrete plans have yet to develop

However, County staff have been in initial conversations with City staff and community members to discuss the desirability and feasibility of establishing a pilot cold weather shelter in Mountain View. A working group is reviewing one-time and ongoing cost estimates and potential funding sources. The pilot winter shelter program could be explored to house and assist around 50 people, most likely families and single women. The clients would include unsheltered homeless persons from Mountain View and other North County areas. Outreach activities conducted by CSA, North County government agencies, and community-based organizations would identify eligible clients. An experienced homeless service provider would manage the pilot shelter and designated agencies would refer all participants, ensuring all the beds are reserved. Other services that could be funded by the County could include case management services, dinner and breakfast meals, along with restrooms, shower, and laundry facilities. The involvement of volunteers from the local community and businesses would be an integral part of the program design.

This initial proposal would require further analysis and community outreach by the County and the City. Locations are likely to be subject to Provisional Use Permit (PUP), or Conditional Use Permit (CUP) requirements or other requirements. Under the CUP and PUP processes, a public hearing is required and the City is able to condition the application to address any concerns.

Staff seeks City Council direction if this is a proposal staff should spend time developing with interested stakeholders. This and other structural options will be discussed further in the next section of this report.

DISCUSSION AND DIRECTION ON LONGER-TERM STRATEGIES TO ASSIST THE HOMELESS AND UNSTABLY HOUSED

In addition to the discussion at the October 4, 2016 City Council meeting regarding funding human services and outreach programs, staff was also directed to assess future policy direction regarding strategies to house the homeless. The October 4, 2016 Council report included a brief description of various housing responses along a continuum of housing strategies, including emergency shelter, transitional housing, and permanent supportive housing. Additionally, the report also mentioned the concepts of homelessness prevention and rapid rehousing.

The purposes of this section of this report are to provide a summary of staff's work since October 2016, to provide a preliminary assessment regarding the continuum of homeless housing strategies and to receive input from the City Council regarding a potential policy framework regarding longer-term strategies to house the homeless with a focus on interim and permanent supportive housing.

Continuum of Homeless Housing Strategies

In thinking about how to address the "housing needs of the homeless," it is important to note that there are various housing strategies that fall along a continuum. Each of these strategies can function as a stand-alone program, or multiple strategies can be implemented in an integrated manner to address a range of housing needs. For example, a jurisdiction may seek to develop permanent supportive housing as well as transitional housing so that homeless persons have a place to live in the interim. Additionally, while there is a set of terms and descriptions that practitioners commonly use to describe the strategies, there is not a standardized set of definitions.

Given the presence of multiple strategies and the lack of standardized language, it is not always immediately clear what is meant by "housing the homeless." In order to facilitate a better understanding of the various strategies and their interrelationships, please refer to Attachment 7, which provides three "lenses" by which to consider the continuum of homeless housing strategies. Additionally, Table 1 below summarizes the housing continuum into three primary categories: homelessness prevention, interim housing, and permanent supportive housing and includes examples within each category.

Table 1. Continuum of Homeless Housing Strategies

Homelessness Prevention	Interim Housing	Permanent Supportive Housing
<ul style="list-style-type: none"> • Emergency Assistance • Rental Assistance • Rapid Rehousing • Rent Stabilization 	<ul style="list-style-type: none"> • Shelters <ul style="list-style-type: none"> – Single Site – Rotating Sites • Transitional Housing (may or may not include services) • Micro Housing Units, Modular Housing • Hotel/Motel Conversion • Safe Parking Program • Vouchers Tenant-Based Rental Assistance 	<ul style="list-style-type: none"> • Subsidized Housing Units <ul style="list-style-type: none"> – Entire Development – Unit Set Asides • Scattered Site, Deed-Restricted Private Units • Micro Housing Units • Modular Housing • Intensive Case Management

Assessment of Opportunities and Constraints

Based on staff’s research on the continuum of housing strategies and the composition and causes of homelessness in Mountain View and in Santa Clara County, staff began preliminary assessment of the current and potential opportunities to address homeless housing needs as well as potential constraints. The assessment includes both permanent supportive housing opportunities and interim housing strategies. Because permanent supportive housing is typically more complex to finance, takes longer to build, and requires more interagency collaboration to integrate the service component, the question is often asked about what the homeless are supposed to do while permanent housing is being explored/developed.

Additionally, data presented earlier in the report regarding the conditions of homelessness in Mountain View indicate that: there are multiple causes of homelessness; it may be difficult for homeless persons to find employment and many are unable to work, but those who do work do not make enough to afford housing; it is difficult to find replacement housing in this high-cost market; and homeless persons lack access to support networks and services. These multiple factors point to the need for support services and a range of housing strategies in order to respond effectively to homelessness.

Permanent Supportive Housing

The “housing first” permanent supportive housing model, whereby permanent housing is infused with services such as case management, mental/physical health care, job skills/employment services, etc., is widely recognized as the most effective way of ending homelessness. It is also the housing strategy prioritized by the County and in its Community Plan to End Homelessness, which the City adopted on February 23, 2016 (Attachment 5).

Ideally, housing for the homeless is located in areas with access to public transportation, services, jobs, and amenities. Staff conducted mapping exercises to identify the areas in Mountain View that have the most amenities. Not surprisingly, El Camino Real, San Antonio Road, and downtown, as well certain locations along North Rengstorff Avenue, were identified as amenities-rich locations. Also not surprisingly, the demand for and cost of land in these locations are high, up to \$15 million/acre according to recent anecdotes. Given the income of the population group that permanent supportive housing serves, in addition to costs associated with case management and other services, high land costs pose a significant challenge to the financial feasibility of permanent supportive housing development.

As a result of the high cost of land, staff is aware that there is increasing interest for residential redevelopment in areas of the City with more industrially zoned lands, such as the Terra Bella neighborhood. Based on input from the development community, staff also conducted a very high-level, preliminary review of other industrial areas, such as the area bounded by North Rengstorff Avenue, San Antonio Road, Old Middlefield Road, and the Highway 101, as well as the area bounded by Evelyn Avenue and Highways 85 and 237.

According to staff’s analysis, there are a limited number of vacant and City-owned lands in these locations. As a result, the development of permanent supportive housing may need to occur through the redevelopment of existing uses and land assembly. Public funding and a policy framework for homeless housing, including allowing such development on industrial sites, could facilitate the feasibility of such housing.

Interim Housing

To the extent that permanent supportive housing is more difficult and takes longer to build, an interim housing strategy provides important transitional housing opportunities for the homeless. However, given that interim housing may be challenging to build due to limited public/vacant lands, insufficient funding, and the high cost of land, the locational opportunities for interim housing may be more

constrained to underutilized parcels with less proximity to amenities. Staff conducted an initial assessment of potential interim housing strategies using the following criteria: locations proximate to amenities, vacant industrial lands, industrial lands with an existing structure that could be demolished and redeveloped, and industrial lands with an existing structure that could be repurposed for housing using the existing structure.

Additionally, staff performed initial research regarding innovative micro-unit and modular housing products (see Attachment 7). While there is growing interest in these types of housing innovations throughout the State and region, additional research will be needed in order to identify viable products for the City of Mountain View that, at minimum, meet building, health, and safety code requirements. Indeed, the City of San Jose sponsored AB 2176 in 2016—now passed into law—that allows it to adopt local building code standards in order to facilitate innovative product types as part of its interim housing strategy.

Zoning

Zoning regulations determine the allowable land uses for a particular parcel of land. Current zoning regulations allow transitional and permanent supportive housing as a “by right” use on residentially zoned sites. Emergency shelters can go on industrially zoned lands, including General Industrial (“MM”) and Limited Industrial (“ML”), by right. The City’s Industrial to Residential Conversion Policy provides the City Council the ability to consider Gatekeepers that convert industrial parcels to residential in specified areas of the City if the proposal has a minimum site size of two acres. It is contiguous with existing residential zones, allows the maintenance of existing adjacent businesses, and does not create islands of residential or industrial properties. While the conversion policy provides potential opportunities for the development of interim and/or permanent supportive housing on industrial sites, the minimum site size of two acres may be too large for such housing types in some cases, and the requirement to be contiguous with existing residential zones could limit what may otherwise be appropriate locations (such as a corner industrial site).

Staff seeks preliminary direction from the City Council regarding the continuum of housing strategies before further work is conducted. Depending on the Council feedback received in response to the following questions, staff could begin to develop and implement a strategy and work with partners to identify potential opportunities for permanent supportive housing and interim housing, if that is the direction of the Council.

Question 1: Does the Council wish to consider a longer-term homeless housing strategy? If so, does the Council wish to consider permanent supportive housing and/or interim housing?

Question 2: Given the high cost of land in amenities-rich locations, would the Council wish to consider additional flexibility to the Industrial to Residential Conversion Policy for the development of interim and/or permanent supportive housing, in particular the minimum site size requirement of two acres and the requirement to be contiguous with existing residential zones?

Question 3: Does the Council wish to provide any additional input on potential geographic areas/locations in Mountain View for further study of interim and/or permanent supportive housing?

Assessment of Tools

City staff performed preliminary assessment of funding opportunities and policy mechanisms that are currently or potentially available in order to facilitate implementation of housing programs for the homeless.

Funding/Resources:

Measure A—In November 2016, Santa Clara County voters passed Measure A, a \$950 million affordable housing bond. Seven Hundred Million Dollars (\$700,000,000) of the funds are allocated specifically for the housing needs of the County’s most vulnerable populations. This includes extremely low-income households, veterans, seniors, those with disabilities, and homeless persons. The County is developing a timeline and strategy to disburse the first round of funding, currently anticipated to be available fall 2017. In developing the strategy, the County met with City staff to explore preliminary opportunities and partnerships. Subject to the Council’s direction, the City will continue to collaborate with the County in order to be ready and competitive for Measure A funding.

City Housing Fees—The City generates resources for affordable housing through four fee programs: the Below-Market-Rate (BMR) ownership in-lieu fee, two commercial linkage fees (also known as Housing Impact Fees) and the Rental Housing Impact Fee. Historically, those have been used to finance 100 percent deed-restricted affordable housing developments in order to serve a wide variety of needs, including for families, seniors, veterans, and the developmentally challenged. Recent examples include 1585 Studios (1585 West El Camino Real), Franklin Street Family (135 Franklin Street) and Studio 819 (819 North Rengstorff Avenue). There is the potential to invest resources from these fee programs to develop interim and/or permanent supportive housing.

However, these fee programs may not be used to fund services. The current unencumbered balance for the four programs is \$2.4 million as a result of various affordable housing developments recently funded. It is estimated that the four fee programs will generate approximately \$80 million from Fiscal Years 2016-19.

Boomerang Funds—These funds are a portion of the former tax increment funds that come back to local jurisdictions as: (1) a one-time lump sum from their former Low- and Moderate-Income Housing Fund (LMIHF); and (2) an ongoing (annual) bump in their property tax. In Mountain View, the boomerang funds are generated by the former Revitalization District. There are no restrictions on how these funds can be used. In Fiscal Year 2014-15, the Council reserved \$140,800 in one-time funds and 20 percent of the net ongoing funds, \$51,000, for affordable housing. The Council has continued to reserve the \$51,000 in ongoing funds in subsequent fiscal years. The current balance of these funds is approximately \$65,000.

20 Percent Funds—These funds consist of loan repayments the City may receive from former redevelopment agencies' housing set-aside activities. Use of these funds is restricted to affordable housing activities. These funds cannot be used for services (i.e., distribution of blankets, food, and supplies) with one exception: up to \$250,000 per year may be spent on homelessness prevention and rapid rehousing services, including rental assistance, housing relocation and stabilization services, and case management. The current balance of these funds is approximately \$998,200.

Federal Funding (CDBG and HOME)—The City receives Federal funding for the Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) programs on an annual basis. Approximately \$350,000 in CDBG funds and \$180,000 in HOME funds have been available annually for capital projects. Generally, these capital funds have gone toward rehabilitating existing affordable rental units, investing in infrastructure, and improving existing public facilities in lower-income neighborhoods. Going forward, priorities could be set that direct the funds to be used for homeless housing strategies. For example, CDBG funds can be used for land acquisition for permanent supportive housing. Eligible uses for HOME funds include land acquisition, construction, tenant-based rental assistance (TBRA), and rapid rehousing programs. Due to declining funding levels and a recent Federal change in the HOME ruling that became effective for the Fiscal Year 2015-16 HOME program, many cities in Santa Clara County shifted use of HOME funds for TBRA, either as stand-alone entitlement jurisdictions or as part of the Countywide HOME consortium.

Question 4: Does the City Council wish to consider utilizing City and/or Federal funds towards permanent supportive housing and/or interim housing?

State Funding—The State provides funding through programs such as the Mental Health Services Act (MHSA), the No Place Like Home (NPLH) Program, and the Veterans Housing & Homeless Prevention (VHHP) program that can be used for permanent supportive housing. Staff will explore the opportunities for accessing these funds based on the input of the Council regarding homeless housing strategies.

Public Policies

Developing a robust policy framework for homeless housing strategies can greatly facilitate their implementation. This subsection of the report provides a summary of potential public policies and provides questions for the City Council's consideration.

Goal Setting—Setting a target for a certain number of homeless housing units to be produced in a certain period can facilitate the development of such housing by establishing clear goals and metrics. For example, a goal could be set for, say, 100 units of permanent supportive housing to be developed over the next four years, and 100 units of interim housing in the next 24 months.

Question 5: Does the Council wish to set a policy goal for a certain number of homeless housing units to be developed over a certain period of time?

Precise Plan Targets—As the City develops various Precise Plans with a residential component, such as North Bayshore, East Whisman, and Shenandoah, the City Council could consider setting a target for homeless housing. For example, the City Council set a target of a minimum of 20 percent affordable housing units in North Bayshore. The City Council could consider apportioning a subset of the 20 percent affordable housing goal and set a percentage or numerical target for permanent supportive housing specifically.

Community Benefit—The City has a community benefits program used for certain office or residential development proposals. In the past, the City Council identified mobility improvements and affordable housing as priority community benefits.

Question 6: Does the Council wish to consider inclusion of a percentage or numerical target in Precise Plans for homeless housing, particularly permanent supportive housing? Does the Council wish to consider homeless housing as a specific category under the City's community benefits program?

FISCAL IMPACT

The summary of staff's short-term recommendations in this report can be fully funded (with balances remaining) from two sources:

1. \$250,000 in one-time housing funds discussed as part of the Fiscal Year 2016-17 Budget to be used for housing or services to low-income residents.
2. \$500,000 in one-time funds committed as public benefit from the 400 San Antonio Road project.

The table below summarizes costs, funding, and timelines for the new requests. (Other one-time items approved on October 4, 2016, included mobile hygiene services, waste tank caps, a commercial washer and dryer, and additional insurance costs incurred by the organizations participating in a safe parking program).

	Approved Cost Estimates	Approved Funding	Continued Cost Through FY 2018-19	Recommended One-Time Funding Source
<ul style="list-style-type: none"> • Outreach Worker in conjunction with the County at an estimated net annual cost to the City of \$50,000 to \$60,000. 	~\$50,000 to \$60,000 (*Cost is \$120,00, but there is \$30,000 balance from October 2016 authorization)	Boomerang FY 2016-17	\$90,000*	Public Benefits – San Antonio
<ul style="list-style-type: none"> • Case Worker for \$187,000 estimated and 18-month contract. 	-\$62,500 for first 6 months of 18-month contract. Cost is \$125,000 per year.	Boomerang FY 2016-17	\$250,000	Public Benefits – San Antonio
<ul style="list-style-type: none"> • Port-A-Potti with servicing at least three times per week to supplement the restrooms at Rengstorff Park. The estimated monthly costs average approximately \$200 to \$300. Some additional funding may be desirable to screen it. 	~\$10,000	Boomerang FY 2016-17	\$12,000	Public Benefits – San Antonio

	Approved Cost Estimates	Approved Funding	Continued Cost Through FY 2018-19	Recommended One-Time Funding Source
<u>New Recommended Options:</u>				
<ul style="list-style-type: none"> One-time needs for CSA to implement Outreach Program. 			\$75,000	Public Benefits – San Antonio
<ul style="list-style-type: none"> Permanent Supportive Housing, Rapid Rehousing or other needs for those living in vehicles. 			\$250,000	One-time housing funds approved, but not appropriated as part of the FY 2016-17 Budget.
<ul style="list-style-type: none"> Contingency for other homeless services. 			\$25,000	Public Benefits – San Antonio
<ul style="list-style-type: none"> Waste Dump Station Options* <ol style="list-style-type: none"> Construct a municipal RV waste dump facility at one of two potential sites. Pilot RV Waste Disposal Program (pilot 2 to 3 months) at a fixed location. Collect More Information 			~\$150,000 to \$250,000, plus staffing, if desired, could cost \$18,000 to 20,000 annually* ~ \$25,000 Staff time	Public Benefits – San Antonio

	Approved Cost Estimates	Approved Funding	Continued Cost Through FY 2018-19	Recommended One-Time Funding Source
<ul style="list-style-type: none"> Longer-term Homeless Housing Strategy Options* 			Staff time	
<p>Totals by Funding Source:</p> <ol style="list-style-type: none"> \$250,000 in one-time housing funds was discussed as part of the Fiscal Year 2016-17 Budget to be used for housing or services to low-income residents. \$477,000 in one-time funds committed as public benefit from the 400 San Antonio Road project. <p><u>Recommendation Total: \$727,000</u></p> <p>*Options Pending Council Direction:</p> <ol style="list-style-type: none"> If Council moves forward with building a waste dump site, then the project cost would be added to the CIP budget for Fiscal Year 2017-18. Depending on scope, the longer-term strategies may be a significant work item for staff. 				

CONCLUSION

At Council direction, staff has devoted considerable resources working on the complex issues of homelessness and residents living in vehicles for some time now. Based on that work and previous Council action, it is recommended that the Council:

- Approve recommendations and/or provide direction to staff to refine short-term programs and services. The recommendations are:
 - Continue to fund an Outreach Worker through Fiscal Year 2018-19 (\$90,000 for the City’s share of the cost with the County).
 - Continue to fund a Case Worker to continue through Fiscal Year 2018-19 with the County for Permanent Supportive Housing (PSH) (\$250,000).
 - Complete the CSA Outreach Plan (\$75,000).
 - Reserve funding for Permanent Supportive Housing (PSH) assistance, Rapid Rehousing, or other needs (\$250,000).

- e. Provide contingency funding for homeless initiatives (\$25,000).
 - f. Continue to fund a Porta-Potti at Rengstorff Park (\$12,000).
 - g. Provide direction on a pilot RV waste disposal program (\$25,000).
2. Provide direction to the City Manager to include appropriations of \$250,000 in one-time housing funds in the Fiscal Year 2017-18 Budget to be used for housing for services to low-income residents.
 3. Provide direction to the City Manager to include appropriations of \$477,000 in the Fiscal Year 2017-18 budget for homeless initiatives from one-time funds Public Benefits – San Antonio.
 4. Authorize the City Manager to execute contracts consistent with approved recommendations with Santa Clara County or other providers for homeless support programs, including up to \$370,000 for a Caseworker and Outreach Worker services.
 5. Provide input on six longer-term strategies to house the homeless.

ALTERNATIVES

The Council may wish to consider the following alternatives to the recommendation:

1. Council could modify one or more recommendations.
2. Council could direct staff to pursue options that were not recommended by staff.
3. Council could decide not approve any recommendations at this time.
4. Council could provide other direction.

PUBLIC NOTICING

Agenda posting, web and social meeting advisories, and a copy of the report was sent to the County, CSA, stakeholder group members, and as feasible, customers who have corresponded with the City Manager's Office on this topic.

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- Attachments:
1. [Council Report for October 4, 2016](#)
 2. [Council Minutes – October 4, 2016](#)
 3. Work Plan Summary
 4. City Department Data Summary
 5. [County Plan to End Homelessness](#)
 6. Waste Dump Station Analysis
 7. Continuum of Homeless Housing Strategies
 8. Santa Clara County Homeless Point-in-Time 2015 Census and Survey Summary of Noteworthy Statistics
 9. Map of Locations with Residents Living in Vehicles