



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jacky Morales-Ferrand

SUBJECT: SEE BELOW

DATE: February 16, 2016

Approved

D. D. Syl

Date

2/17/16

SUPPLEMENTAL

SUBJECT: RESPONSE TO COUNTY HOUSING TASK FORCE RESOLUTION

REASON FOR SUPPLEMENTAL

The February 1, 2016 memorandum on this subject included a number of in-progress initiatives that the City has undertaken to immediately address homelessness in the community. The information below provides a brief update on each of those initiatives.

ANALYSIS

The resolution adopted by the Santa Clara County Housing Task Force on October 9, 2015, pertaining to the crisis of homelessness in Santa Clara County (copy attached) included, as one of its recommendations:

“To the extent that the [other recommended] measures are not sufficient to end homelessness and no new permanent source of funding for affordable housing is forthcoming from the State, consider additional measures to address the problem.”

City Initiatives

The City has begun or will be undertaking the following eight initiatives:

Initiative	Up-To-Date Status Report
Acquisition of the Plaza Hotel	<p>The City’s acquisition of the hotel from the Successor Agency to the Redevelopment Agency (SARA) was approved by the Oversight Board on December 10, 2015.</p> <p>Staff anticipates returning to the City Council by the end of March to: (1) retain the services of an affiliate of Abode Services to act as project manager for the rehabilitation and subsequent operation of the hotel; and (2) approve \$1.8 million for the rehabilitation of the facility.</p> <p>The County of Santa Clara has recorded liens against this and some other properties held by SARA which must be released before the properties can be sold. The Administration is working with the County to remove the lien from the subject property so that the City’s purchase transaction can proceed. To-date, no agreement to release the lien has been reached.</p>
Partnering with the County Office of Supportive Housing on a RFQ to identify potential partners to design and operate temporary shelter or interim housing sites, including sanctioned encampments, that use unconventional structures and programming models	The County released the RFQ on January 5 with proposals due by February 16. City staff will sit on the evaluation review committee with grant awards anticipated by the end of March.
Shelter crisis declared to allow the opening of four overnight warming shelters during periods of inclement weather	To date, the warming shelters have been activated three times for a total of eight days and serving 96 guests.
Creation of a pilot temporary Church Shelter Program	<p>Eight faith-based institutions are participating in this effort, with each site serving up to 15 people. One opened in January, initially accommodating 11 women. It received positive <u>press coverage</u>, and no negative issues have arisen to date.</p> <p>Five more churches plan to open shelters in February, and one each will open in March and April.</p>

<p>Funding approved for to allow Abode Services to acquire the Santa Clara Inn motel</p>	<p>Abode Services expects to complete its acquisition of the motel by mid-March. Within 60 days thereafter, Abode will apply for a Conditional Use Permit to allow homeless individuals and families to be housed there.</p>
<p>A new Notice of Funding Availability (NOFA) to support the development of permanent supportive housing for the homeless</p>	<p>The NOFA, which will initially offer up to \$40 million in City funding, will be released jointly by the Housing Department and the Housing Authority this coming Spring. The partnership with the Housing Authority will provide developers with a one-stop process to apply for all the financing they need – both development costs and ongoing project-based vouchers – for supportive housing projects. The County of Santa Clara is also a partner in this program as it will be entity providing case-management services to the residents of such projects.</p>
<p>Approval of a pilot interim housing community to provide bridge housing options for homeless individuals</p>	<p>Staff has identified the City-owned 6-acre parcel on Evans Lane at Almaden Expressway (in Council District 6) as the site for development of this community.</p> <p>An RFP was issued on January 22, 2016 seeking partners to both develop and operate an interim housing community of between 100 and 170 units. Representatives from 18 organizations attended a mandatory pre-proposal conference on February 5th. Proposals are due on March 4th.</p> <p>A General Plan amendment to designate the site for residential uses is anticipated to be agendized for Council consideration on May 13th.</p> <p>Staff expects to return to the City Council by on or after May 13th for approval of the developer and the operator (could be single entity) of the project as well as funding for the project.</p>
<p>Awarding of federal funds for homeless outreach, shelter and rapid re-housing services</p>	<p>On September 15, 2015, the Council approved awarding a total of \$1,163,824 of combined CDBG and ESG funds (plus \$102,599 from the City’s Housing Trust Fund) to three service providers for outreach, shelter and rapid-re-housing services. In the four months since implementation of the grants began:</p> <ul style="list-style-type: none"> • HomeFirst provided shelter and case management services 232 homeless individuals,

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Subject: Response to County Housing Task Force Resolution

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	<p>far exceeding the goal of 100 persons for this performance period.</p> <ul style="list-style-type: none">• People Assisting the Homeless (PATH) provided outreach assistance to over 50 homeless individuals, reaching 45% of their annual performance goal within four months.• Bill Wilson Center provided 133 individuals (84 adults and 49 children) with shelter, case management and/or rental assistance services.
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/s/

JACKY MORALES-FERRAND

Director, Housing Department

Attachment

For questions, please contact Jacky Morales-Ferrand, Director of Housing, at (408) 535-3855.

**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**

WHEREAS, the Santa Clara County Board of Supervisors, at the recommendation of Supervisor Dave Cortese, created the Housing Task Force for the purpose of identifying solutions to the immediate housing needs of homeless families and individuals across Santa Clara County; and

WHEREAS, the 2015 Santa Clara County Point-In-Time Homeless Census & Survey found that there are 6,556 homeless persons living within the County, and that 63% of them have been homeless for one year or more; and

WHEREAS, the U.S. Department of Housing and Urban Development's 2014 Annual Homeless Assessment Report found that, among the 48 Major City Continuums of Care in the United States, Santa Clara County has the third largest number of chronically homeless persons, the fourth largest number of homeless individuals, the fourth largest number of unaccompanied homeless youth and the fifth largest number of homeless veterans; and

WHEREAS, the Homeless Census & Survey found that 39% of homeless individuals within the County suffer from psychiatric or emotional conditions, 38% struggle with drug or alcohol abuse, 30% have a physical disability, 25% suffer from post-traumatic stress disorder, 22% have chronic health problems, and 63% have been homeless for one year or more; and

WHEREAS, according to research published in the New England Journal of Medicine, the average life expectancy for individuals experiencing homelessness is 25 years less than those in stable housing; and

WHEREAS, the 2015 Home Not Found study revealed that, of the 511 homeless people within the study's survey population who died between 2007 and 2012, 54% of them died outside of a hospital or other institutional setting, which means that they died "quite possibly on the street;" and

WHEREAS, the Home Not Found study also demonstrated that the cost of providing services to homeless residents, including services in the health care and criminal justice systems, averaged \$520 million per year over the six-year study period, or \$3.1 billion over the entire period; and

WHEREAS, in addition to impacting the lives of homeless residents, homelessness also poses challenges for residents and businesses located near homeless encampments; and

WHEREAS, in August 2015, the San Jose Mercury News reported that the average monthly rent in Santa Clara County had reached \$2,552, making it one of the most expensive rental markets in the nation; and

WHEREAS, the 2014-2020 Regional Housing Needs Allocation identifies the need for 9,542 new Low Income units and 16,158 Very Low Income units within Santa Clara County; and

WHEREAS, Destination: Home's Community Plan to End Homelessness in Santa Clara County relies upon the "Housing First" model, which "centers on providing people experiencing homelessness with housing as quickly as possible;" and

WHEREAS, the Affordable Housing Funding Landscape & Best Practices white paper found that due to the dissolution of redevelopment agencies in California and cuts to federal programs, affordable housing funding in Santa Clara County decreased from \$126 million in 2008 to \$47 million in 2013; and

WHEREAS, the Homeless Census & Survey found that 93% of homeless people surveyed answered "Yes" when asked if they would want affordable permanent housing, were it available.

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING TASK FORCE OF THE COUNTY OF SANTA CLARA:

1. The problem of homelessness in Santa Clara County constitutes a crisis. It imposes unacceptable costs, both in terms of public resources and human suffering, and requires an urgent response from public officials across Santa Clara County.
2. The solution to the problem of homelessness is to provide homeless individuals with permanent affordable housing or supportive housing. Construction of an adequate supply of affordable housing will require the creation of new local funding sources. These funding efforts will be most successful if implemented consistently across all of the County's fifteen cities.
3. In the interest of promoting a consistent approach to affordable housing funding in Santa Clara County, the Housing Task Force recommends that all cities in the County (and other jurisdictions, where applicable) conduct their own analysis of the following measures for funding affordable housing, and formally consider whether to adopt them:
 - a. Inclusionary Zoning – Inclusionary zoning requires that developers include a percentage of below market rate units for low to moderate income households in new market-rate, for-sale residential developments.
 - b. Affordable Housing Impact Fees – Impact fees are charged to developers to mitigate the projected impacts of new market-rate developments on the need for affordable housing. The first step for jurisdictions considering an impact fee is

often to conduct a nexus study to quantify the impact of new development on housing need. There are two types of impact fees:

- i. Residential Impact Fees are assessed on new rental or for-sale housing development.
 - ii. Commercial Linkage Fees are assessed on new commercial or industrial development.
- c. Ballot Initiatives – Local jurisdictions have the ability to place tax measures on the ballot for voter approval. As jurisdictions consider whether to place tax measures on the ballot for the 2016 election cycle, they should consider including funding for affordable housing within their measures.
- d. Surplus Land – The County, Cities, and other jurisdictions have the ability to prioritize surplus land owned by the jurisdiction for affordable housing development, thereby facilitating affordability by reducing or eliminating land costs.
- e. Zoning Actions – Cities can take various zoning actions to encourage production of both deed-restricted affordable housing and “naturally” affordable housing, including:
- i. Adoption of a second unit ordinance that enables homeowners to build secondary residential structures on existing lots.
 - ii. Allowing the construction of micro-units of 200-400 square feet that are relatively more affordable than other market rate units.
 - iii. Protecting naturally affordable existing housing, such as mobile home parks. Cities can govern the conversion of mobile home parks through policy, ordinance, or their general plans. In the event parks do convert, cities can adopt replacement housing provisions that would require that displaced inhabitants be fairly compensated, that replacement housing be made available to displaced residents and that an affordable housing component be required as part of the development plan for the converted site.
 - iv. Incentivizing affordable housing by offering zoning benefits, such as increased density or height or decreased parking requirements, to make the production of affordable housing more economically viable.
- f. Boomerang Funds – Boomerang funds are former Redevelopment Agency funds that return to the County, cities and other local jurisdictions. Cities should consider whether to commit 20% of their ongoing boomerang funds to affordable

4. The Housing Task Force requests that all cities in Santa Clara County, the Santa Clara County Cities Association, other involved governmental jurisdictions, and other organizations participating in the work of the Task Force bring this resolution before their governing boards for adoption, thereby joining together to acknowledge the crisis of homelessness and pursue consideration of the above strategies, with the goal of ending homelessness in Santa Clara County.

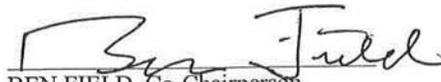
PASSED AND ADOPTED by the Housing Task Force of the County of Santa Clara, State of California, on October 9, 2015, by the following vote:

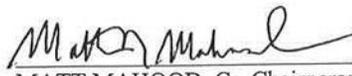
AYES: BAKER, BEALL, CHAVEZ, FIELD, GUERRA, HARASZ, MAHOOD, ROCHA, WALKER, WASSERMAN, ZWICK

NOES: NONE

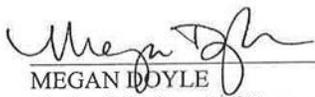
ABSENT: NONE

ABSTAIN: NONE

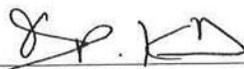

BEN FIELD, Co-Chairperson
Housing Task Force of the County of Santa Clara


MATT MAHOOD, Co-Chairperson
Housing Task Force of the County of Santa Clara

ATTEST:


MEGAN DOYLE
Clerk of the Board of Supervisors

APPROVED AS TO FORM AND LEGALITY:


ORRY P. KORB
County Counsel