

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: KELLI KUYKENDALL, HOUSING AND COMMUNITY SERVICES
MANAGER
SUBJECT: HOUSING AND COMMUNITY SERVICES
ESTABLISH A HOUSING FIRST FUND (LANDLORD
INCENTIVES, RISK MITIGATION, TENANT ASSISTANCE), AND
HOUSING FIRST HOMELESS SERVICES AND FAMILY
SUPPORT CENTERS

AGENDA ACTION: RESOLUTIONS

RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Council, by resolution, approve the following 1) creation of a Housing First Fund to provide landlord incentives, risk mitigation, and tenant assistance; 2) alignment of the Homeless Services Center, a City-sponsored program operated by Catholic Charities of the Diocese of Santa Rosa, with the Housing First model; 3) alignment of the Family Support Center, also a City-sponsored program operated by Catholic Charities, with the Housing First model; and 4) amend the Fiscal Year 2017/2018 adopted budget within the General Fund and Homeless Shelter Operations Fund to appropriate funding for these purposes in the total annual amount of \$852,000; or, by motion, defer the appropriation of funding for these purposes until the Fiscal Year 2018/2019 budget process.

EXECUTIVE SUMMARY

On July 11, 2017, Council, by motion, confirmed its direction on homeless services programing, including but not limited to the creation of a fund to provide landlord incentives, risk mitigation, and tenant assistance (Housing First Fund). Staff has collaborated with Catholic Charities of the Diocese of Santa Rosa (Catholic Charities) to develop a budget, in the amount of \$534,000, and is seeking Council's interest in supporting a Housing First Fund.

On November 14, 2017, Council approved a Grant Agreement for Homeless Services Center with Catholic Charities, in the amount of \$100,000, for the period of November 1, 2017 to June 30, 2018 to expand the program's hours of operation as part of the City's Homeless Encampment Assistance Pilot Program. Council also directed staff to return

with a budget and program to align the Homeless Services Center with the Housing First model for further consideration. Based on direction given by Council to staff on July 11, 2017, an evaluation of all City-sponsored programs in alignment with Housing First was to be completed as part of the Homeless System of Care Redesign, which is currently underway. Following Council's direction on July 11, 2017 and November 14, 2017, staff has collaborated with Catholic Charities to develop budgets for two City-sponsored programs, Homeless Services Center (\$218,000) and Family Support Center (\$100,000), and is seeking Council's interest in aligning these programs with the Housing First model.

Staff also seeks direction to amend the Fiscal Year 2017/2018 adopted budget within the General Fund and Homeless Shelter Operations Fund to appropriate funding for these purposes in the total amount of \$852,000 or to defer the appropriation of funding for these purposes until the Fiscal Year 2018/2018 budget process.

This item relates to Council Goal 6: Committed to making Santa Rosa a community where people feel safe to live, work, and play.

BACKGROUND

Housing First Fund

1. On July 11, 2017, Council, by motion, confirmed its direction on homeless service programing, including but not limited to the creation of a fund to provide landlord incentives, risk mitigation, and tenant assistance (Housing First Fund).
2. The budget to create a Housing First Fund is approximately \$534,000 annually and includes funding for landlord incentives (leasing bonuses, support hotline, marketing), risk mitigation pool (insurance pool for landlords for excessive damage and/or non-payment of rent), and tenant assistance (transportation, housing preparation costs and location, and rapid re-housing) plus funding for administrative expenses. Subject to Council direction, this program could be administered through the Homeless Outreach Services Team (HOST), operated by Catholic Charities, which is currently funded at \$486,450 for Fiscal Year 2017/2018.

Homeless Services Center

3. Catholic Charities has operated the Homeless Services Center (HSC) for twenty-four years. HSC is a multi-service day center for persons experiencing homelessness in Sonoma County which provides showers, laundry, telephone, mail service, referrals, and shelter intake, all with the goal of exiting participants out of homelessness and into housing. In Fiscal Year 2016/2017, HSC served 2,098 households. Catholic Charities also coordinates operations for HOST and Coordinated Entry programs at HSC.

4. The City has funded operations of HSC for several years with Federal Community Development Block Grant (CDBG) funds as part of the Public Services Program. The current grant agreement provides \$102,520 for the period July 1, 2017 to June 30, 2018. Operation of HSC is also funded by the County of Sonoma and through private donations.
5. On November 14, 2017, Council approved a Grant Agreement for Homeless Services Center with Catholic Charities, in the amount of \$100,000, for the period of November 1, 2017 to June 30, 2018, to expand the program's hours of operation as part of the City's Homeless Encampment Assistance Pilot Program. The City's total commitment to HSC for Fiscal Year 2017/2018 is \$202,520.
6. The budget to expand programming at HSC in alignment with Housing First is approximately \$97,000 annually and includes funding for a housing navigator and operational expenses. The budget to extend hours beyond current operations (Monday through Friday, 6:00am to 11:30am and 1pm to 5pm) to include the lunch hour and weekends (Monday through Sunday, 6:00am to 5pm) is an additional \$121,000 annually, approximately, and includes funding for a housing navigator, participant advocate, and operational expenses. The combined budgets total \$218,000.

Family Support Center

7. Catholic Charities has operated the Family Support Center (FSC) for twenty-seven years. FSC is a 138-bed emergency shelter for families experiencing homelessness, providing food, clothing, children's activities, medical and dental care, and client focused family action plans and services to overcome homelessness. In Fiscal Year 2016/2017, FSC served 492 households.
8. The City has funded operations of FSC for several years with Federal CDBG funds as part of the Public Services Program. The current grant agreement provides \$96,460 for the period July 1, 2017 to June 30, 2018. Operation of FSC is also funded by the County of Sonoma and through private grants and donations.
9. The budget to expand programming at FSC in alignment with Housing First is approximately \$100,000 annually and includes funding for a housing stabilization case manager and operational expenses.

PRIOR CITY COUNCIL REVIEW

On May 2, 2017, Council, by Resolution No. RES-2017-063, authorized the submission of the Fiscal Year 2017/2018 Action Plan to the U.S. Department of Housing and Urban Development and approved funding recommendations for Public Services, Fair

Housing, and Housing Opportunities for Persons with Aids, which included an allocation of \$102,520 for HSC and \$96,460 for FSC.

On July 11, 2017, Council, by motion, confirmed its direction on homeless services programming, including but not limited to: 1) participation in long-term regional planning efforts through the Sonoma County Continuum of Care to develop a system-wide Housing First approach; 2) implementation of short-term efforts including a pilot program to address the health and safety needs of known encampments and activation of a 50-bed housing-focused shelter; 3) evaluation of existing City-sponsored programs while regional planning recommendations are developed; 4) decision to fund a former County-sponsored program – Safe Parking; 5) decision to develop sanctioned encampments; and 6) other topics which included the creation of a fund to provide landlord incentives, risk mitigation, and tenant assistance (Housing First Fund). Council supported items 1 through 3, directing staff to prioritize the pilot program including the consolidation of the year-round and winter shelter programs at the Samuel L. Jones Hall Homeless Shelter into a 188-bed year-round housing-focused shelter; and declined items 4 and 5 opting not to fund Safe Parking or to develop a sanctioned encampment program.

On November 14, 2017, Council approved a Grant Agreement for Homeless Services Center with Catholic Charities, in the amount of \$100,000, for the period of November 1, 2017 to June 30, 2018, to expand the program's hours of operation as part of the City's Homeless Encampment Assistance Pilot Program. Council also directed staff to return with a budget and program to align the Homeless Services Center with the Housing First model for further consideration.

ANALYSIS

1. The total funding required to create a Housing First Fund and expand programming at HSC and FSC in alignment with Housing First is \$852,000 annually, as follows:

Program	Existing Funding	Proposed Funding	Total
Housing First Fund	n/a	\$534,000	\$534,000
Housing First Homeless Services Center	\$202,520	\$218,000	\$420,520
Housing First Family Support Center	\$96,460	\$100,000	\$196,460
TOTAL	\$298,980	\$852,000	\$1,150,980

2. Subject to Council direction, staff will return at a later date with contracts for these programs for Council consideration. The \$852,000 will be pro-rated for the

remainder of Fiscal Year 2017/2018. For example, for the period April 1 to June 30, 2018 the programs are anticipated to cost \$213,000, leaving a balance of \$639,000 for Fiscal Year 2018/2019. An additional needs request will be submitted as part of the Fiscal Year 2018/2019 budget to fund the programs through the end of that fiscal year.

3. Council may also defer the creation of a Housing First Fund and expanded programming at HSC and FSC in alignment with Housing First and the appropriation of funding for these purposes until the Fiscal Year 2018/2019 budget process.
4. Of the \$600,000 (Expansion Funds) approved by Council as part of the Fiscal Year 2017/2018 adopted budget for the expansion of homeless services, the remaining balance is \$3,089. The other funds were used for the housing-focused program at the Samuel L. Jones Hall Homeless Shelter (\$496,911) and to expand hours at the Homeless Services Center (\$100,000) as part of the Homeless Encampment Assistance Pilot Program.
5. Support of Housing First-focused programming at HSC and FSC and the creation of a Housing First Fund aligns with the Council's priority to address homelessness in our community and its Housing First Strategy.

FISCAL IMPACT

Funding for the creation of a Housing First Fund and for alignment of HSC and FSC with Housing First was not included in the Fiscal Year 2017/2018 adopted budget and will require an appropriation of General Funds, subject to Council direction. The total cost for these programs is estimated at \$852,000 annually, as follows: Housing First Fund (\$534,000); Housing First HSC (\$97,000 plus \$121,000 to extend hours beyond current operations for a total of \$218,000); and Housing First FSC (\$100,000).

The General Fund is currently below reserve policy levels and an appropriation of funding will exacerbate its being out of compliance. Additionally, an appropriation of funding will increase the General Fund's structural deficit annually, which may result in reductions to other General Fund programs, or drawing General Fund reserves further out of compliance with Council policy.

ENVIRONMENTAL IMPACT

The proposed services under the Grant Agreement are exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable

NOTIFICATION

Not applicable

ATTACHMENTS

- Resolution

CONTACT

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