

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jacky Morales-Ferrand

**SUBJECT: WORKPLAN FOR AB2176:
EMERGENCY BRIDGE
HOUSING COMMUNITIES**

DATE: October 4, 2016

Approved

D. D. S. y L

Date

10/4/16

INFORMATION

On September 27, 2016, AB 2176, authored by Assemblymember Nora Campos, was signed into law by Governor Jerry Brown, after passing the Assembly Floor on August 30 by a vote of 73-0 and in the Senate by a vote of 39-0. Effective January 1, 2017, the bill amends the Shelter Crisis Act to authorize a five year pilot program allowing the City of San José, upon a declaration of a shelter crisis, to create emergency bridge housing (bridge housing) for the homeless, which includes temporary housing in new or existing structures on City-owned or City-leased property. The purpose of this information memorandum is to provide Council with a background of the work leading up to the passage of this bill and an overview of the upcoming workplan necessary to fully implement this new program.

BACKGROUND

On April 23, 2014, the Rules and Open Government Committee considered a memorandum from Councilmembers Herrera and Liccardo directing the administration to evaluate the construction of "tiny homes" as an option to provide transitional housing for homeless individuals. The Committee referred the item to the Community and Economic Development Committee (CEDC). On May 19, 2014, the Housing Department provided a verbal presentation on micro-housing developments to the CEDC. The Committee directed staff to return with a comprehensive report on the range of options and available funding to support the development of this interim housing.

On September 5, 2014, the Housing Department provided a comprehensive report to CEDC regarding alternative interim housing solutions. In addition to micro-housing, the Department provided additional analysis and review on prefabricated wood-frame sheds, sheds with power and foundations, shipping containers, portable cabins, and conventional travel trailers either to be used as a shelter or transitional housing. Each option was evaluated based on cost, code issues and potential obstacles. On June 9, 2015, the Mayor's FY 2015-2016 Budget Message was

October 4, 2016

Subject: Workplan for AB2176: Emergency Bridge Housing Communities

Page 2

approved by City Council. This document directed the administration to focus on innovative approaches to rapidly housing people through the construction of small homes, conversion of motels to residential housing and the implementation of an overnight safe-parking program. The Budget Message also directed the City Manager to identify potential sites for a pilot “tiny homes” project within the next fiscal year.

On December 8, 2015, the City Council directed the Housing Department to further explore the development and operation of a sanctioned encampment pilot as a tool to meet the immediate needs of unsheltered homeless people in the community. Following this direction, the Housing Department began to coordinate immediately with the County Office of Supportive Housing to identify potential operators and concepts for a sanctioned encampment pilot program. In January 2016, the County released a Request for Proposals (RFP) for potential operators and concepts for programs utilizing unconventional structures and housing. The County did not select any sanctioned encampment programs for funding through the competitive process. As a result, the Housing Department began looking for alternative options to implement a program that would address the numerous regulatory and legal challenges when considering unconventional housing models.

On April 12, 2016, the City Council authorized support for AB 2176 and directed staff to take action to move the legislation forward, as a means to facilitate alternative housing concepts. The bill allows the City to explore innovative, cost effective methods to provide immediate bridge housing for unsheltered individuals while the City and its partners build the pipeline of permanent supportive housing developments. After multiple meetings with State legislative offices and the California Department of Housing and Community Development, the City staff negotiated amendments that addressed various service, health, safety, and habitability concerns that were raised throughout the legislative process.

At the June 28, 2016, City Council meeting, the Housing Department provided an update on the City’s efforts to implement unconventional housing projects. The City Council accepted the staff report, with the requirement that each Council Member must propose and identify a site within their District where a bridge housing community as defined by AB 2176 might be located. Staff was further directed to:

- Provide each Council Member with the parameters (e.g. acreage, ownership, restrictions) in order to propose/identify a site in each Council District for possible emergency bridge housing projects.
- Issue a Request for Proposal (RFP) to identify an operator for an unconventional structure development that would be consistent with bridge housing as defined by AB 2176, contingent upon the passage of the bill by the State.

ANALYSIS

Given the Governor's recent approval of AB 2176, the City must now undertake several concurrent actions to implement the new program following January 1, 2017, the date when the amended law will take effect.

Site Identification

The bill defines "emergency bridge housing community" to mean any new or existing facilities including, but not limited to, temporary housing structures that are reserved for homeless persons and families, together with community support facilities, showers, and bathrooms adequate to serve the anticipated number of residents, all of which may be located on property leased or owned by the City. Under this definition, the basic minimum standards for identifying a potential site include:

- A vacant or minimally developed (i.e., paving only) site of at least 0.50 to 0.75 acres;
- A 10,000 square-foot building plus parking for 16 vehicles and a dumpster enclosure.

While the physical size of the location will determine the maximum number of people that can be accommodated, sites meeting these minimum standards would allow for a community of 25 individuals living in either a converted existing structure or an emergency housing cabin, as defined under AB 2176. Given the vulnerability and needs of the residents, several other factors should also be considered when identifying suitable locations, including:

- Access to transit (ideally no further than ½-mile from a bus stop or LRT transit station)
- Ready access to utilities (electricity, water and sanitary sewer)

Since the proposed bill allows for either City ownership or leasing of sites, any available location within the boundaries of San José meeting these standards is a potential site.

Design Competition

Staff is also developing a formal solicitation to seek designs for potential bridge housing types. To accomplish this work, staff plans to structure the proposal process as a design competition. The competition will seek housing designs that meet or surpass the minimum standards outlined in the bill, while also stressing the importance of innovative features, cost effectiveness, energy efficiency, and replicability. Several of the highest scoring design proposals will be selected to develop prototypes, which will be displayed at a community exposition. The process will emphasize community input throughout the competition. Staff will establish a stakeholder groups to help inform the solicitation process, while also assembling a professional jury to judge the final prototypes. The preliminary estimate on the cost of conducting the design competition is estimated to be in the range of \$150,000 - \$200,000. Staff will work to refine the cost estimate and seek appropriation approval from the City Council as this project moves forward.

HONORABLE MAYOR AND CITY COUNCIL

October 4, 2016

Subject: Workplan for AB2176: Emergency Bridge Housing Communities

Page 4

Developer/Operator Team RFP

Concurrently, staff will also be working to identify potential developer and operator teams for the sites. The Housing Department will issue a Request for Proposals that will seek partner(s) experienced in developing a comprehensive site and an operating plan to ensure the health, safety, and security of each location. The selected agencies will submit full proposals for the total cost of construction and ongoing operation, but will be directed to use the designs identified in the aforementioned competition as the bridge housing schematics.

Shelter Crisis Declaration and Adoption of New Local Standards

As required by the law, the City Council must declare a shelter crisis to implement the new emergency bridge housing community projects. As a part of this action, in lieu of compliance with state and local building, housing, health, habitability, or safety standards and laws, the City must adopt by ordinance reasonable local standards for emergency bridge housing communities. In the coming months, the Housing Department will work with the City Attorney's Office and the Building Division of the Department of Planning, Building and Code Enforcement, to create a draft ordinance with new local standards for City Council approval. AB2176 also requires the State Department of Housing and Community Development to review the draft ordinance to ensure it addresses minimum health and safety standards and to provide its findings to committees of the Legislature.

Next Steps

The Housing Department will identify both City-owned and non-City owned sites and return to the City Council with a list of potential sites for Council action in addition to recommendations necessary to continue to move the overall project forward.

COORDINATION

The memorandum was coordinated with the Department of Planning, Building, and Code Enforcement, the City Attorney's Office, and Intergovernmental Relations.

/s/

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Director, Housing Department

For questions, please contact Ray Bramson, Division Manager, at (408) 535-8234.