

AB 2176: Emergency Bridge Housing Communities
Annual Report



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Annual Report to the State Legislature

January 1, 2020



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PURPOSE

The purpose of this report is to provide the State Legislature with an update on the progress of the City of San José’s Bridge Housing Communities (BHC) authorized under Assembly Bill 2176. In accordance with the provisions of AB 2176, the City must provide an annual report to the State Legislature to include:

1. The number of residents housed in every BHC;
2. The number of residents who have moved from a BHC into permanent affordable housing;
3. The average time required for a resident to receive a permanent affordable housing unit and;
4. The actual and projected number of permanent affordable housing units available through January 1, 2022.

Additionally, this report will provide some key data on San Jose’s homeless population and the housing interventions and solutions underway, including the implementation of AB 2176.

STATUS

On December 18, 2018, the San Jose City Council approved staff recommendations to develop two BHC’s on sites that will be leased to the City from Caltrans and the Valley Transportation Authority (VTA). Since the last report, staff has finalized lease agreements, completed development on the site owned by VTA, and opened the first site for program participants.

The VTA site opened in December 2019, with the second site projected to be complete in the Summer of 2020. Detailed later in this report are the key timelines and benchmarks in the City’s progress toward the development of San Jose’s Bridge Housing Communities. The table below provides the most recent data required under AB2176.

BHC and housing data through December 31, 2019:

Measure	Actual		Projected	
	Current year	Total *	New by 2022	Total Available by 2022
Number of residents Housed	1	1		
BHC residents exited to permanent housing	0	0		
Average time from BHC to permanent housing	N/A	N/A		
• Permanent Supportive Housing	134	154	531	685
• Transition in Place Units	47	125	100	225
• Rapid Rehousing Subsidies/Coupons	500	1400	1000	2400

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HOMELESSNESS IN SAN JOSE

Every two years, communities across the country conduct a comprehensive Point-in-Time (PIT) count of the local homeless populations to measure the prevalence of homelessness in their communities. The last PIT count conducted in Santa Clara County was the 2019 Homeless Census and Survey, which identified a total of 6,097 homeless individuals residing in San José on any given night. This PIT figure represents a 40% increase from the 2017 census when 4,350 individuals were identified. Out of the total 6,097 people, 84% were unsheltered (living on the street, encampments, in vehicles, or other areas not meant for human habitation).

SAN JOSE'S RESPONSE TO HOMELESSNESS

To address the homelessness crisis effectively, efficiently, and collaboratively, the City of San José has focused on four main approaches:

1. *Crisis Response Intervention Solutions*: Street-based services to provide temporary housing and essential basic needs services for unsheltered individuals and families in San Jose until permanent housing is secured.
2. *Housing Based Solutions*: Affordable housing opportunities through rental subsidies, the development of permanent affordable housing, and/or supportive services to attain and maintain permanent housing.
3. *Strategic Planning Solutions*: The development of a Community Plan to End Homelessness, a five-year, community-wide roadmap to ending homelessness in Santa Clara County, and an expenditure plan for the Homeless Emergency Aid Program funds provided by the State.
4. *Interim Housing*: Temporary Sheltering solutions with a bridge to permanent housing.

Crisis Response Intervention Solutions

Eighty-four percent of people experiencing homelessness in San Jose are unsheltered. With an insufficient supply of shelter beds to meet the immediate needs of the local homeless population, the City funds and operates a variety of street-based Crisis Response Intervention Programs:

- *Outreach and Mobile Case Management* engaging, assessing and referring homeless individuals to services.
- *Emergency Shelter* including Overnight Warming Locations (OWLs), which include temporary shelter in places of assembly through the Temporary and Incidental Shelter Program, and an LGBTQ- friendly shelter owned by the City and operated by the County.
- *Mobile Hygiene Services* providing showers and laundry services.
- *Safe Parking* providing a safe place for individuals and families living in a vehicle to park overnight at specified City-owned facilities.

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Housing Based Solutions

One of the primary obstacles to ending homelessness in San Jose remains the shortage of permanent affordable housing. Housing costs in the region continue to be one of the highest in the nation; combined with consistently low vacancy rates, renting a home remains out of reach for many individuals and families in San Jose. Housing-based solutions provide financial support and supportive services to prevent households from becoming homeless (keeping households from entering the shelter system), as well as supportive services and/or rental subsidies for homeless individuals and families. Below is a summary of the City's Housing Based Solutions:

- *Homelessness Prevention Programs* focus on preventing homelessness before it happens. The City has developed two programs that work to prevent homelessness for families and survivors of domestic/intimate partner violence. In one year, the collaborative Prevention Programs kept 626 families from becoming homeless with 95% of families remaining stably housed while receiving prevention services.
- *Rental Subsidies*, time-limited or ongoing, coupled with varying levels of supportive housing, help achieve housing stability and self-sufficiency for the greatest number of homeless individuals and families. In FY 2018-19 the City's Rapid Rehousing Program (RRP) enrolled 161 households (361 people) with the goal of successfully exiting the program to permanent housing. Of the 54 individuals and families who exited the Rapid Rehousing Program last FY, 83% exited to a permanent housing destination. The City also has ongoing rental subsidy programs under the federal Housing Opportunity for People with AIDS Program (HOPWA). The HOPWA program provided financial assistance and supportive services to 257 households in FY 2018-19. Additionally, subsidies and services were provided to 57 households who were survivors of domestic violence, dating violence, sexual assault, and stalking.
- *Employment Initiative*, our two-year pilot employment engagement program focused on homeless men and women in County-wide rapid rehousing programs. The result was 251 individuals being placed in full-time, living-wage jobs (72 of which were supported with City funds).
- *Supportive Services*, the Care Coordination Project is a community-wide effort centralizing the care of the County's most vulnerable and long-term homeless residents by bringing together all services and benefits that participants need to obtain and maintain housing. The City partnered with the County Office of Supportive Housing to provide funding for salaries and related costs of nine intensive-case managers and other supportive services.
- *Transition in Place Program* was developed to increase access to affordable apartments for extremely low-, very low-, and low-income households. Through subsidizing the development costs of new construction or incorporating the preference in deals as a

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consideration for renegotiation, re-syndication, or refinancing, Rapid Rehousing Participants have benefitted from the City's portfolio of existing dedicated apartments.

- *Permanent Supportive Housing (PSH)* is critical to ensure the stability of individuals with chronic disabling conditions. With 1,553 people counted as chronically homeless in the 2019 PIT count, the Housing Department has prioritized developments that include supportive housing apartments in their projects. Staff has worked with developers to ensure the City-funded projects include supportive housing opportunities for chronically homeless tenants. There are currently 154 PSH apartments completed between January 2018 and January 2020.
- *Affordable Housing Development* continues to be one of the top priorities of the City and is the focus of the City's Housing Department. In addition to the PSH apartments, the City is funding non-PSH affordable housing. The City currently has eleven affordable housing projects in the development pipeline. Five of the approved projects are currently under construction, while six projects have received entitlements but are not yet under construction. In addition to the 154 PSH apartments made available over the past two years, 91 non-PSH affordable apartments were made available in 2019. Within the next two to three years, the City anticipates an additional 745 non-PSH affordable apartments will be constructed and available.

Please note that this report only includes information on the City of San José efforts. The City coordinates with the County of Santa Clara and is participating in a coordinated assessment system. Coordinated assessment is a consistent, county-wide intake process to match people experiencing homelessness with community resources that fit their situation. That means that residents of San Jose are eligible to be placed in housing throughout the County. The numbers provided in this report do not include the additional opportunities provided by the County.

Strategic Planning Solutions

In 2015, through a public-private partnership, the Santa Clara County based non-profit Destination: Home worked with the City and County to develop a five-year community plan to end homelessness in Santa Clara County. The Community Plan to End Homelessness is the prioritized strategy of the City. The City's system of care through 1) housing-based solutions, 2) interim housing, and 3) crisis response interventions, provides a continuum of services to meet the needs of unsheltered individuals and families in San Jose. The City is currently working with Destination: Home and the County's Office of Supportive Housing to update the Community Plan to end homelessness for the next five years.

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Interim Housing Solutions

Interim housing is a relatively new strategy in San Jose, which offers temporary housing options to homeless individuals while they bridge to permanent housing. The City currently has two interim housing opportunities: The Plaza Hotel and BHC.

- *The Plaza* is a former hotel, purchased by the City and converted to Single Room Occupancy units. Since opening in 2018, The Plaza has temporarily housed both City- and County-funded Rapid Rehousing Program participants while they actively work with an assigned case manager and search for permanent housing.
- *Bridge Housing* provides unhoused individuals with a safe, healthy, and stable environment while they successfully transition from the street to permanent housing. Well-designed community support facilities, programs, and support services for the residents, which are critical to the success of interim housing, will also be included.

Residents for both The Plaza Hotel and BHC are referred through the City and County Rapid Rehousing Programs. Both programs are coordinated through the County's Continuum of Care coordinated entry system.

PROGRESS ON EMERGENCY BRIDGE HOUSING COMMUNITIES



On December 18, 2018, the San Jose City Council approved recommendations from the City administration to develop two BHCs on sites owned by Caltrans and the VTA. Construction of the two Emergency Bridge Housing Communities in San Jose will provide a total of 80 new emergency sleeping cabins (cabins). Each site will accommodate 40 cabins along with community facilities including bathrooms, showers, laundry, common kitchen, and other community space for residents. The projected goal of the BHC is to transition 50% of BHC residents to permanent housing within four months of entering the BHC. Over the next two years, City staff anticipates that the two sites will serve approximately 320 unhoused individuals through January 1, 2022.

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Over the past year, the City has successfully completed numerous crucial tasks required to construct the two BHC's and initiate site operations and related service provisions. Below is a list of achievements since last year's report:

Lease Negotiations

VTA Lease Negotiations - Immediately after site approval, City of San José staff worked with VTA staff to develop a lease agreement. Negotiations included contractor insurance requirements and mutually acceptable indemnification while navigating multiple public agency processes. Although taking longer than both City and VTA staff originally anticipated, the City and VTA finalized and executed the agreement in June 2019, six months after Council approval. The development of the VTA site took 3-6 months. The BHC opened in December 2019.

Caltrans Lease Negotiations - Negotiating with Caltrans did not progress as anticipated. In late October 2018, City staff completed a comprehensive review of the airspace lease provided by Caltrans and identified concerns with several of the lease agreement provisions. Some of the terms drafted by Caltrans would have prevented the City from constructing and operating BHC in accordance with AB2176 as approved by City Council.

Between October 2018 and June 2019, City staff continued to pursue acceptable changes to the Caltrans lease. During this period, pending legislation targeting Caltrans property for shelter and feeding programs prompted Caltrans to expand the lease discussions beyond the City's BHC use. With the pending legislation, Caltrans communicated their intent to create a standard lease or Right of Way agreement that could be used with other cities that request Caltrans sites under the proposed legislation. As the City worked to solve Caltrans concerns, Caltrans introduced additional requirements, creating additional barriers to completing the agreement.

By early September 2019, several existing and newly introduced concerns remained unresolved. After a letter to Caltrans from the City Administration and a City Council Resolution documenting the impasse, the City and Caltrans reached an agreement on November 19 after a small group of essential City and Caltrans staff met in person to negotiate the final unresolved issues. Caltrans provided the City with an electronic copy of the signed Right of Way agreement on December 20, 2019.

Development Schedule Caltrans Site

Based on specific provisions within the Caltrans Right of Way agreement, the development process will differ from the VTA site development. Given the involvement of multiple State and federal agencies, the site development review and approval process will delay the overall BHC development by at least 60 days. The estimated project schedule for development of the second site is as follows:

- January - March 2020 – Site Re-design and Plan Approval
- March - September 2020 - BHC Development

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- October 2020 - Site Opening

BHC Facilities and Amenities

Both BHC sites will be fully accessible, including site access, sleeping cabins, and community facilities. In addition to 40 sleeping cabins, each site will include the following:

1. Hygiene Building – A single-wide pre-manufactured building adapted to accommodate:
 - a) Three full restrooms, including showers;
 - b) Laundry facilities;
 - c) Community storage; and
 - d) Handwash Stations
2. Administrative Building - A double-wide pre-manufactured building adapted to accommodate:
 - a) Office space;
 - b) Common kitchen for residents to prepare and store food;
 - c) Private meeting space for residents to meet with case managers; and
 - d) A large common space for residents and staff to meet and lounge.
 - e) A food pantry for residents to obtain food and other daily necessities
3. Site design – The site design includes the following features:
 - a) Perimeter fencing for the residents' privacy;
 - b) Parking for 16 vehicles;
 - c) A trash enclosure;
 - d) A dog run;
 - e) Community garden space; and
 - f) Community gathering areas, including a partially covered accessible deck.



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Operations

HomeFirst Services of Santa Clara (“HomeFirst”) was selected to operate the BHCs on behalf of the City in 2018, through a Request for Qualifications process. Selecting HomeFirst early in the development process has allowed the operator to provide valuable perspective in the planning and development of the BHCs. Additionally, HomeFirst was instrumental in assisting City staff in the development of the BHC operations and services guidelines. Having established these guidelines early allowed HomeFirst to begin recruitment of RRP agencies and start screening residents prior to the BHC opening. Between October and the first BHC opening in December, HomeFirst purchased equipment, furniture, and supplies for the two sites, hired staff, finalized policies and procedures for each site; and coordinated informational workshops, presentations, tours, and one-on-one sessions to inform Santa Clara County Rapid Rehousing agencies about the BHC program.

The documentation and program guidelines for the operation and service provisions of Bridge Housing Communities were finalized in the last year. Both BHC sites will operate in conjunction with the City and County Rapid Rehousing Programs (RRP). Through the RRP programs, prospective BHC residents will have been referred from the community queue and will have case management support. To ensure BHC residents have the resources to meet their housing plan goals, HomeFirst will provide additional resident advocacy to augment case management and housing location services.

Support Services will be provided on site and will be structured under three categories:

1. On-site support services
2. Coordinated case management sessions
3. Workshops and learning opportunities

In addition to the time-limited housing subsidies provided through the RRP, program participants are assigned case managers that work with the participants to design individualized housing plans, connect them to essential services, and assist with housing search. The support services provided through the BHC are designed to augment the case management services and expand the BHC residents’ opportunities to meet the goals set in their housing plan and exit to permanent housing.

Potential Program Expansion

The two BHCs will be initiated as pilot projects. During the first year of implementation, City staff will work with its partners to evaluate cost, including development and operation expenses, and potential cost reduction measures. The City will also track and evaluate the performance of HomeFirst and their ability to transition residents to permanent housing. At the end of the first year of operation, staff will report back to the San Jose City Council the successes and challenges of developing and operating the two pilot BHCs. Concurrently, City staff will evaluate potential sites for future BHC locations.

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Donations & Donated Materials

Over the last year, several organizations, companies, and individuals have expressed support for the BHC concept and the efforts to combat homelessness. Support has come through public endorsements, volunteer labor, and financial contributions. Companies such as Comcast have donated approximately \$75,000 toward equipment and services to the first BHC to directly assist the participants in their housing and self-sufficiency goals. Community based organizations such as Second Harvest, and Loaves and Fishes have pledged regular food donations. Finally, Habitat for Humanity has leveraged a significant amount of volunteer labor over the past year to complete construction of the first BHC. Thus far, Habitat has organized over 1,500 individual volunteers, contributing more than 11,000 volunteer hours to build emergency sleeping cabins.

Habitat has received support from over 50 different groups, including companies such as Ebay, CISCO Systems, McAfee, Microsoft, Northrop Grumman, SAP, Wells Fargo, Sereno Group, the San Jose Sharks, San Jose Rotary, XL Construction, and many more. In addition to our volunteers, Habitat received material donations from Simpson Strong-Tie and Comcast.

State Legislation

On September 26, 2019, Governor Newsom signed Assembly Bill No.1745. AB 1745 extends the provisions of AB 2176 from January 1, 2022 to January 1, 2025, providing more time to implement the BHC program.