



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Leslye Krutko

SUBJECT: SEE BELOW

DATE: June 2, 2008

Approved

Date

6-4-08

COUNCIL DISTRICT: Citywide

SNI AREA: N/A

SUBJECT: CHANGE IN THE USE OF FUNDS GRANTED THROUGH THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (HCD) WORKFORCE HOUSING PROGRAM

RECOMMENDATION

It is recommended that the City Council adopt a resolution:

1. Approving a change in the use of \$150,223 of Workforce Housing Reward Program funds from providing permanent supportive housing for the homeless, to creating a free childcare center for homeless and at risk families, and
2. Approving a grant of \$150,223 of Workforce Housing Reward Program funds to InnVision the Way Home for the rehabilitation of the Georgia Travis Center to create a State licensed day care center for homeless and at-risk families.

BACKGROUND

In November 2002, California voters passed the Housing and Emergency Shelter Trust Fund Act, Proposition 46, a \$2.1 billion General Obligation bond funding a number of the California Department of Housing and Community Development (HCD) programs including the Workforce Housing Reward Program (WFH). The WFH program is designed to encourage cities and counties to develop new affordable housing by rewarding those jurisdictions that approve housing for low-income households and comply with State housing element law. The Program provides funds for projects that benefit and add to a community's quality of life.

On February 27, 2007, the City Council approved the adoption of a resolution authorizing the Director of Housing to submit a grant application to HCD for the WFH program, to execute all documents related to the application, and to accept the grant if awarded. Of the \$700,223 WFH funds awarded to the City in 2007, \$150,223 was designated for the provision of permanent

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supportive housing for the homeless population. However, since that time, the Housing Department has determined that these funds would have a larger impact on its goal to end homelessness if used to help initiate a free childcare center for homeless and at-risk families. In correspondence with the Housing Department, HCD determined that the proposed fund reallocation is an eligible use of the City's WFH grant.

ANALYSIS

In 2007, the Blue Ribbon Commission (BRC – now known as Destination: Home) on homelessness and affordable housing, co-chaired by San José Mayor Chuck Reed and chaired by Santa Clara County Supervisor Don Gage, was created to provide a top-flight community leadership group to give direction and support for a comprehensive approach to ending chronic homelessness in ten years. One of the proposals that came out of the BRC was to establish a One Stop Homeless Prevention and Service Center. This multi-service center, located under one roof, will provide all of the services needed by homeless persons and those at-risk of homelessness to address disabling issues, increase their stability and self-sufficiency, and ultimately access permanent housing.

Currently, the Housing Department is working with its Destination: Home partners to rehabilitate InnVision the Way Home's (InnVision) Georgia Travis Center (GTC), a day center for homeless families, for use as a One Stop Homeless Prevention and Services Center (One Stop Center). GTC currently offers a childcare center for parents while they receive services on-site. However, in order to better meet the needs of the One Stop Center clients, and foster their ability to become self-sufficient and permanently housed, InnVision is taking steps to get its childcare center licensed by the State.

The proposed childcare center will serve homeless and extremely low-income children with quality licensed child care. The goal of the childcare program is to help families reach their case management goals and quickly establish greater stability by giving parents more free time to apply for jobs, attend interviews, search for new stable housing, attend court appointments, enroll in school, or apply for public benefits. Without a child care license, InnVision can only provide child care services if the parent is on-site at GTC. By providing homeless and extremely low-income parents with a safe and enriching place for their children while they attend to the tasks that will enable them to become self-sufficient and permanently housed, the Family Place will play an important role in the City's efforts to end homelessness.

In order to have the State license the childcare center at GTC, InnVision will need to undertake the following rehabilitation projects:

- Install a bathroom with short toilets and diaper changing stations for children.
- Create alternate exit doors connecting child care classrooms.
- Build a one-way barrier between the child care area and the public areas of GTC.
- Remove two walls to increase visibility.
- Install a hand washing station in the infant classroom.

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- Install a play structure with a soft-surface underneath in the parking garage area.
- Create an inviting entranceway with a front desk reception area.

Based on contractor estimates, the cost to complete the above rehabilitation projects will total approximately \$150,000.

OUTCOME

By reallocating the funds to support the development of a free childcare center for homeless and at-risk families, the City will have a significant impact on the ability of homeless and at-risk families to become self-sufficient and permanently housed.

FISCAL IMPACT

There will be no fiscal impact to the General Fund. The funds for this project will be funded through the Workforce Housing Program appropriation in Fund 448. There will be no net fiscal impact as a result of this action.

EVALUATION AND FOLLOW-UP

No additional follow up actions with the Council are expected at this time.

POLICY ALTERNATIVES

In reaching the recommendation spelled out above, the following alternative was also considered:

Alternative #1: *The City could use the WFH funds as originally proposed for the provision of permanent affordable supportive housing for homeless households.*

Pros: Allows the City to use the funds for the provision of permanent supportive affordable housing for homeless households.

Cons: The amount of funds available would not have as great of an impact on the cost of providing permanent supportive housing for homeless households. However, the same funds would allow the childcare center to be licensed resulting in a significant number of families being assisted on their path to self-sufficiency.

Reason for not recommending While the City has other funding sources for the provision of affordable housing, grant monies to provide the needed rehabilitation to GTC are extremely limited. If the WFH funds are not reallocated, it is unlikely that

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the childcare center will become licensed due a lack of funding to address the site's rehabilitation needs.

PUBLIC OUTREACH/INTEREST

- **Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- **Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- **Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

Although this item does not meet any of the above criteria, this memorandum will be posted on the City Council Agenda Website for the June 24, 2008 meeting.

COORDINATION

This memorandum was coordinated with the Office of the City Attorney and the City Manager's Budget Office.

COST SUMMARY/IMPLICATIONS

- | | | |
|----|--|---------------------------|
| 1. | TOTAL COST OF PROGRAM: | \$150,223 |
| 2. | COST ELEMENTS OF AGREEMENTS:
Facility Improvement | \$150,223 |
| 3. | SOURCE OF FUNDING: Workforce Housing Program | (Fund 448) |
| 4. | FISCAL IMPACT: | No ongoing fiscal impact. |

BUDGET REFERENCE

The table below identifies the fund and appropriation proposed to fund the contract recommended as part of this memorandum and remaining project costs, including project delivery, construction, and contingency costs.

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Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	Adopted Budget (Page)	Last Budget Action (Date, Ord. No.)
Current Funding Available						
448	3359	Workforce Housing Program	\$2,845,309*	\$150,223	XI-64	N/A
Total Funding for Project			\$2,845,309	\$150,223		

* This appropriation is being recommended for rebudget and is subject to City Council approval. Adoption of the Proposed Operating Budget is scheduled for June 24, 2008.

CEQA

Not a project.


LESLYE KRUTKO
Director of Housing

For questions please contact Leslye Krutko, Director of Housing, at (408) 535-3851.

