



Memorandum

**TO: RULES AND OPEN
GOVERNMENT COMMITTEE**

FROM: Leslye Krutko

SUBJECT: SEE BELOW

DATE: June 2, 2010

Approved

Date

6/4/10

**COUNCIL DISTRICT: City-Wide
SNI AREA: N/A**

**SUBJECT: AB 2064 (PEREZ & BASS) – EMERGENCY SHELTER OPERATIONS
GRANT ACCOUNT**

RECOMMENDATION

1. It is recommended that the City Council approve a support position for AB 2064 (Perez & Bass).
2. Recommend a one-week turnaround to the City Council so that it can re-affirm the City's support for AB 2064.

OUTCOMES

If the Rules and Open Government Committee and the Mayor and City Council accept staff's recommendation, the City lobbyist may begin seeking support for AB 2064. Staff believes that AB 2064 deserves the utmost attention, because it will protect State funds that have been designated for emergency shelter operations.

ANALYSIS

The State Department of Housing & Community Development (HCD) provides grant awards to emergency shelters through the Emergency Housing Assistance Program (EHAP). Given the State's fiscal situation, the Governor's budget for the 2010-11 fiscal year, proposes to transfer EHAP funds to the State's General Fund. To protect these funds and ensure they are distributed to emergency shelters, AB 2064 would require HCD to issue a Notice of Funding Availability for the balance of the EHAP funds, which is currently estimated at \$4.2 million.

The EHAP provides funding for emergency shelters, transitional housing projects, and supportive services to assist homeless individuals and families. The program helps nonprofits with their operating costs and also provides loans for construction, rehabilitation, and construction of shelter facilities. EHAP is the only State-funded program that supports operational costs of emergency shelters and transitional housing. Since 2003, Santa Clara

County has received approximately \$680,000 in EHAP funds, of which nearly \$200,000 was for shelter operations and \$470,000 was for the Cold Weather Shelter Program, which has a site at Emergency Housing Consortium's (EHC) Boccardo Reception Center. Funding from EHAP has made it possible to provide 42 shelter beds for the Cold Weather Shelter Program.

Funding from EHAP has helped shelters remain open and provide services. This program is also important because the Federal Emergency Shelter Program (ESG) uses EHAP grants as a match for federal dollars. The State of California could potentially lose millions in federal funding if EHAP dollars are transferred to the State's General Fund.

Since FY 2007-08 EHAP funds have not been available to emergency shelters. Housing California, a nonprofit housing advocacy group, conducted a survey to find out how the lack of EHAP funds was impacting shelters. Their research showed that nearly 60% of previous grant recipients had to lay off staff. Also, 25,000 fewer people were able to access emergency shelter services and approximately 20 percent of shelters will be forced to shut their operations or close programs. Locally, EHC may not be able to operate approximately 400 shelter beds (including 125 in San José), because they leverage EHAP funding to receive other sources of funding.

The following organizations have registered their support for AB 2064: Housing California, The Sacramento Hunger Coalition, and United Way of the Bay Area. There has not been any registered opposition for this bill.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 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)**
- Criterion 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)**

This document will be posted on the City's website on June 4th for the June 9, 2010 Rules and Open Government Committee.

COORDINATION

Per the City's expedited bill recommendation process, this memorandum was coordinated with the City Attorney's Office and the Office of Intergovernmental Relations.

RULES AND OPEN GOVERNMENT COMMITTEE
June 2, 2010
Subject: SUPPORT FOR AB 2064 (PEREZ & BASS)

POLICY ALIGNMENT

This position is consistent with the Council-adopted 2010 Legislative Guiding Principles and Priorities: Protect Local Governments Financing and Enforcement of Affordable Housing Programs.

CEQA

Not a project.

/s/

LESLYE KRUTKO
Director of Housing

For more information, call Jessica Scheiner, Homeless & Policy Manager, at (408) 975-4417.