



CITY COUNCIL STAFF REPORT

MEETING DATE: March 6, 2019

PREPARED BY: Rebecca Garcia, Housing Manager
APPROVED BY: City Manager

REPORT REGARDING HOMELESSNESS IN MORGAN HILL

RECOMMENDATION(S)

Receive Report and provide direction.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Advancing Regional Initiatives
Enhancing Diversity and Inclusiveness
Preserving and Cultivating Public Trust
Supporting Our Youth
Seniors
and Entire Community
Protecting the Environment

2019 Strategic Priorities

Homelessness
Housing

GUIDING DOCUMENTS

General Plan/Housing Element

REPORT NARRATIVE:

Homelessness affects our communities on a national, regional, and local level. The extent of the challenge is mind-boggling. Across the nation, cities are grappling with how to positively impact the problem of homelessness in their communities. While programs have been tailored to urban communities' needs, how does a suburban community provide services with limited funding while being geographically separated from available resources, transportation, and the people that provide these safety net services?

The purpose of this report is to share what the challenges currently are, which City Departments are engaged, the combined assistance and enforcement strategy, and City response to date (support and services that are provided to the unhoused).

What is the Challenge?

California hosts a total of 113,952 homeless individuals, this represents 20% of all homeless people in the United States, and there are approximately 15,179 homeless veterans. In 2015, in Santa Clara County (SCC), there were 6,556 homeless, of that 4,654 of them were unsheltered and on the streets as opposed to staying in a temporary shelter. There are approximately 683 homeless veterans in SCC.

The Cities of Morgan Hill and Gilroy have seen a significant increase in homelessness. Morgan Hill homelessness has increased by 380%, up from 81 people in 2015 to 388 people in 2017. Gilroy homelessness increased by 64%, up from 439 people in 2015 to 722 people in 2017. New County-wide Homeless Census data will be made available in the coming months based on the 2019 Homeless Census Count that recently took place on January 29, 2019.

While the Homeless Census report is helpful in gauging whether there is an increase or decrease over a two-year period, it is only a one-day snapshot. It is fair to say that while the number of homeless in Morgan Hill and Gilroy is significantly less than other larger cities, homelessness has become visually apparent to residents in both communities based on the number of inquiries and requests for service.

What is the definition of Homelessness?

Any person living in a temporary location, such as a shelter or a place not fit for human habitation (encampment, car, abandoned building, etc.), is considered homeless, according to the Department of Housing and Urban Development.

The issue of modern homelessness is very broad and complex, affecting too many of our neighbors and communities. People experiencing homelessness can be individuals, children, or families. These unstable situations result in a spectrum of homelessness severity, ranging from those who have simply moved more than twice in 60 days, to those living on the streets. This complex issue is not unique to Morgan Hill, it is a State and Regional Crisis. It takes a toll on the economy, environment, health care and criminal justice systems, and the lives of fellow human beings.

What causes homelessness?

The Bay Area is home to some of the wealthiest and most expensive places to live in the world, yet despite the massive wealth, people are homeless and live below the poverty line on the verge of homelessness. There are many reasons people can become homeless: a traumatic event, loss of a job, the inability to pay for needed health-care, previous offenses or convictions hindering job search, drugs or alcohol use, divorce or separation, domestic issues or violence, eviction, mental or physical health, medical condition, incarceration, and housing restrictions due to probation or parole, to name a few. Risk factors coupled with a State wide "Housing Crisis", has created tremendous attention around housing, and a significant amount of policy work, across sectors to recommend housing policy changes and new legislation.

While homelessness is only one part of the greater affordability challenge, we face, it takes a toll on the economy, environment, health care and criminal justice systems, and the lives of fellow human beings. Homelessness costs Santa Clara County \$520 million a year, as high as \$83,000 per chronically homeless individual, according to the Home Not Found: The Cost of Homelessness in Silicon Valley.

Recently, attention has been focused on the ecological impact of homelessness. Trash, human waste, and other refuse from homeless encampments pollute waterways and public spaces. Since public restrooms and trash receptacles are limited, and because many businesses prohibit the homeless from accessing restrooms, homeless people are forced to use whatever location they can find to dispose of their trash and other waste. This phenomenon results in a public health hazard and contributes to additional costs.

As an example, in 2014, the Santa Clara Valley Water District released a report showing that it, with the City of San Jose, spent \$275,542 in the prior year and removed 2,011 cubic yards of debris from homeless encampments along creeks and rivers in Santa Clara County. When the Story Road Encampment in San Jose, colloquially known as the “Jungle Encampment,” closed on December 4, 2014, city officials removed 600 tons of trash and over 1,500 pounds of human waste. While the Jungle is an extreme example, it speaks to the severe impact trash and human waste have on our environment.

City Teammates Engaged

The Community Services Department (CSD) has taken the lead role on the cleanup efforts of Homeless Encampments on public property, repairs to City facilities and City property, and installation of signage and improvements to prevent misuse in the City Right of Way. CSD incurred 148 staff hours in 2017 on these efforts and 202 staff hours in 2018. Additionally, CSD annual contract expenses were \$21,585. Time spent on these activities means less time on others.

The Recreation Division has experienced inappropriate uses of City recreation facilities, resulting in increased calls for support from the Police Department at the recreation facilities. The Police Department also assists with encampment clean-ups, the cost for PD is approximately 17 hours in Officer time per each clean up (\$2,210).

While the City generally responds to Public Property issues, the City also plays a different and limited role in responding to encampments on Private Property. When an encampment becomes apparent on Private Property, City teammates will notify the Private property owner to explain the situation and express the need for cooperation of private property owners in maintaining their property. The opposite is also true; staff has led various coordinated discussions at the request of frustrated property owners who have expressed concerns for the misuse of their property. The coordinated effort includes providing service and referrals to shelters and services through outreach workers and ultimately a notice is provided that clean-up will occur.

What is the City doing to address the issue and help?

In response to the rising South County Homeless issue in 2017, the Housing Team began coordinating efforts with a balanced approach, one that can be viewed as realistic given the City’s limited resources. The Team has made every attempt to

leverage dollars and partner with the County so that the City is in-sync, as much as possible, with the County's significant coordinated "big-picture" county-wide efforts.

The following Programs are viewed as first steps or a foundation of building blocks laid in order to create a localized, well-balanced, Homeless strategy that solves for what issues we can resolve and helps as many people as we can. This philosophy of a well-balanced approach came about as a result of wanting to focus and facilitate meaningful outcomes on what is one of the greatest challenges facing the Bay Area, and at the same time understand the City's limitations, resources, and the simple fact that we are better off partnering with the County and the City of Gilroy to solve it.

By increasing affordable housing production at all levels of affordability, preserving existing affordable housing, and protecting vulnerable households from instability and displacement, the City continues to address the issue to the best of its ability.

City Programs and Services protecting vulnerable households:

- Two part-time County Homeless Outreach Workers conduct interviews and assessments (medical and social risk factors) of the homeless on the streets in the City. The City contributes \$25,000 to this larger Countywide effort.
- Ongoing County Rapid Rehousing Program, a Homeless Prevention (financial rental assistance) Program for families, targeting families with children in the school district at risk of homelessness. The City contributes \$25,000 to this larger Countywide effort.
- Per earlier Council discussions confirming that there is a need to address the issue, staff is developing a Pilot Program, in partnership with the City of Gilroy, for both Councils' consideration. Given both have limited resources, similar needs, and a shared concern, staff is recommending continuing to work together on the issue. As a first step, the City of Morgan Hill has appropriated an additional \$50,000 in Fiscal Year (FY) 2018-19 to fund a South County Case Manager or "Housing Navigator," pending similar funding commitments from the City of Gilroy and the County of Santa Clara. The Housing Team is collaboratively working on a joint proposal with the City of Gilroy for both City Councils to review, prior to submitting a funding request to the County. With the funding that has already been appropriated, we wish to contribute to the hiring of a dedicated position referred to as, the "Housing Navigator". This person will be physically located in South County to establish ongoing, meaningful connections.
- City Code Compliance Homeless Prevention Program, 3-day emergency hotel stay, in the event that a household receives a notice of violation or "red tag" resulting in homelessness – City budgeted amount \$7,000.
- Ongoing operation of Safe Park Program (FOCUS), Faith-based community volunteers offering an eight space, pet welcome overnight respite at a local church for eight homeless families (25 people max) living in their cars where they

are receiving coordinated assessment, services, meals, and support with the goal of providing some stability while they wait for permanent housing. Service daily, 7:00 p.m. to 8:00 a.m. The City contributes \$30,000 towards the case management.

- Establishment of Catholic Charities, new Countywide House Sharing Program. This is a free roommate matching program that matches community members with underutilized homes with other community residents who need an affordable option, usually in need of renting a room or house sharing.

City Production of New Units and Preservation of Existing Units

- Adopted a 15% Inclusionary Housing Ordinance, 10% required within the Downtown to promote mixed income housing development.
- Instituted increased Housing Fees (New Range is \$13.20 to \$29.00) to help create new units and fund services.
- Major Rehabilitation of Park Place near completion (1970's Village Avante), a 112-unit multifamily development that is home to 420 people. As turn-over occurs in this development, some of the units are set aside for families transitioning out of temporary housing; thus, freeing up nearby temporary units to be vacated so that room can be available for homeless families.
- Approved Eden Housing, Inc., recast and re-subordination of existing City loan for rehabilitation of Sycamore Glen Senior Affordable Housing apartment community (140 West Dunne Ave., houses Very Low Income senior residents, and consists of 20 one-bedroom units). The estimate of repairs and upgrades will total approximately \$2.3 million.
- Approved Eden Housing, Inc., recast and re-subordination of existing City loans and ground leases for the future major rehabilitation of four affordable apartment communities Skeels, Villa Ciolino, Willows and Depot Commons. The estimate of repairs and upgrades is currently being evaluated.
- NEW EAH affordable housing development scattered site is leased up; 41 new units designated for families and Transitional Age Youth (TAY) aging out of foster care and at risk of homelessness.
- UPCOMING UHC project, 39-unit affordable family housing development (corner of Monterey and Bisceglia) for homeless families and very low-income families, expected completion in October 2019.
- The Housing Team is discussing potential opportunities for farmworker agricultural housing in South County with the County Planning Department and the Office of Supportive Housing on a potential City owned site.

- Currently searching for potential affordable housing sites to meet the remaining Regional Housing Needs Assessment Goal of 115 Very Low-Income Units.

Next Steps

As a smaller city, Morgan Hill is challenged by limited resources, the City is nimble enough to quickly adjust as needed and continue the path of partnership and innovation. A synergetic approach to a systematic issue is needed to solve homelessness everywhere, but specifically in South County.

Santa Clara County will receive one-time Homeless Emergency Aid Program (HEAP) funding from the State, \$17.5 million, to be expended before June 30, 2021. Staff is developing a proposal for a South County Team of Case Managers to be housed locally, after both Councils have had an opportunity to review the proposal.

COMMUNITY ENGAGEMENT: This report provides the community with an update on homelessness.

ALTERNATIVE ACTIONS:

No alternative actions as this is a Homeless Update for the City Council and the Community.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On June 17, 2015, the City Council adopted a resolution to support the Community Plan to End Homelessness in Santa Clara County. On February 3, 2016, the Council adopted a resolution at the request of the County Housing Task Force to further affirm the City of Morgan Hill's commitment to affordable housing. On April 5, 2017, the Council authorized \$50,000 of the Housing Fund to support two new homeless programs as a partial match to the County's larger Program, a Rapid Rehousing Rental Assistance Program and Homeless Outreach Caseworker program. Shortly after, this same action was further added to at the May 19, 2017 budget workshop where the Council authorized an additional \$25,000. As a result, \$50,000 went towards outreach workers and \$25,000 towards rental assistance for a two-year period.

FISCAL AND RESOURCE IMPACT:

There is no fiscal impact in preparing this report, as it is an activity included in the Division's workplan.

CEQA (California Environmental Quality Act):

Not a Project—This is an informational report. Acceptance of the report will not have an impact on the environment.