

County of Santa Clara

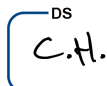
Office of Supportive Housing

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December 20, 2022

TO: Honorable Members of the Board of Supervisors
Jeffrey V. Smith, County Executive

FROM: Consuelo Hernandez, Director, Office of Supportive Housing 

SUBJECT: Distribution of Emergency/Transitional Housing and Supportive Housing

Under advisement from November 2, 2021 (Item No. 22), the Board of Supervisors (“Board”) directed Administration to provide an off-agenda report on the progress of community engagement related to the geographic distribution of emergency/transitional housing and supportive housing. The community engagement was related to exploring four specific strategies:

1. Offering higher levels of funding for private affordable and supportive housing developments in areas with a low supply of such housing.
2. Disincentivizing the siting of affordable and supportive housing projects in areas that already have a relatively high concentration of such housing by examining funding options or terms of funding options.
3. Continuing to acquire real property in geographically diverse parts of the county which property has potential for development as affordable or supportive housing.
4. Encouraging multi-jurisdictional discussion and planning with respect to the placement of emergency or transitional housing and partnering with local jurisdictions to develop a joint plan to meet those housing needs.

The Administration continues to acquire real property in geographically diverse parts of the county (Strategy No. 3). Most notable are our efforts in Cupertino, Los Altos and Palo Alto. Working with the selected developer (when applicable) and other stakeholders, the Administration develops and implements a community engagement plan for each specific property. Strategies No. 1, No. 2, and No. 4 are being implemented or explored primarily through coordination with cities’ staff which often includes participating in community input sessions and/or presentations to city councils.

This report summarizes the strategies that contributed to the current results and how the County will continue partnering with cities and others to increase and support geographical distribution of emergency/temporary shelter and supportive housing.

Impact

Since the passage of the 2016 Measure A Affordable Housing Bond (Housing Bond), the County has approved 5,052 permanent housing units, with developments funded in every Supervisorial District and in nine of 15 Santa Clara County cities. In San José, there are Housing Bond-funded developments in seven of ten council districts. Table 1 provides a summary of the housing development goals and progress for each city. This table only captures units from developments that have received a funding commitment by the Board and does not include the developments in the pipeline. Table 2 provides similar information by San José City Council District.

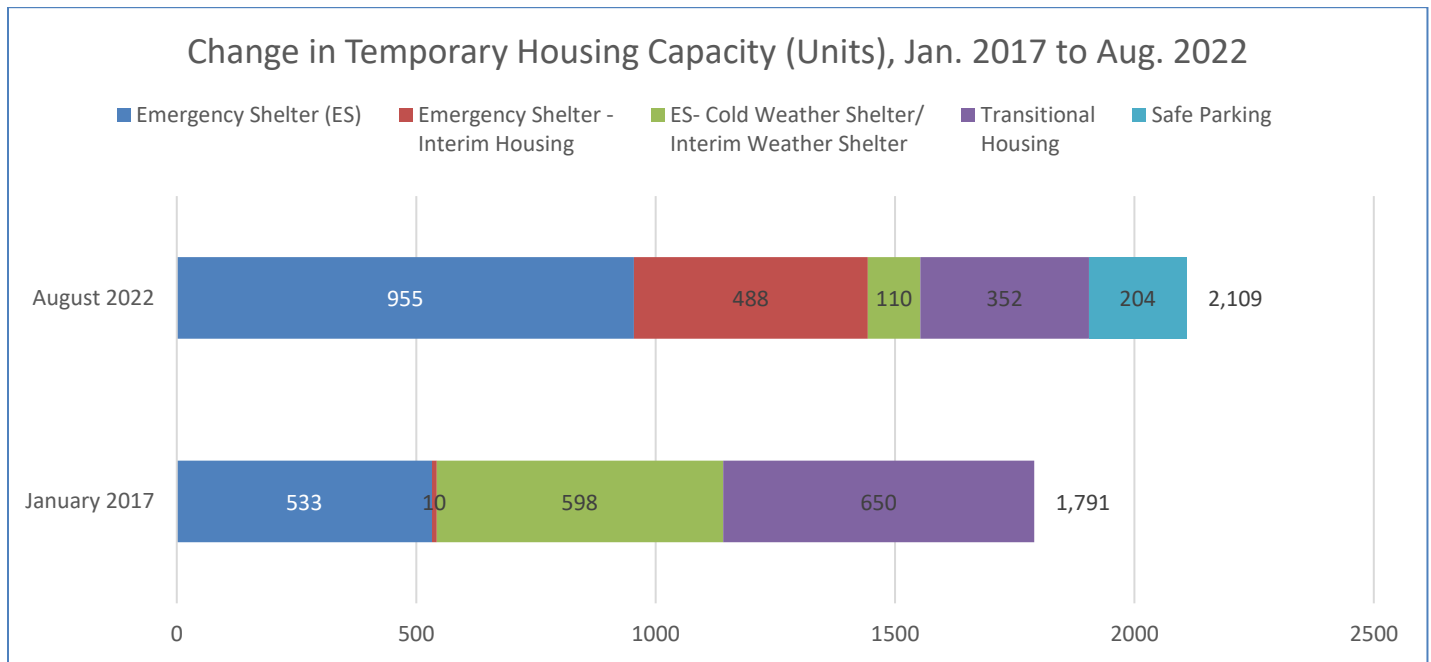
Table 1: Affordable and Supportive Housing Development Goals and Progress

Jurisdiction	Population 2010	RHNA ELI Units	Housing Bond Goal	Approved Units	Units Counted Towards Goal	Remaining Units
Campbell	39,349	126	106	-	-	106
Cupertino	58,302	178	157	19	18	139
Gilroy	48,821	118	132	75	44	88
Los Altos	28,976	84	79	90	57	21
Los Altos Hills	7,922	23	22	-	-	22
Los Gatos	29,413	100	79	-	-	79
Milpitas	66,790	502	180	456	345	-
Monte Sereno	3,341	11	9	-	-	9
Morgan Hill	37,882	68	102	178	164	-
Mountain View	74,066	407	199	269	217	-
Palo Alto	64,403	173	173	-	-	173
San Jose	945,942	4,616	2,548	3,306	2,714	-
Santa Clara	116,468	262	315	390	317	-
Saratoga	29,926	36	80	-	-	80
Sunnyvale	140,081	820	377	269	198	179
Unincorporated	89,960	11	242	-	-	242
Total	1,781,642	7,535	4,800	5,052	4,074	1,139

Table 2: 30 Housing Developments by San José Council District

Council District	Approved Projects	Council District	Approved Projects
District 1	0	District 6	13
District 2	1	District 7	2
District 3	9	District 8	0
District 4	0	District 9	1
District 5	3	District 10	1

Moreover, since January 2017, the County, cities, or other partners have added or increased emergency/transitional housing of various types, including Safe Parking, in seven of 15 cities.



Background and Systemwide Partnerships

Collective Impact Model and Community Plan to End Homelessness. In 2012, the County, the City of San José, the Santa Clara County Housing Authority (Housing Authority) and Destination: Home began implementing a “Collective Impact” model for preventing and reducing homelessness in Santa Clara County. Initially centering on various projects like the Housing 1,000 Campaign and the All the Way Home Campaign to End Veteran Homelessness, the agencies developed a partnership with shared goals. The effort has been effective because it focuses on interagency coordination and partnership with community-based organizations as well as engagement with neighborhoods and residents. This model continues to sustain the progress of a shared strategic plan, currently the 2020 Community Plan to End Homelessness (Community Plan). Over time, the number of agencies/partners has grown to include other cities, other agencies, more residents, and many persons with lived experiences. The Community Plan and our partnerships have become vehicles for communicating strategies and impact with the community members.

Housing Bond Goals & Housing Ready Communities. A key addition to countywide affordable housing efforts was the passage of the Housing Bond. The campaign for the Housing Bond was a major community engagement effort. Every city in Santa Clara County endorsed – and 67.88% of voters approved – the Housing Bond. Intending for the Housing Bond to have communitywide impact, the County set implementation goals that reflected the Board’s interest in geographic distribution. The Board approved plans calling for city-level housing production goals to ensure an equitable distribution of affordable and permanent supportive housing units across the county. Specifically, the County set a goal to develop at least one Housing Bond funded development in every supervisorial district, every city in the county, and every San José Council district. In addition to establishing the administrative infrastructure to implement the Housing Bond, the County and its partners launched “Housing Ready Communities,” which is a public awareness and community engagement strategy to support all Housing Bond-funded developments. Associated community engagement activities continue and have expanded to include other partners and community members.

Staff Planning and Coordination. Even before passage of the Housing Bond, the Office of Supportive Housing (OSH) regularly convened and facilitated meetings with staff from the 15 Santa Clara County cities. Staff-level coordination continues and includes the Housing Authority and the Valley Transportation Agency (VTA). Many of the smaller jurisdictions lack staff solely dedicated to affordable housing and homeless issues. By coming together, cities and the County are better able to develop city-specific strategies or policies, develop city-specific implementation plans for the Community Plan, meet respective Regional Housing Needs Allocation (RHNA) goals, secure State or Federal funds, and develop new emergency/transitional housing and/or supportive housing in different areas across the county. For example, the County is actively working with the Cities of Cupertino, Gilroy, Milpitas, and Santa Clara on city-specific Community Plan implementation strategies. And the County has offered technical assistance hours through a County contract with Homebase to help cities develop local priorities to address the housing and homelessness concerns in their respective city. Most recently OSH has used these meetings to discuss new State funding opportunities including Permanent Local Housing Allocation (PLHA) and the Homekey Program funds, and to support the Unhoused Task Force which includes a seat for an elected official from each of the 15 cities in the county.

Housing Development Coordination and Partnerships. Over time, the County's partnership with cities has grown. The County's partnership with the City of San José to co-fund developments and work collaboratively started in the Summer of 2016. In partnership with the Housing Authority, the County, and the City of San José, issued a local Super Notice of Funding Availability (NOFA). With a goal to incentivize the development of Supportive Housing, the Super NOFA included Section 8 Project Based Vouchers, capital funding and a commitment to provide supportive services for any permanent supportive housing unit. Successful implementation of the Super NOFA became the launching pad for standing working relationship between the three organizations. Today, the teams meet three times a month to focus on the logistics of leasing up new supportive housing units, coordinate on the housing development pipeline, and work on the siting of new developments consistent with the City of San José siting policy.

In the early days of the Housing Bond implementation OSH developed informal plans with Cities' staff but did not memorialize these commitments in writing. The unofficial commitments with the Cities of Morgan Hill, Santa Clara, and San José continue to serve as great examples of our partnerships with cities. More recently, County staff transitioned to negotiating Memoranda of Understanding (MOUs) through the lens of providing a more direct incentive to cities. To date OSH, in partnership with the Office of the County Counsel, has negotiated five MOUs that have been approved by the Board.

- On November 17, 2020, the Board approved a cost sharing agreement with the VTA in the amount of \$800,000 in predevelopment activities connected to four (4) VTA owned sites available for affordable and supportive housing. Three sites have been assigned a development partner and are in the preliminary design and community outreach stage.
- On January 28, 2021, the Board approved an MOU with the City of Los Altos for the development of 330 Distel Circle. The City's commitment included coordinating the land use approval process and waiving certain impact fees. On September 21, 2022, the Los Altos City Council approved the development of 90 affordable and supportive housing units at 330 Distel Circle, marking the first 100% affordable housing project in the city.
- On March 22, 2022, the Board approved an MOU with the City of Mtn. View which will potentially produce 351 affordable housing units across four sites including 136 supportive housing units.

- On October 4, 2022, the Board approved an MOU with the City of Gilroy to explore developing affordable housing on a County-owned parcel located on 8th and Alexander Streets.
- On October 18, 2022, the Board approved an MOU with the Housing Authority for developing at least three properties that would include at least twenty-five percent PSH units.

The County, Cities and Housing Authority partnerships have led to a more coordinated development pipeline. OSH has been working closely with affordable housing developers to encourage development in high resource areas and to strategically think about ways to leverage more State funding given that Housing Bond funds are almost fully allocated. For example, following Board approval on December 14, 2021 (Item No 8), OSH secured approximately \$9.8M in PLHA funding in partnership with the cities of Cupertino, Gilroy and Santa Clara over five years. OSH worked with the cities of Palo Alto and Mountain View on drafting their application to receive the funding directly and ensuring that Sunnyvale and Milpitas submitted their applications before November 30, 2022, and not lose access to their 2019 allocations.

OSH meets regularly with developers on a one-on-one basis to discuss their respective pipelines, the timing of their funding needs, and steps that can be taken to position the development for a successful tax credit award round. These conversations are ongoing and include city staff and other partners. In addition to having a more effective development pipeline, the partnerships enable all parties to meet the County’s geographic distribution goals more effectively and to marshal more community engagement resources for specific cities and communities. County staff, Destination: Home staff, or Housing Authority staff frequently make joint presentations with Cities’ staff at their respective City Councils.

County Led Housing Developments. In addition to working with cities and developers, Administration continues to identify underutilized County-owned properties and/or acquire properties in parts of the county without a Housing Bond-funded development. Table 3 provides a partial list of county-owned sites that are being developed with affordable, supportive, and/or workforce housing.

Table 3: County Led Sites Under Development

Project/Site Name	Developer	Status
Mitchel Park Apartments (50 units) 525 Charleston Road, Palo Alto	Eden Housing	Entitled, seeking funding
Educator Housing Project (110 units) 231 Grant Avenue, Palo Alto	Mercy Housing and Abode Communities	Entitled, construction finance closing.
Distel Circle (90 units) 330 Distel Circle, Los Altos	EAH Housing	Secured entitlements; seeking tax credits.
The Hub Housing (80 units) 1510 Parkmoor, San Jose	Allied Housing	Seeking entitlements and funding
East Santa Clara San José	Core Builders and Eden Housing	Community engagement

Temporary Shelter Coordination and Partnerships. The County’s partnership with cities extends to increasing temporary shelter programs especially in parts of the county where such services have been absent historically. The Community Plan calls for doubling the number of temporary shelter beds by the end of 2025. Over the last decade the County has supported this goal in various ways, including:

- Taking the lead in acquiring and establishing a new temporary shelter program such as the shelter at 999 Hamlin Court in Sunnyvale, the transitional housing program for homeless youth in Santa Clara, or the Casitas de Esperanza tiny home community for families in San José;
- Partnering with a city to establish a program such as the New Haven Inn, an inclusive shelter in downtown San José with focused support for individuals who identify as LGBTQ+;
- Partnering with a city and operator to establish Safe Parking programs in Mtn. View or emergency interim housing in Palo Alto; and,
- Lending support to city-led projects such as LifeMoves' emergency interim housing project in Mtn. View or the City of Morgan Hill's Safe Parking program.

The strength of our partnerships was demonstrated during the pandemic when we monitored our pandemic response including tracking daily trends which enabled agencies to shift capacity and resolve challenges as they arose. This partnership led to the operation of a centralized hotline whereby unhoused individuals who were vulnerable to COVID-19 because of age or medical conditions were eligible for hotel placements.

Over the past twelve months OSH has focused its outreach in North and South County where there is some interest by cities to identify projects that could be eligible for Project Homekey. OSH has had discussions with staff in the Cities of Campbell, Cupertino, Mountain View, Palo Alto, Santa Clara, and Sunnyvale. Separately, OSH has been working with the Cities of Gilroy and Morgan Hill to develop a South County plan that would increase basic needs services and identify a replacement for the cold weather shelter currently operating out of the Gilroy Armory. The State of California's Department of General Services identified the Gilroy Armory as surplus land and made the property available for affordable housing. OSH is working with the State on a potential partnership to ensure the developer selected is engaged with our local efforts.

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