

REPORT**To the Honorable Mayor and City Council
From the City Manager**

August 11, 2008

SUBJECT

Service League Hope House Site Acquisition for Transitional Housing

RECOMMENDATION

1. Approve Resolution authorizing Funding Agreement with Service League of San Mateo County for acquisition of 926 4th Avenue (Hope House IV) for transitional housing.
2. Approve Resolution authorizing Funding Agreement with Service League of San Mateo County for acquisition of 96 Buckingham Avenue (Hope House V) for transitional housing.

BACKGROUND

In 2005, the Council adopted a Consolidated Plan for 2005-2010 that established a strategy for expending federal funds over the five year life of the Plan to meet the needs of low income and special needs populations. The Plan targeted federal resources to meet the various needs identified in the Plan with 50% of the City's annual Community Development Block Grant (CDBG) and 90% of its annual HOME Investment Partnership (HOME) entitlement funds to produce additional affordable housing units. The Five Year Strategy focused on three primary areas that impact quality of life for Redwood City residents

- Housing,
- Services,
- facilities & jobs

Priority Strategy #1 involved expansion and preservation of affordable housing. Seven programs were identified that would be used to implement this strategy. Program #4 is acquisition of existing housing for special needs housing where supportive services are provided. The City set a goal to assist five non-profits during the Plan period to acquire such housing for special needs populations. As of June 30, 2008, the end of the third year of the Plan, the Council has approved funding for three projects, Mental Health Association's Cedar Street Supportive Housing and Service League Hope House # IV and V, achieving 60% of the five year goal as of the end of the third year of the Plan period.

In January 2008, the Housing & Human Concerns Committee recommended an allocation of \$500,000 in CDBG and HOME funds and authorized Service League staff to begin looking for sites to provide transitional housing for individuals in Redwood City. Council approved this recommendation in April as part of the Annual Action Plan for CDBG. Service League has been working with Planning and Housing staff to identify suitable properties for transitional housing in various neighborhoods and has located two suitable properties—one in the incorporated limits of Redwood City and one in unincorporated San Mateo County but within Redwood City's sphere of influence. Both dwellings are single family, will serve fewer than six persons each, and are allowed per the California Health and Safety Code.

The City has conducted a National Environmental Protection Act (NEPA) review on both

properties and found them to be Categorically Excluded pursuant to Part 58.35(a)5 of NEPA regulations. No Request for Release of Funds is required and funds may be drawn down upon Council approval of the funding agreement.

Project Description

Service League has made an offer and received acceptance to purchase two single family dwellings located at 926 4th Avenue and 96 Buckingham Avenue. Hope House IV at 926 4th Avenue in incorporated Redwood City is a single family home, 3 bedrooms, 2 baths, 1,920 sq. ft of living space on a lot of 6,011 sq. ft, and was built in 1946. Hope House V at 96 Buckingham Avenue in unincorporated North Fair Oaks is a single family home, 3 bedrooms, 1,000 Sq ft. with 1.5 baths. The properties will sell for \$683,000 and \$555,000 respectively.

Hope Houses IV & V will provide safe, affordable, and supportive transitional housing in a residential neighborhood setting to homeless individuals and individuals who are at risk of becoming homeless and who may otherwise become re-incarcerated without housing and supportive services. The residents will have access to services at the Service League Office such as emergency assistance and support, homeless prevention and housing assistance, interventions, education, supportive services, financial management, clothing and food. Other linkages include services to health care, recovery services, and self-sufficiency programs.

The beneficiaries of this effort include disadvantaged residents, individuals with an alcohol and/or other drug history who need housing due to their homeless or at risk for homeless status. They are individuals who have an extremely low or very low income. Hope House IV & V will be alcohol and other drug free. Clients in need of counseling or other intensive alcohol and other drug services are referred to agencies throughout San Mateo County. Experienced staff will visit the houses weekly and supervise the resident's activities such as weekly 12-step meeting attendance forums. Generally, all residents are required to be out of the home from 9:00 am to 4:00 pm, Monday through Friday, unless their employment hours are otherwise, or they are ill, otherwise, they must be very involved with linking and coordination assistance for their service needs, education, and other self-improvement activities. The purpose of Service League of San Mateo County's Hope House IV & V is to help chronic homeless get back on their feet and reduce the number of homeless men living in the streets of Redwood City.

This housing activity will provide 12 permanent supportive/transitional housing beds for up to one year or longer along with needed services to enable the client to stabilize and prevent homelessness and often prevent re-incarceration. Maximum service level for each dwelling is limited to 6 or fewer individuals. Clients receive a range of services in the community and have the support of both the staff and their peers in residence with them. Positive outcomes are in the areas of stabilized housing, improved health/mental health, reduction in involvement with the Criminal Justice System, increased utilization of community services, increased self-sufficiency, crime prevention, access to benefits such as health care/GA, etc, and positive changes in employment and education during this period.

Project Issues

1. Federal regulations allow Redwood City to participate in multi-jurisdictional efforts to achieve regional needs that are common to each jurisdiction. Redwood City is a joint participant in the San Mateo County 10 Year HOPE (Housing Our People Effectively) Plan to end homelessness in the county. In addition to funding operating costs for four shelters

located in Redwood City (Maple Street Shelter, Spring Street Shelter, Redwood Family House, and DayBreak Youth Shelter) the City also funds operating costs at emergency shelters in South San Francisco, San Mateo, and Menlo Park because they serve Redwood City residents and the non-profit operators maintain records of services to those individuals assisted. The City receives these reports annually and documents this benefit in its Consolidated Annual Performance & Evaluation Report (CAPER) submitted to the U.S. Department of Housing & Urban Development by September 30 of each year.

Redwood City has also funded capital improvements for public facilities like PARCA in Burlingame, Safe Harbor Shelter in South San Francisco and Domestic Violence Shelters because they serve Redwood City residents. More than ten years ago, Redwood City participated with the St. Francis Center in the acquisition of the St. Claire Apartments on Marlborough Ave, which is also located in unincorporated North Fair Oaks. A specific number of units in that building are reserved for Redwood City residents and referrals are made by local shelter and service providers through Fair Oaks Community Center.

Under CDBG regulations, the City can also provide assistance where a project is located in a contiguous jurisdiction, or within its sphere of influence, with the public benefit calculated based on the value of the City's assistance prorated to a specific number of units of service for Redwood City residents. Based on the proration of the assistance in the total acquisition, and the total number of beds available, Redwood City residents will have access to services in the unincorporated facility based on the proration of Redwood City's funding to the total acquisition cost as required in the funding agreement submitted for your approval. For example, if the facility sells for \$500,000 and Redwood City provides \$250,000 or 50% of the cost, then at least 2 of the 6 beds must be available for Redwood City residents at all times.

- $\$683,000/\$250,000 + 37\% = 37\% \times 6 \text{ beds} = 2 \text{ Beds}$ at the 4th Avenue site, and
- $\$555,000/\$250,000 + 45\% = 45\% \times 6 \text{ Beds} = 3 \text{ Beds}$ at the Buckingham Avenue site will be available for Redwood City residents

Service League has also received a funding commitment from San Mateo County to support this permanent program in Redwood City and North Fair Oaks since all of the other Service League facilities are in the incorporated area of Redwood City.

2. Service League requests that the City's funding be spread equally between the two properties. CDBG regulations permit the City to provide assistance to publicly owned facilities located in a contiguous jurisdiction or outside its jurisdiction where a regional effort is undertaken to provide services on a countywide basis. The approval of the funding agreement will total 3 special needs facilities funded since 2005, positioning the City to reach 60 % of its five year Consolidated Plan goal to provide special needs housing as well as facilitate timely expenditure of funds.


The authorizing resolutions and funding agreements for acquisition of 926 4th Avenue and 96 Buckingham Avenue are being drafted and reviewed, and these documents will be made available to the City Council and public at the City Council Meeting on August 11, 2008.

ALTERNATIVE


The Council could authorize staff to spend the entire allocated amount on one property instead of two.

FISCAL IMPACT

The total cost of the proposed programs is \$500,000. These funds for housing were previously approved from \$321,000 in CDBG and \$179,000 in HOME entitlement funds by Council in the FY 2007/2008 amended CDBG/HOME budget on May 19, 2008.



Debbi Jones-Thomas *for*
Housing Coordinator



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Economic Development Manager



Chu Chang, Acting Community
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Peter Ingram, City Manager

ATTACHMENTS

None

RELATED DOCUMENTS IN CITY CLERK'S OFFICE

None