



**STRATEGIES FOR ADDRESSING HOMELESSNESS AND  
AFFORDABLE HOUSING: NOT ONE SIZE FITS ALL  
PRESENTED BY: D. JOAN COX**



# HOMELESSNESS IN CALIFORNIA

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# HOMELESSNESS IN CALIFORNIA

- On any given night in California, more than 122,000 people experience homelessness— 22% of the entire nation's homeless population
- 25% are chronic homeless
  - Most are dual diagnosis – mental health as well as drug or alcohol addiction
  - Who haven't been receiving services for at least a year
- Average chronic homeless resident costs taxpayers \$100K every year
- Biggest cost is unreimbursed stays in emergency rooms

# MARTIN V. CITY OF BOISE: PROHIBITION AGAINST SLEEPING IN PUBLIC VIOLATES EIGHTH AMENDMENT

- The 9th Circuit Court of Appeal issued a unanimous decision September 2018 in Martin v. City of Boise, finding that the City of Boise's prohibition against sleeping in public violates the Eighth Amendment's prohibition on cruel and unusual punishment when the homeless individuals have no access to alternative shelter.
- The Court held that the Eighth Amendment prohibits ordinance enforcement if such ordinances criminalize homeless individuals for sleeping outside when they have no access to alternative shelter.
- This decision greatly impacted the enforcement of similar state laws, such as California Penal Code section 647(e) prohibiting illegal lodging, which was at issue in Orange County Catholic Worker v. Orange County prior to last October's settlement.

# MARTIN V. CITY OF BOISE

- Notably, the Martin Court reaffirmed the reasoning in an earlier-decided case, Jones v. City of Los Angeles (9th Cir. 2006) 444 F.3d 1118, which held that the city's enforcement of local camping ordinances violated the Eighth Amendment by imposing criminal penalties for sitting, sleeping, or lying outside on public property when homeless individuals could not otherwise obtain shelter.
- The Martin decision confirms that cities cannot enforce camping/lodging prohibitions if their local homeless population faces inadequate shelter space.
- Based on Martin, it appears that the city enforcing the ordinance must have shelter space available within its own jurisdiction; additional shelter space elsewhere, even if nearby, does not augment the options.

# MARTIN V. CITY OF BOISE

- The Court also makes clear that its opinion does not apply to “individuals who do have access to adequate temporary shelter, whether because they have the means to pay for it or because it is realistically available to them for free, but who choose not to use it.”
- Nor does the decision completely prohibit cities from banning sitting, lying, or sleeping outside at particular times or in particular locations.
- The Court further indicated that prohibitions on the obstruction of public rights-of-way or the erection of structures likely will remain permissible.
- And finally, an ordinance’s valid enforcement will ultimately depend on whether that law criminalizes an individual for not having the means to “live out” the “universal and unavoidable consequences of being human.”
- So the Martin decision still gives cities important tools in regulating these particularly problematic areas.

# ADDRESSING HOMELESSNESS

- Current Vision to Address Homelessness:
  - Housing First
  - “Through dignity and respect, empowering people at risk or experiencing homelessness toward a hopeful and independent life.”
- On 7/1/16, CA passed a bill called “No Place Like Home” which allocated up to \$2B in bond proceeds for permanent supportive housing for chronic homelessness in CA

## THREE CASE STUDIES

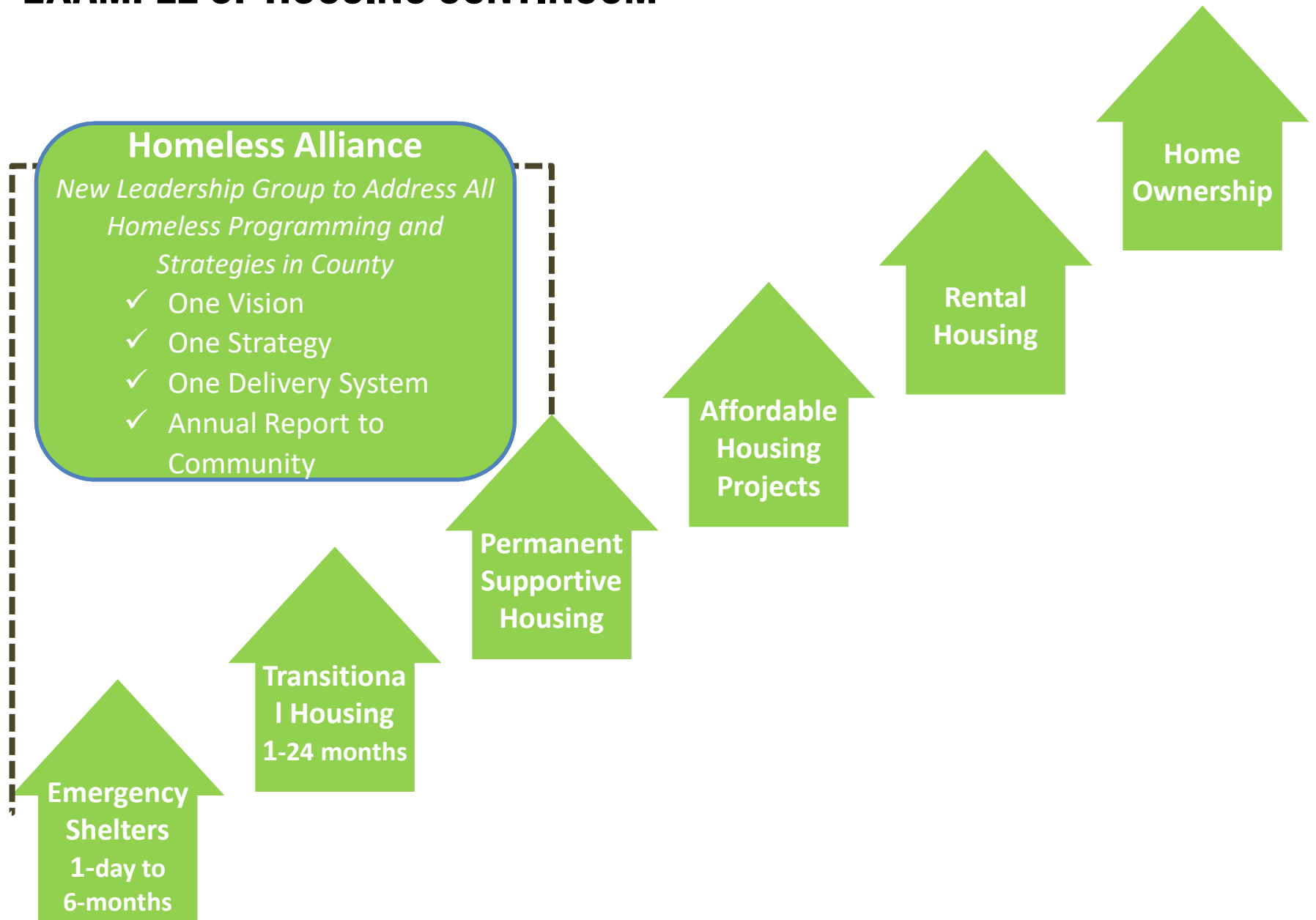
- Alone we do so little; together we can do so much – Helen Keller
- Some examples of collaboration from:
  - Marin County
  - Stanislaus County
  - Orange County



## THREE CASE STUDIES

- Stanislaus County / Modesto/ Turlock:
- By partnering with Stanislaus County, the City of Modesto and The Salvation Army will house over 300 homeless in emergency shelter and transitional family housing by the end of 2019
- By partnering with Stanislaus County, the City of Turlock will house its homeless veterans
- By partnering with other Cities (Patterson, Oakdale), Stanislaus County will create a total of 821 new beds

# EXAMPLE OF HOUSING CONTINUUM



# ESCAPING HOMELESSNESS

Results	Our families and neighbors who are homeless, or at risk of homelessness, permanently escape homelessness.			
Indicators	<b>1. For individuals who are homeless:</b> <ul style="list-style-type: none"> <li>a.Reduce the number of people experiencing homelessness</li> <li>b.Reduce the average length of time someone is homeless</li> <li>c.Increase % access to resources to improve well being</li> <li>d.Increase % experiencing improved well being</li> </ul> <b>2. Improve the safety of parks and neighborhoods</b> <b>3. Decrease the occurrences of public anti-social behavior</b>			
Strategies	Outreach & Engagement	Coordinated Access	Services & Supports	Housing
	Data Development & Capacity-building			
	<b>Mutually reinforcing activities and strategies</b> across multiple sectors and communities: Multi-sector activities / Countywide activities / Community and City level activities			



# CONTINUUM OF CARE

## Outreach & Engagement



- Outreach & Engagement Center
- Outreach Team / CARE Team /
- Downtown Streets Team

## Coordinated Access



- “One-stop Shop” Access Center
- Hub & Satellite Model
- Coordinated Entry

## Shelter & Housing\*



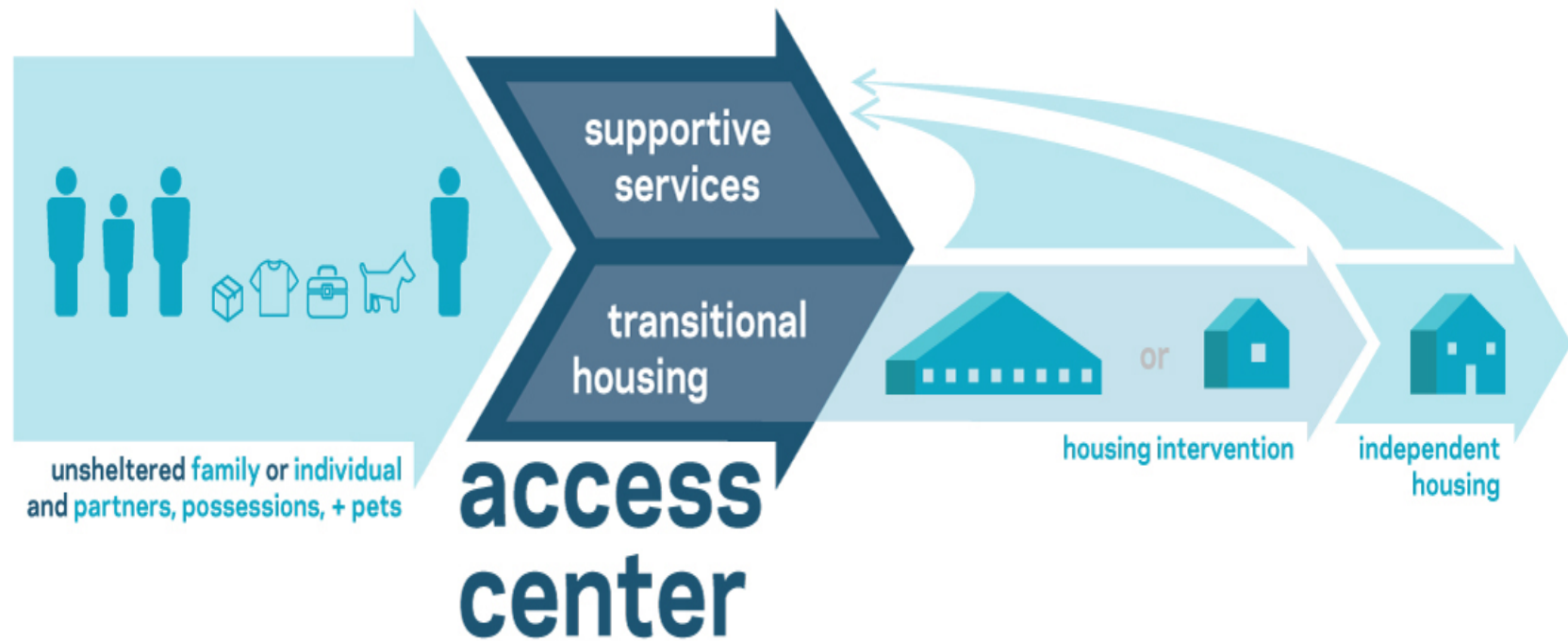
### Shelter & Housing Inventory

- Emergency Shelter
- Transitional Housing
- Rapid Rehousing
- Permanent Supportive Housing

### Supportive Services / Peer and Community Supports

Behavioral Health / Health / Basic Needs / Employment Training / Peer and Community Support

# A COMMUNITY VISION: ACCESS CENTER



# A COMMUNITY VISION: ACCESS CENTER



The Access Center will work with **transitional** and **intervention** housing options around Stanislaus County.



# THREE CASE STUDIES

- Marin County / San Rafael / Novato / Sausalito:
- By partnering with Marin County, the City of San Rafael, Homeward Bound, St. Vincent de Paul and Ritter House, the most recent tally indicates a reduction of 1/3 (130) in chronic homeless in Marin County. They boldly plan to end chronic homelessness in Marin County by 2022.
- The City of Novato is partnering with the County of Marin to develop a city-owned lot for veterans homeless supportive housing, creating an opportunity to get rid of veterans homelessness in Marin County in 5-8 years.
- The City of Sausalito is partnering with the County of Marin to transition its homeless anchorouts off the water where at least one person dies each year onto slips in marinas at the City's expense in a pilot program designed to provide a coordinated entry point

## THREE CASE STUDIES

- Orange County:
- 3/12/19: Orange County Board of Supervisors Unanimously Adopted Housing Trust Fund Agreement
- Next step: Cities must approve a similar agreement to participate in the Trust
- The Trust is a regional housing body to help fund 2,700 permanent supportive housing units for homeless people for \$930M
- Governor Brown signed the bill to create the JPA in September, 2018

# TOOLS TO AVOID NIMBYISM AND DELAY

- Emergency Shelter as of Right: SB 2 requires require local government to identify a zone or zones where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit
- Intergovernmental Immunity: Cities and counties are mutually exempt from each other's zoning regulations relative to property that one such entity may own within the territory of the other. *Lawler v. City of Redding* (1992) 7 Cal.App.4th 778, 783-784; 40 Ops.Cal.Atty.Gen. 243 (1962).
- Shelter Crisis Declaration: Govt. Code 8698: suspends certain regulations that could delay the project
- Public Contract Code Section 22050: Expedited procurement
- Prevailing Wage Exemptions: Labor Code 1720(c)(4): the project is for construction, expansion or rehabilitation of not-for-profit facilities to provide emergency shelter and services for the homeless where more than half the costs are from private sources, excluding real property that is transferred or leased



# FUNDING HOMELESSNESS STRATEGIES

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# FUNDING HOMELESSNESS STRATEGIES

- Last year's state budget provided more than \$700 million to help local governments and entities combat homelessness including \$200 million to prevent homelessness.
- Each year, local governments must navigate the requirements for existing and new programs all within a matter of months. Decision makers will need to determine how to fold these new funding opportunities into local efforts that are already underway.

# FUNDING HOMELESSNESS STRATEGIES

PROGRAM	FUNDING	ELIGIBLE APPLICANTS	DEADLINE	SPECIAL RULES	USES	STATE ENTITY
Homeless Youth and Exploitation Program	\$1M new funding; \$2.077M total funding	4 counties: - LA - SD - SF - Santa Clara	6/29/18	Limited to homeless and exploited youth	Outreach, food, safe shelter, stabilization planning	Office of Emergency Services
Housing for a Healthy California (AB 74)	\$36M (Nat'l Housing Trust Fund) & TBD up to \$56M (from SB 2)	Counties and/or developers	May 2019	One-time funding of SB 2 funds	Construction or acquisition of affordable housing, operating assistance, admin costs	Department of Housing and Community Development

# FUNDING HOMELESSNESS STRATEGIES

PROGRAM	FUNDING	ELIGIBLE APPLICANTS	DEADLINE	SPECIAL RULES	USES	STATE ENTITY
CalWORKS Housing Support Program (HSP)	\$24.2M in 2018-19; \$48.4M in 2019-20	County human services depts	8-9/18	Suppl. to existing HSP programs	Assist CalWORKS families with move-in assistance, temporary rental subsidies, case mgt	Dept. of Social Services
CalWORKS Homeless Assistance Program (HA)	\$8.1M in 2018-19; \$15.3M in 2019-20 to raise daily rate from \$65 to \$85	County human services depts	8-9/18	Suppl. to existing HA programs	Up to 16 days of housing assistance/ vouchers for CalWORKS recipients	Dept. of Social Services

# FUNDING HOMELESSNESS STRATEGIES

PROGRAM	FUNDING	ELIGIBLE APPLICANTS	DEADLINE	SPECIAL RULES	USES	STATE ENTITY
Homeless Mentally Ill Outreach and Treatment Program (MNIOT)	\$50M	Direct allocation to counties; County must pass Resolution & notify DHCS	9/25/18	One-time funding; can't use in place of existing funding for services	Fund multi-disciplinary teams for outreach for homeless persons with mental illness	Dept. of Health Care Services
California Emergency Solutions & Housing Program (CESH)	TBD up to \$56M (portion of 50% of SB 2 first year revenue)	Admin Entities designated by Continuums of Care (e.g., local government & nonprofits)	10/15/18	One time funding w/ 2 rounds anticipated 11/18 and Early 2019	Rental assistance, operating subsidies for permanent & emergency housing intervention, systems support	Dept. of Housing & Community Development

# FUNDING HOMELESSNESS STRATEGIES

PROGRAM	FUNDING	ELIGIBLE APPLICANTS	DEADLINE	SPECIAL RULES	USES	STATE ENTITY
Domestic Violence Assistance Program	\$8M new funding; \$28M total state funding 2018-19	Existing orgs or applicants may apply	9/7/18	Non-competitive	Shelter, transitional housing, services for victims of domestic violence	Office of Emergency Services
Homeless Emergency Aid Program (HEAP)	\$350M (\$250M based on homeless count; \$100M based on total share of homeless count)	Cities or counties via Continuums of Care	12/31/18	Counties must declare shelter crisis	Homeless prevention, criminal justice diversion, emergency aid, svcs for homeless youth (5%)	Homeless Coordinating and Financing Council / Business Consumer Services and Housing Agency



# FUNDING HOMELESSNESS STRATEGIES

PROGRAM	FUNDING	ELIGIBLE APPLICANTS	DEADLINE	SPECIAL RULES	USES	STATE ENTITY
No Place Like Home / Prop 2	\$200M in 2018-19; up to \$1.8B in bond proceeds	Counties or counties working with nonprofit developer	8/15/19 1/30/19		Build / refurbish permanent supportive housing for mentally ill	Dept. of Housing & Community Development
Home Safe Program	\$15M over 3 years	County Adult Protective Services	12/3/18	Funding available over 3 years; must provide 1:1 matching funds; pilot program	Housing supports and services for victims of elder and dependent adult abuse	Department of Social Services

# EXAMPLES OF FUNDING CONSTRAINTS

- Timing
  - 50% of HEAP funds must be contractually obligated by 1/1/20; and
  - 100% of HEAP funds must be expended by 6/30/21
- Eligibility
  - Counties / Cities must declare a shelter crisis
  - HEAP funds may not be used in cities that do not declare a shelter crisis

## OTHER FUNDING SOURCES FOR HOMELESSNESS STRATEGIES

- Loan from Tobacco Securitization Fund
- Bonds
- Public Private Partnership (i.e., County / City / The Salvation Army / The United Way / Turning Point)
- Private donations
- Other grant monies (i.e., Adam Grey)

# SHORTAGE OF AFFORDABLE HOUSING

- In California, we currently have the lowest home ownership rates since the 1940's
- If you look at top 30 most expensive rental markets in America, California is home to 21 of them
- Various legislators are attempting to address this challenging issue in vastly different ways
- You may be aware that there were 15 housing bills proposed last year.
- Perhaps the most well known was SB 827, which was opposed by many people in part because it took a one size fits all approach
  - Would have required cities to allow denser and taller apartment and condo buildings near major public transit stops
  - What works for SF or LA will never work for other communities
  - Bill died in committee

# GAVIN NEWSOM'S PROMISE

- Governor Newsom has pledged to rapidly expand California's housing stock by 3.5 million units by 2025 and to streamline state housing regulations.
- He has pledged to increase affordable housing tax credit from \$85 million to \$500 million, phased in over a few years, to spur new housing development.
- Overall, Governor Newsom's spending plan calls for \$2 billion in one-time and ongoing funds for all housing initiatives, ranging from local planning grants to loans to help middle-income residents afford homes.

## **A HOUSING BILL WILL PASS IN 2019: THE QUESTION IS WHICH ONE(S)**

- If a housing bill is passed by the legislature, Governor Newsom will sign it
- The strategy of “no” will not work
- Local public agencies have to be proactive
- If we are not developing some type of alternative, we will have to live with the consequence of saying no



# AFFORDABLE HOUSING

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# WHAT IS AFFORDABLE HOUSING?

- According to the federal government, housing is “affordable” if it costs no more than 30% of the monthly household income for rent and utilities. Most affordable housing developments are built for families and individuals with incomes of 60% or less than the area median income (AMI).



# WHAT IS AFFORDABLE IN CALIFORNIA?

- In California, 36% of homeowners and 48% of renters spend more than one third of their household income on housing. For the 32% of working renters who spend over half their income on housing, they must choose between other necessities such as food, clothing, transportation, and medical care.
- In Orange County, low income means a salary between \$38,300 and \$61,328; very low income means a salary between \$22,980 and \$38,300.
- In order to afford the fair market rent for a 2-bedroom apartment (an average of \$1,354 per month) – without paying more than 30% of income on housing – a household must earn \$4,514 monthly or \$54,168 annually. That's the equivalent of 3.3 minimum wage jobs.

# WHO IS BEING LEFT OUT OF CALIFORNIA'S HOUSING MARKET?

Job Category	Median Income in California
Nursing Assistants	\$27,900
Security Guards	\$24,120
Janitors and Cleaners	\$23,590
Restaurant Cooks	\$23,200
Retail Salespersons	\$22,000
Home Health Aids	\$21,870
Cashiers	\$20,540
Disabled	\$14,771 or less

# WORST 10 CALIFORNIA COUNTIES BY SHORTFALL OF HOMES AFFORDABLE AND AVAILABLE TO EXTREMELY LOW-INCOME HOUSEHOLDS

County	Shortfall of Homes Affordable and Available to ELI Households	Affordable and Available Homes per 100 ELI Renters
Los Angeles	376,735	19
San Diego	79,795	18
Orange	70,125	18
Alameda	44,560	27
Santa Clara	39,465	26
San Bernardino	36,375	18
Sacramento	36,040	21
San Francisco	35,855	37
Riverside	31,875	20
Fresno	23,810	20

# BENEFITS OF AFFORDABLE HOUSING

- Opportunity to provide targeted health and social services to help end the cycle of poverty.
- Services for low-income families may include adult education, financial literacy programs, health and wellness programs, child care, and after-school programs.
- Permanent supportive housing for the chronically homeless produces significant savings on the healthcare and public safety systems.



# SOLVING AFFORDABLE HOUSING SHORTAGE

- All of us to work together to solve this crisis
- There are four main drivers:
  - Higher land prices
  - Fewer public dollars available to build
  - Regulatory hurdles
  - Lack of units in greater demand
- It is believed that we have a shortage of all income categories when it comes to housing.
  - That is true regarding home ownership.
  - That is not true when it comes to rentals.

# AVAILABILITY OF AFFORDABLE HOUSING

- Between 2015-2025 according to Housing and Community Development (HCD):
  - We will see a surplus of 300,000 market rate rentals
  - We're short 960,000 units short for low income families living 50-80% of area median income
  - We're short 1.5M units for families living on 30-50% of area median income
  - We're short 1M units short for families living 30% or lower

# AVAILABILITY OF AFFORDABLE HOUSING

- There are 5,395 low income housing apartment complexes which contain 423,861 affordable apartments for rent in California. Many of these rental apartments are income based housing with about 174,786 apartments that set rent based on your income.
- Often referred to as "HUD apartments", there are 94,613 Project-Based Section 8 subsidized apartments in California.
- There are 242,746 other low income apartments that don't have rental assistance but are still considered to be affordable housing for low income families.

# FEASIBILITY OF AFFORDABLE HOUSING

- Affordable housing is built as a result of strong partnerships between governments, housing developers, community leaders, and private financial institutions.
- Generally, a project will be considered financially feasible if:
  - The developer can secure financing for the total costs of acquiring and developing the housing facilities (hard and soft costs)
  - Net operating income from the project will be sufficient to pay the debt service on the project after completion

# FEASIBILITY OF AFFORDABLE HOUSING

- \$11B in monies from the State of California will be available over the next five years for affordable housing construction
- \$2B for chronic homeless housing construction

# CALIFORNIA'S LEGISLATIVE MOVEMENT TOWARD MORE AFFORDABLE HOUSING

- CA Const. Article 34 (1950): “no low rent housing project shall hereafter be developed, constructed, or acquired in any manner by any state public body until a majority of the qualified electors of the city, town or county ... approve such project by voting in favor thereof at an election to be held for that purpose, or at any general or special election.”
- Compliance with Article 34 adds \$10-\$80K to cost of low-income housing.



# CALIFORNIA'S LEGISLATIVE MOVEMENT TOWARD MORE AFFORDABLE HOUSING

- State Senator Ben Allen is proposing to add a referendum to 2020 ballot that would repeal Article 34. Effort is supported by LA Mayor Eric Garcetti.
- Assemblymember Cecilia Aguiar-Curry: constitutional amendment to make it easier for local governments to fund new housing: lower voter approval threshold from 2/3 to 55%.
- One bill would add \$500M to state's budget for low-income housing tax credits
- Another bill would add funds to state's Multi-Family Housing Program.
- A couple of bills create more precise definitions and requirements for tracking homelessness.

# CALIFORNIA'S LEGISLATIVE MOVEMENT TOWARD MORE AFFORDABLE HOUSING

- State Senator Scott Weiner is proposing SB 50, the More Housing, Opportunity, Mobility, Equity, and Stability (HOMES) Act: a sequel to SB 827, an incentive package to generate new housing near transit that failed in committee last year.
- State Senators Mike McGuire and Jim Beall are proposing SB 4, intended to “limit restrictive local land use policies” and “encourage increased housing development near transit and job centers.”

# NEW LEGISLATION: SB 50

## ONE SIZE FITS ALL

- Mandates denser development in more affluent job-rich communities, even if they don't have high-intensity commute transit service
- Allows cities with “sensitive communities” – neighborhoods adjacent to transit that have a high risk of gentrification and displacement – extra time to develop alternative planning processes focused on development of affordable, multifamily housing
- Qualifying projects exempt from local limits on housing density and parking requirements
- Developments in “transit-rich” neighborhoods get added incentives to include affordable units, i.e., waiver of height limits of less than 45 feet within ½ mile to ¼ mile of a major transit stop, and less than 55 feet within ¼ mile of a major transit stop
- Waivers of FAR would allow developers to build more housing on a given parcel

## **NEW LEGISLATION: SB 4**

### **NOT ONE SIZE FITS ALL**

- Within 1/2 mile of ferry terminal or fixed rail in cities that have all 3 qualifications:
  - Cities of 50,000 residents or more or urban parts of unincorporated areas in counties of over 1M; AND
  - Not meeting RHNA goals for one or more income levels; AND
  - Produced more jobs than housing over the past 10 years
  - (This would affect 60% of the State)
- Developer could build up to maximum height allowed in zoning + one story

## NEW LEGISLATION: SB 4

- 30% of those units w/in 1/2 mile of public transit rail line or ferry terminal in community of 50,000 or more must be affordable
- If we're going to adopt a streamlined approach for developers, we have to get workforce housing built
- If you live in a city of 50,000 and up or urban land in unincorporated areas in counties with populations over 1M, a fourplex by right on vacant land
- In a city of 50,000 and less or urban land in unincorporated areas in counties with populations less than 1M, a duplex by right on vacant land

## **NEW LEGISLATION: SB 4**

- Other housing bills will not take population into account
- Other housing bills do not respect existing density
- Other bills will require density increases within business districts, near schools, or near bus lines
- SB 4 focuses on passenger rail line and ferry terminals

# COMPARE SB 50 TO SB 4

Criterion	SB 50	SB 4
Respects population	No	Yes
Respects urban / suburban designation	No	Yes
Max height	45-55'	1 story above existing
Affected areas	Within business districts, near schools, or near bus lines	Passenger rail line and ferry terminals
Acknowledges differences among communities	No	Yes
Streamlined approval process	Yes	Yes
Exempts historic district, coastal zones, Very high fire hazard severity zones, flood plains	No	Yes

# **NEW LEGISLATION: SB 5**

## **AFFORDABLE HOUSING AND COMMUNITY DEVELOPMENT INVESTMENT PROGRAM**

- How to get them built?
- SB 5 would take a portion of the Educational Revenue Augmentation Fund (ERAF) as it once did with redevelopment and dedicate that to affordable housing.
- 50% of funding is dedicated for affordable housing. \$200M in plans may be approved in the first year, increasing in \$200M increments each year until reaching \$1B in the first 5 years. \$250 million in plans may be approved each year over the next 4 years until reaching \$2 billion.
- Three other areas where the remainder of the 50% can be used:
  - Transit oriented development
  - Sea level rise
  - Neighborhood revitalization
  - Sewer and water hookups for affordable housing – some of the biggest costs for affordable housing are hookup costs



# AFFORDABLE HOUSING ALTERNATIVES

- Beyond traditional market-rate and deed-restricted homes, there are alternative housing models that can help address home supply and affordability in California, including:
  - manufactured housing,
  - community land trusts,
  - micro-units,
  - tiny homes,
  - single resident occupancy (SRO) dwellings,
  - co-housing,
  - multigenerational housing,
  - liveaboards,
  - accessory dwelling units (also referred to as second units, in-law units, or granny flats), and
  - Junior accessory dwelling units (no larger than 500 square feet)

# QUESTIONS TO CONSIDER

- When you consider competing housing bills, you might consider the following questions:
  - Why should a City meeting its low and very-low income housing RHNA requirements be penalized?
  - Does this bill have the flexibility to accommodate fully built out cities that have no more room to grow and no more FAR to give?
  - Does this bill have the flexibility to accommodate fully built out cities that do not have adequate infrastructure to accommodate increased density?
  - Does this bill have the flexibility to accommodate fully built out cities that lack the ability to safely evacuate additional residents that will result from increased density?

# QUESTIONS?



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**THANK YOU FOR ATTENDING!**  
**PRESENTED BY: D. JOAN COX**