




**OFFICE OF COUNCILMEMBER CHRISTOPHER WARD  
THIRD COUNCIL DISTRICT**

**M E M O R A N D U M**

DATE: March 20, 2017

TO: Mayor Kevin L. Faulconer  
Council President Myrtle Cole, Fourth Council District

FROM: Councilmember Christopher Ward, Third Council District 

SUBJECT: Complementary Homeless Strategies for the City of San Diego

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As the City of San Diego reaffirms its commitment to permanent supportive housing opportunities and embraces a coordinated and collaborative approach to its homeless crisis through the work program docketed for City Council discussion today, I would like to offer additional, complementary strategies for the City to explore to make significant progress toward real and necessary housing and services solutions for thousands of homeless San Diegans.

My approach to homelessness is guided by the principles of housing-first, coordinated-entry and data-driven strategies, decriminalization, and balancing health and safety concerns of our communities with the rights and needs of people who are living in deplorable conditions.

Housing First: Land Use and Housing Strategies

 ***Comprehensive Review of Public Lands for Affordable and Permanent Supportive Housing Opportunities***

The City can facilitate the development of affordable and permanent supportive housing by making public land available for eligible projects. Parcels may be surplus, undesirable or underutilized public properties, as well as vacant, abandoned, and tax-delinquent private properties acquired through purchase or tax foreclosure.

Additionally, the City should engage other government, transit agencies and special districts (e.g. Civic San Diego, the San Diego Housing Commission, the County, SANDAG, MTS, SDUSD) which may own property that is no longer useful for its original purpose, or is ideally situated for shared public and private uses (e.g., transit-oriented development).

***✚ Establish a City-sponsored Community Land Trust to Provide Affordable and Permanent Supportive Housing***

In partnership with the San Diego Housing Commission (SDHC), the City should explore the creation of a community land trust (CLT) or similar structure which holds title to land to preserve its long-term availability for affordable housing and/or permanent supportive housing. CLTs receive public or private donations of land or use government subsidies to purchase land on which housing can be built. Ownership of the land, along with the imposition of durable affordability controls over the resale of any housing located on its land, allows the CLT to ensure that homes will remain affordable for generations. CLTs can play a similar role in preserving the affordability of rental housing and permanent supportive housing.

CLTs are increasingly being adopted by local governments facing urgent housing-affordability needs. Frustrated by housing costs that are rising rapidly beyond the reach of low- and moderate-income families thereby contributing to homelessness, and concerned about the steady loss of affordable homes, municipalities as different as Irvine, CA, Chicago, IL, Sarasota County, FL, Austin, TX, Delray Beach, FL, Highland Park, IL, Las Vegas, NV, and Chaska, MN, have taken the lead in creating their own CLTs.

The City, via the SDHC could offer a long-term ground lease of a city-owned property for the development of affordable and/or permanent supportive housing. The City retains ownership of the asset, while dramatically decreasing the cost to produce housing supply by underwriting land cost. In partnership with the SDHC and developer, the project could also be sustained by project-based vouchers and other revenue sources.

***✚ Expand Adaptive Reuse to House our Homeless/Citywide Zoning for Permanent Supportive Housing***

The City should pursue an adaptive reuse ordinance that would provide for an expedited approval process for conversion of underutilized commercial properties and buildings that are no longer economically viable to either permanent supportive housing or an affordable housing project targeting a specific AMI range. In Los Angeles, adaptive reuse has resulted in almost 14,000 units through renovation of older office and commercial buildings for new housing. While the Los Angeles ordinance did not specify housing affordability, the small scale of units would be well suited for permanent supportive housing projects. This ordinance could take effect citywide with the exclusion of prime industrial zones in order to protect the need for such parcels.

Such building conversions address the needs of the homeless while preserving historic structures and existing neighborhood character. In addition, historic conversions address sustainability goals by reducing landfill waste and greenhouse gas emissions that result from new construction. Expedited approval processes combined with ensuring that older and historic buildings are not subject to the same zoning, code, and parking requirements could result in a significant increase of additional units and revitalization of blighted areas.

### ***Red Light and Nuisance Property Abatement, Acquisitions, and Conversions***

The City and its partners should identify long-standing nuisance properties such as run-down motels and dilapidated or abandoned residential buildings. Cities have compelled the owners of nuisance properties to correct deplorable conditions. If the owner fails to do so, the municipality can use its powers to correct, or abate, the conditions itself. Nuisance abatements have presented unique and fast-tracked opportunities to convert property to affordable housing or supportive housing, and have helped to restore the quality of life in neighborhoods.

### ***Encourage the Development of Second Dwelling Units, Accessory Dwelling Units, Micro Units, Tiny Homes***

The City should embrace and encourage the development of units that cost less to build such as companion units/accessory dwelling units/granny flats as approved by state law, micro units, studios, prefabricated housing and other innovative types of housing. Additionally, the City should pursue state legislation to allow for the development of tiny homes despite California's confining building codes.

Last year, Assembly Bill 2176 was approved and signed into law by Gov. Jerry Brown. It allows the City of San Jose to temporarily suspend state building, safety and health codes for the purpose of building "unconventional" housing structures — everything from wood-framed sheds to tiny homes. The City of San Jose is currently working on regulations based on some minimum standards described in AB 2176.

While considering these unique and innovative housing types, the City should develop incentives to assist homeowners in constructing second units in exchange for providing long-term affordability and/or permanent supportive covenants or requiring recipients of the incentives to accept housing vouchers. Examples of incentives include: waiving or reducing permit fees and/or utility/sewer hookup charges; and/or easy-to-access low-interest loans and/or grants that could use a mix of conventional home improvement loans, loan guarantees and CDBG or other funds.

## Coordinated-Entry and Data-Driven Strategies

### ***Support Inclusive, Low-Barrier Shelter and Transitional Housing Facilities***

One of the critical components of quality and effective coordinated entry is being low barrier. Some shelters and transitional housing cost too much, require strict sobriety, separate couples, prohibit companion animals, couple shelter with religious outreach, or refuse admittance to those with certain types of criminal histories. It's been noted that some homeless individuals lack the feeling of personal safety and have the inability to store belongings in the shelters. Additionally, many have experienced that shelter hours are not conducive to those who hold jobs (and many homeless people do) who can't always be in line at 4:30 in the afternoon, so they cannot get a shelter bed. Those who choose to stand in line may give up on finding employment because of the schedule.

Individuals who are denied entry once are not likely to try again. Relaxing these rules might make shelters more palatable to a number of chronically homeless individuals. The coordinated entry process does not screen people out for assistance because of perceived barriers to housing or services, including, but not limited to, lack of employment or income, drug or alcohol use, or having a criminal record. In addition, housing and homelessness programs lower their screening barriers in partnership with the coordinated entry process.

The coordinated entry process should provide that assistance be allocated as effectively as possible and that it be easily accessible no matter where or how people present. Additionally, the programs must be inclusive of all subpopulations, including people experiencing chronic homelessness, individuals with mental illness and/or addiction, veterans, families, youth, LGBTQ persons, survivors of domestic violence, etc.

#### ***Expand Shelter Opportunities***

The coordinated entry process supports access to emergency services such as shelter. The process includes a manner for people to access emergency services at all hours independent of the operating hours of the coordinated entry intake and assessment processes. For example, people who need emergency shelter at night are able to access shelter, to the extent that shelter is available, and then receive an assessment in the days that follow, even if the shelter is the access point to the coordinated entry process.

To support and expand this component of coordinated entry, the City has an opportunity to play a greater role by considering low-barrier emergency shelter opportunities at city-owned facilities such as Golden Hall, the former Downtown Library, and/or other locations. A facility like this would operate on an interim basis until such time that the City develops Support Service Assessment Centers as solicited by Mayor Faulconer in a Request for Statement of Qualifications (RFSQ) released on February 13, 2017.

#### ***Increase the Supply and Diversity of Homeless Diversion and Rapid Re-Housing Programs***

Data and best-practice has proven that diversion programs can reduce the number of families becoming homeless, the demand for shelter beds, and the size of program wait lists. Diversion is a strategy that prevents homelessness for people seeking shelter by helping them identify immediate alternate housing arrangements and, if necessary, connecting them with services and financial assistance to help them return to permanent housing.

The City must focus on allocating resources toward Rapid Re-Housing Programs which provide financial assistance and services to prevent individuals and families from becoming homeless and help those who are experiencing homelessness to be quickly re-housed and stabilized. The funds under this program are intended to target individuals and families who would be homeless but for this assistance. The funds will provide for a variety of assistance, including: short-term or medium-term rental assistance and housing relocation and stabilization services, including such activities as mediation, credit

counseling, security or utility deposits, utility payments, moving cost assistance, case management, connection to mainstream services (services that come from agencies outside of the homeless assistance system, such as welfare agencies) and/or benefits; and housing search.

### ***Expand Project Homeless Connect***

Project Homeless Connect is a one-day resource fair that provides services, such as health screenings, flu shots, dental exams, haircuts, legal aid, housing counseling, pet care and additional services for San Diego's homeless families, veterans, seniors and individuals with disabilities. This critical homeless outreach project is in its 11th year. Hundreds of volunteers were able to help more than 1,000 homeless individuals in January 2017. Because so much of the program is made possible thanks to volunteer time and donations it is a relatively low-cost way to connect with a large number of individuals and gather essential data. The City should explore increasing the program to occur quarterly and/or every month as resources are available.

## Decriminalization

### ***Implementation of Homeless Care Zones***

The City should explore the implementation of Care Zones, wherein homeless people can live without fear of arrest for carrying out the routine behaviors of daily life. Care Zones typically combine temporary shelter with services such as medical care, meals, and employment assistance. In some cases, residents of homeless encampments prefer these to shelters.

Care Zones must be strategically located throughout the city and in each Council District to allow inhabitants access to the services and employment opportunities that might help them transition out of chronic homelessness. The location(s) of these zones are key and should not just be cited in industrial parts of the city where community opposition is unlikely. Additionally, such zones should offer supportive services, security, coordinated meal distributions, waste management, showers, and restrooms.

Current existing Safe Parking Programs (such as Dreams for Change and Jewish Family Service in San Diego, and New Beginnings in Santa Barbara) provide safe overnight parking for qualifying individuals and families that are currently living in their vehicles. These programs can be replicated and expanded. The City should explore additional partnerships between local non-profits, faith-based organizations, law enforcement, merchants, local business owners, the city and county to identify and provide parking places for vehicle dwellers. Enrollment and participation in such programs would be based on immediate need and long-term goals will be established through case management and maintained by supportive services enrollment and referrals.

Through a coordinated and managed Care Zone program, the City has an opportunity to also address ancillary public health and safety issues such as a permit-controlled coordinated meal distributions program, storage availability, opportunities for homeless

individuals with pets, mobile shower system, and more responsive policies and community-responsive enforcement of local laws.

#### ***Establish Protocol for City Engagement with the Homeless***

The City must ensure that the use of resources allocated to homeless-related interactions, across all departments, are targeted towards programs to strategically assist homeless individuals. Stronger collaboration between the Regional Task Force on the Homeless, County, San Diego Housing Commission and City departments will result in a more coordinated and appropriate response to address the needs of individual homeless persons interacting with the City. The City should aim to train each department that interacts with homeless individuals to be equipped to connect that individual to the services they need.

Additionally, until such time that the City expands emergency shelter, housing, and/or Care Zone opportunities, it is recommended that the City halt citations of homeless encampments and explore forgiveness of outstanding penalties.

#### ***Expand and Support Public Safety and Public Health Outreach Programs***

The City should prioritize the expansion of Public Safety and Public Health Outreach Programs to 24 hours/day and allow for multiple areas of the City to be services simultaneously.

The Homeless Outreach Team (HOT), Serial Inebriate Program (SIP), Psychiatric Emergency Response Teams (PERT) and Resource Access Program (RAP) are some of the City's initial points of contact with both chronic homeless and chronic inebriates living on the streets.

These very effective public health and safety outreach programs offer an alternative to incarceration, prevent the frequent access to costly emergency room care, provide public safety team integration with homeless case management systems, and more coordinated public benefits.

The composition of first-responders, medical and mental health professionals allow for the teams to seek out and engage chronically homeless persons and, for those who are willing, place them in housing linked with appropriate services.

### Additional Strategies

#### ***Workforce Development for Homeless Individuals***

The City, in partnership with the San Diego Workforce Partnership, should create a pathway to self-sufficiency for homeless and low-income individuals by providing the resources and support needed to find and retain employment. A steady job is the single most important step in a person's transition out of poverty and onto a pathway to long-term self-sufficiency.

The City should explore opportunities to partner with its employee groups and local non-profit agencies to insource services that are currently provided by third-party contractors and develop a workforce development program for the homeless.

#### ***Coordinate and Increase Volunteer Opportunities***

Volunteers are critical to many of the programs in the community addressing homelessness and help support our non-profit partners, especially related to clothing drives and meal service. In addition to the many volunteers already involved with our non-profit partners, there is a desire in the community for additional opportunities to get involved. As we look into new ideas – from care zones to increased homeless connect programs – and begin to redirect public meal distribution efforts to programs connected with services, there will be increased opportunity and need for volunteers. Analysis and evaluation of each program should include potential volunteer opportunities and organization responsible for a coordinated volunteer management system as we already utilize for other City volunteer opportunities.

#### ***Legislative Policies and Declarations***

##### Update Council Policy 000-51

On June 12, 1995, the City Council Established Council Policy 000-51: *Comprehensive Homeless Policy*. The City must update the policy to reflect its commitment to permanent supportive housing opportunities and coordinated and collaborative regional approach to its homeless crisis. Additionally, this policy can establish protocol for City Department's engagement with homeless individuals.

##### Homeless State of Emergency/Shelter Crisis Declaration

The City should declare a State of Emergency on Homelessness or reaffirm the declaration of a Shelter Crisis. (A Shelter Crisis was declared by the City Council in 2015 and did not have a specific termination date). Similar efforts across the nation have enabled localities to fast-track and create streamlined processes for the construction of affordable housing and have provided cities with more administrative authority and flexibility in contracting for services and allocating resources in response to the homelessness crisis. Such declarations also made it easier for nonprofits and faith-based institutions to operate shelters and safe parking programs in addition to opening up the possibility for the use of city facilities for the same purpose. In doing so, the City will also signal to state and federal partners that additional investments are needed in the programs that have been defunded or underfunded to meet the identified level of need.

#### ***Identify New Revenue for the Homeless Services and the Production of Permanent Supportive Housing***

##### Identify New Revenue: General Obligation Bond, Sales Tax, TOT, other

The City must identify a new source of revenue for homeless services and the production of permanent supportive housing. Earlier this month, voters in Los Angeles approved a quarter-cent sales tax increase that will raise \$3.5 billion over the next decade after city leaders called for a massive funding effort to move tens of thousands into permanent

housing. This increase is in addition to a \$1.2 billion bond measure also approved by Los Angeles voters in November 2016.

Additionally in 2016, Santa Clara County voters approved a \$950 million affordable housing bond. Alameda County voters approved a measure which would allow for the issuance of up to \$580 million in general obligations bonds to provide affordable local housing and prevent the displacement of vulnerable populations. The City of San Jose increased sales tax by a quarter percent last year, expected to bring in about \$38 million per year to the city's general fund which could be used for any government purpose such as affordable housing and homeless services. Oakland voters embraced a \$600 million infrastructure bond, earmarking \$100 million for affordable housing. San Mateo County voters approved a sales tax extension for 20 years, dedicating funding toward affordable housing and other public services. Lastly, San Francisco voters overwhelmingly approved a \$261 million general obligation bond for the acquisition and rehabilitation of multi-unit properties for conversion into permanently affordable housing. The City of San Diego must find the political will to do so as well.

More immediately, as Mayor Faulconer proposes an effort to increase Transient Occupancy Tax, the City Council must ensure housing and homeless needs are not overlooked and shortchanged.

#### Social Impact Bonds

Social Impact Bonds, or Pay for Success Programs, are a performance-based contract where private and/or philanthropic lenders loan funds to accomplish a specific objective and are repaid based on whether the program achieves its goals. Other cities throughout the country are using this innovative partnership model to measurably improve the lives of homeless individuals by driving resources toward permanent support housing programs.

The City and/or County could pursue social impact bonds by first identifying the average cost to taxpayers for a set number of chronically homeless individuals, such as reduction in days in jail, visits to the emergency room, detox facilities, and arrests. We saw through Project 25, a 3 year pilot program that provided permanent supportive housing for the most frequent users of emergency services, significant savings to taxpayers. As a result of Project 25, the median expense per user decreased from nearly \$111,000 in 2010 to less than \$12,000 in 2013 with an overall savings of \$3.5 million dollars.

Similar savings could be scaled to a larger group of chronically homeless individuals and private investors that take part could put up the initial investment to start and/or expand preventative programs. In Santa Clara, private funders are providing \$6.9 million to house at least 80% of participants for a year or more and the county reimburses as each person hits tenancy milestones with the largest reimbursement coming after a formerly homeless individual remains in housing for a year. We know that we need all creative ideas on the table and enhanced public private partnerships to make meaningful investment in programs and services.



Thank you for the work and support you both are emphasizing this year to help us meaningfully address one of the most pressing issues our City faces. As the Councilmember for the Third District, whose neighborhoods are some of those most directly impacted, I look forward to partner with you toward the success of adopted City and regional programs. I will make myself available to help lead in any further exploration of the above-mentioned strategies or additional ideas that may be proposed in the coming year.