

MEMORANDUM

TO: Regional Steering Committee on Homelessness and Housing

FROM: HomeBase

RE: Potential Sources for Funding for Administration/Coordination and for Housing/Services

DATE: October 19, 2007

Funding

To fund coordination of homeless services, jurisdictions within Napa County could potentially contribute funds through a formula based on one of the following:

A. Fair Share Jurisdictional Contributions

1. Per capita
2. Contributing by entitlement jurisdiction
3. Percent of homeless individuals in the jurisdiction
4. Even split across Supervisors' districts (and cities within them)

B. Trust Fund

In the last twenty years, localities have created trust funds as a mechanism to accept funds from various sources. They can be useful because funds contributed to the fund are designated for a particular use and the fund can accept funds according to the budget cycle of the various contributors. Year ago, Alameda and San Francisco set up trust funds to fund the administration and coordination of homeless services, but did not receive the level of funding needed to effect change. Most Trust Funds are established to fund affordable housing by dedicating a revenue source and establishing the Trust Fund as a separate and distinct entity that can receive and disburse funds. They may be overseen or administered by an Advisory Committee.

Source of Funding

The source of these funds could be any of the following:

Taxes

- Local Hotel Tax- a model in Miami uses a 1% hotel tax which funds a homeless trust
- Redevelopment tax increment financing

Non-Tax Dedicated Revenue

- Assessments—Local government can create an assessment area to fund improvements, such as road building, sewer installation, or fire protection. All property owners in the area must pay the assessment along with their property taxes.
- Developer's Fees—Some communities require for-profit developers of housing or other real estate to pay an annual fee for each new unit they build, to offset increased municipal costs for schools, roads, public services, etc.
- Recording Fee—In Washington, a \$10 document recording fee (HB2163) on real estate transaction in all counties funds homeless housing and services administered at the local level, with counties as the lead. Essentially any activity that leads to reducing homelessness is eligible if it complies with State and local plan priorities, including technical assistance and capacity building.

Government Debt Mechanism

- Municipal Bonds—Municipal bond financing, which may require voter approval, is often used, along with other funding sources, to nourish a range of government programs from public education to urban redevelopment.
- State Bonds—California may also issue legislature-approved bonds for a variety of purposes.

Existing Federal-State-Local Financing Streams

- Locally Controlled Federal Dollars—Many local jurisdictions use federal block grant funds they control, such as CDBG and HOME, for homeless housing and services.
- Local General Funds—Many local communities regularly spend a portion of general fund dollars to support homeless service and housing projects prioritized by local processes.

Voluntary Sources

- Voluntary Bid Agreement—Under the Business Improvement District model, businesses within the BID area volunteer to pay fees to the BID to provide services.
- Membership Dues—Jurisdictions could be asked to voluntarily pay dues to a regional member organization providing homeless services, planning, and coordination in support of local efforts.

Examples Of Centralized Funding for Administration and Coordination

Contra Costa County

Administration and Coordination is funded by a combination of:

- General funds from the county that flow through the Public Health Department
- Administrative money from McKinney- Vento Continuum of Care awards and
- Other federal and state grants

Santa Clara County

Continuum of Care Staff—The Santa Clara Countywide Continuum of Care is called the Santa Clara Collaborative on Affordable Housing and Homeless Issues. The County Homeless Concerns Coordinator is staff to the Continuum of Care. That position is located within the Office of Affordable Housing (which is located within the County Executive’s Office) and funded with County General Funds. No part of McKinney-Vento Homeless Assistance Grants administrative funding supports this position. The County is the direct grantee on Shelter Plus Care grants only.

City of San Jose

The city of San Jose funds its Homeless Program Manager position, located within its Housing department out of City General Funds.

San Francisco

The lead entity of the continuum of care in San Francisco is the Local Homeless Coordinating Board. Housing and Homeless Services funds a staff person for the Board, and other homeless services with city general funds, administrative money from McKinney- Vento grants and other federal and state grants.

Examples of Coordinated Funding for Special Initiatives

Seattle/King County, Washington

The Funders Group was created under the Taking Health Care Home (THCH) initiative to promote system change to facilitate development of PSH called for in the County’s Ten Year Plan. This group includes state representatives who later helped get state legislation passed to provide additional resources for homeless housing and services. A Coordinator position within the Department of Community and Human Services was funded by THCH.

In 2002, \$24 million was dedicated to homeless prevention, support services, assessment and treatment, emergency shelter, and a variety of transitional and supportive housing programs. Sources of this funding included the Department of Community and Human Services, King County, the city of Seattle, other “pass-through” cities, various federal programs, State mental health and chemical dependency funds, State THOR funds, and others. Community partners in these efforts included the City of Seattle, suburban cities, Healthcare for the Homeless Network, courts, law enforcement, community mental health and substance abuse treatment providers, community based non-profit providers, veterans organizations and providers, and multi-jurisdictional housing groups. In the summer of 2006, the Funders group issued its first request for proposals for PSH development, combining capital, services and operations funding.

Examples of City and County Investment in Housing and Services

Santa Clara County

Housing Authority of Santa Clara County – prioritizes section 8 vouchers to people who are chronically homeless, including Project-Based Vouchers to use in newly constructed or rehabilitated rental housing.

Mental Health Services Act Funding – some of these funds are dedicated to full-service partnership slots and housing for people who are chronically homeless and to youth who are homeless.

County Affordable Housing Funds - prioritizes funding for housing for people experiencing chronic homelessness. Some of this funding is coupled with MHSA-Full Service Partnership funds.

Housing Trust Fund— The Santa Clara Housing Trust Fund supports housing and services for people who are homeless, affordable housing developments and housing for first-time homeowners buy affordable housing. An endowment of \$20 million was targeted and reached, impressively, within two years. Private citizens, employers, the County government and, in a display of solidarity, all of the 15 Santa Clara County towns and cities contributed to the Trust becoming a major funder of affordable housing options.

San Jose

City controlled funding that either is dedicated to people who are homeless, or which prioritizes people who are homeless includes:

- The Housing Services Partnership, a collaboration of three community-based organizations that assists clients in maintaining their housing through rental assistance and supportive services.

- New Construction/Adaptive Reuse Construction loans (up to \$20 Million) – one target population is individuals who are chronically homeless
- San Jose Housing Trust Fund – Neighborhood-Based Special Needs Housing dollars (\$1.5 millions) for new construction of acquisition/rehabilitation of permanent rental housing for chronically homeless people.
- PROGRESS program will provide housing and supportive services to a few chronically homeless people using HOME funds (TBRA).

Los Angeles County: Los Angeles Homeless Services Authority (LAHSA)

The Los Angeles Homeless Services Authority (LAHSA) was created in 1993 to coordinate homeless services in Los Angeles County. Working with city and county officials, new leadership at LAHSA recently submitted revised budgets to both city and county for resources to support planning and administrative functions of LAHSA. The county has had \$2 million earmarked for LAHSA administrative support since 2005, but has been unwilling to transfer it to LAHSA until the city would match it. With LAHSA's revised budget, the city recently committed \$1 million, triggering release of the same amount of money from the county. As such, LAHSA now has control of at least \$2 million of local funding.

Alameda County: Everyone Home

Alameda County has 13 cities as well as unincorporated areas. Working in a joint effort, known as EveryOne Home, the jurisdictions have developed a plan for ending homelessness in Alameda County. The plan was sponsored and funded by a number of Alameda County agencies, as well as the following:

- City of Berkeley Housing Department
- City of Berkeley Health and Human Services Department
- City of Oakland Community and Economic Development Agency
- City of Oakland Department of Human Services

Adopting the plan does not bind cities to spending funds or to committing housing units. Rather, it's more of a "pledge of good faith" from each city to collaborate on finding countywide solutions. Thus far, Berkeley, Oakland, Fremont, Hayward, and San Leandro have signed the plan. Both Berkeley and Oakland have contributed funds for planning, in addition to the money that both of these cities already spend on social services and housing related to homelessness. In their 2006 Exhibit 1, Alameda reported that they had collected nearly \$50,000 in local match funds and created at least 30 new chronically homeless beds.

Santa Barbara County

Cities throughout the county of Santa Barbara, as well as the county itself, contributed to planning costs for the 10 year Plan to End Homelessness. The county is now leveraging private funding to implement this plan.

City of San Luis Obispo

The city of San Luis Obispo provides city property for a day center and overnight shelter. The city does not charge utilities or rent at these facilities. In fact, San Luis Obispo contributes CDBG funds to their services and operations.