

The Regional Steering Committee on Homelessness and Housing

for the San Francisco Bay Area

Friday, September 29, 2017

10:00 am – 2:00 pm

Association of Bay Area
Governments, Yerba Buena
Conference Room, 1st Floor

375 Beale St. #700
San Francisco, CA 94105

Since 1986, members of the RSC have identified problems that cross county borders and searched for solutions that prevent and end homelessness in all our communities.

RSC members collectively participate in policy development, peer support, information sharing, training, strategizing, and planning.

AGENDA

Fostering Regional Synergy to End Homelessness

Engage with other Bay Area innovators to discuss community planning processes and priorities that can be achieved through regional collaboration.

- 1. Community Planning For Success:** *Meet with Bay Area policy makers engaged in community planning efforts through the Youth Homelessness Demonstration Program and other city-wide planning. Hear about their processes and discuss your community's strategic planning efforts, sharing strengths and challenges of various approaches.*
- 2. Moving Toward Regional Collaboration:** *How has the Bay Area worked together in the past to respond to homelessness, and where can we go in the future? Participate in a discussion on ending homelessness regionally with cross-county efforts.*
- 3. Innovative Ideas to Increase Housing Stability & Capacity for High Utilizers:** *Discuss alternative housing models and options for high utilizers of multiple systems. If more flexible funding were available, what out-of-the-box solutions could work in your community?*
- 4. NOFA Debrief and Lessons Learned:** *The FY2017 CoC NOFA is over and it's time to take stock: What kinds of project applications did you see this year? What are your community priorities before FY2018's CoC NOFA? How are you using system performance data to plan for the future?*

Commonly Used Acronyms

Acronym	Definition
AHAR	Annual Homeless Assessment Report
APR	Annual Performance Report (for HUD homeless programs)
CDBG	Community Development Block Grant (CPD program – federal)
CSBG	Community Services Block Grant
Continuum of Care	Continuum of Care approach to assistance to the homeless
CoC	Federal grant program stressing permanent solutions to homelessness
Con Plan	Consolidated Plan, a locally developed plan for housing assistance and urban development under CDBG and other CPD programs
CPD	Community Planning and Development (HUD Office)
ESG	Emergency Solutions Grant (CPD – federal program)
FMR	Fair Market Rent (maximum rent for Section 8 rental assistance/CoC grants)
HCD	Housing and Community Development (State office)
HEARTH	Homeless Emergency and Rapid Transition to Housing (HEARTH) Act of 2009
HPRP	Homeless Prevention and Rapid Re-Housing
HMIS	Homeless Management Information System
HOME	Home Investment Partnerships (CPD program)
HOPWA	Housing Opportunities for Persons with AIDS (CPD program)
HUD	U.S. Department of Housing and Urban Development (federal)
MHSA	Mental Health Services Act
NOFA	Notice of Funding Availability
PHA	Public Housing Authority
SAMHSA	Substance Abuse & Mental Health Services Administration
SNAPS	Office of Special Needs Assistance Program (HUD office overseeing CoC)
SOAR	SSI/SSDI Outreach, Access, and Recovery (SSI/SSDI Application program)
SRO	Single-Room Occupancy housing units
SSA	Social Security Administration
SSDI	Social Security Disability Income
SSI	Supplemental Security Income
TA	Technical Assistance
TANF	Temporary Assistance to Needy Families
TAY	Transition Age Youth (usually ages 16-24)
VA	Veterans Affairs (U.S. Department of)
VASH	Veterans Affairs Supportive Housing

INNOVATIVE IDEAS TO INCREASE HOUSING STABILITY & CAPACITY:

WHAT DO THEY LOOK LIKE, HOW ARE THEY REGULATED & HOW DO YOU PAY FOR THEM?

INTRODUCTION

The lack of affordable housing is an ongoing crisis in California. The most recent package of housing bills adopted by the State Legislature provides new money and revised regulation to help spur affordable housing development. However, local communities recognize that new legislation will not be enough to alleviate capacity concerns. Innovative solutions that are implementable at the community level are needed to comprehensively address the lack of affordable housing options. From tiny homes, to building accessory dwelling units, shared housing and creative repurposing of existing buildings and materials, there are a number of ideas that communities are exploring in order to increase local housing options for those experiencing homelessness and in need of supportive services.

While these new ideas have the potential to create real change, they are also often met with the challenge of needing to meet zoning and building code regulations and funding restrictions and limitations. Below is a selection of a few innovative ideas to increase housing capacity, examples of how communities have approached implementing these ideas, and what regulatory and funding considerations communities must be mindful of before taking steps towards implementing these ideas locally.

TYPES OF CURRENT INNOVATIVE HOUSING MODELS

Innovative housing solutions to address homelessness may involve new construction or using existing buildings and materials. Understanding what type of building or unit is desired will dictate the regulation required.

- **INNOVATIVE APPROACHES TO CONNECT TO HOUSING & SERVICES** can provide persons experiencing long-term homelessness, who are often apprehensive of accessing traditional shelter services, flexible alternatives that increase housing stability.
 - **San Francisco, CA:** The Navigation Centers of San Francisco's Department of Homelessness and Supportive Housing provide a housing focused, short-term shelter model that differ from traditional shelters, in that they have few barriers to entry, and welcome people with partners, pets and possessions to the shelter. While at the Navigation Center, participants are provided room and board while case managers work to connect them with income, public benefits, health services, and housing. Participants can only access the Navigation Centers through the Encampment Resolution Team and the Coordinated Entry System.
- **CREATIVE RE-PURPOSING OF EXISTING MATERIALS** is being done in various states on both the West and East Coasts through re-purposing of sustainable, energy-efficient, and durable pre-fabricated materials to build modular housing, both for

individuals and families with low/no-income experiencing homelessness and those with average income alike. Examples:

- **Contra Costa, CA:** During the 2017 CoC Competition, Health, Housing, and Homeless Services of Contra Costa County submitted a proposal for a new permanent supportive housing project, *High Utilizers of Multiple Systems*, which will use pre-fabricated materials to build MicroPADs for 32 DedicatedPLUS homeless frequent utilizers of multiple Bay Area systems. Each dwelling will be fully-furnished with a private bathroom, kitchenette, armoire, desk and bed; non-mandatory supportive services, administered in a Housing First approach, will include mental health and substance abuse services.
- **Orange County, CA:** American Family Housing built Potter's Lane, a 16-unit community of modular housing (with shipping containers as frames) to house chronically homeless veterans in Midway City, California. AFH was one of the first homeless services and housing providers to use shipping containers to build permanent housing for persons experiencing homelessness; construction from start to finish took 5 months, and each 480-square-foot unit is equipped with a kitchen, bathroom, and floor to ceiling windows. The project is estimated to cost \$1.9 million.
- **CREATIVE RE-USE OF UNUSED PROPERTIES** involves the revitalization of abandoned or vacant properties for additional housing and/or services. Examples:
 - **Alameda, CA:** The Oakland City Council approved \$14 million in funding from Measure KK to purchase and renovate a hotel as transitional housing for persons experiencing homelessness, who would eventually be moved to permanent housing. As of June 2017, city staff are compiling a list of available buildings in Downtown Oakland for the purpose of the project.
 - **Los Angeles, CA:** The City of Los Angeles has approved a deal for non-profit and private developers to convert "nuisance" motels into 500 permanent supportive apartments for Veterans experiencing homelessness. Private and non-profit developers are purchasing the motels to convert them into efficiency apartments. The LA Housing Authority is then providing vouchers funded through the U.S. Department of Veterans Affairs to cover residents' rent and provide support services.
- **TINY HOMES** can range in size from 80 to 400 square feet and are built in accordance with varying construction standards. They can be classified as manufactured homes, modular dwellings, recreational vehicles, or site-built dwellings. Examples:
 - **Sonoma, CA:** On May 23, 2017, the Sonoma County Board of Supervisors approved local housing-development funds for a 12 or more tiny house community on county-owned land in Santa Rosa. Total development costs for the project are estimated at \$1.03 million, and will use VASH funding for monthly rental subsidies for all residents.
 - **Olympia, WA:** Quixote Village in Olympia is a community of 30, 144 square feet tiny home cottages with a shared bathroom, kitchen, and community center. Each unit has a single bed, desk and chair, powder room and closet. Per-unit cost was approximately \$87,500.
- **ACCESSORY DWELLING UNITS** are typically small or tiny homes built on the same property of an existing home.

- **Los Angeles, CA:** Second Dwelling Unit (Accessory Dwelling Unit, “ADU”) Pilot Program in Los Angeles County provides a subsidy of up to \$75,000 in the form of a soft or forgivable loan to owners who agree to rent out their ADU to a participant who is formerly homeless or using a housing choice voucher.
- **SHARED HOUSING** is a flexible type of housing that can be site-based or scattered-site permanent supportive housing, which involves sharing living space among adults who freely agree to be housemates. Providers often decide to administer shared housing both for economic reasons and for the increased social support that housemates can provide to one another. This strategy typically involves using existing space such as landlord/developer owned multi-room houses or apartments. Examples:
 - **Santa Clara, CA:** Catholic Charities in the cities of Santa Clara and San Jose offers housing referral and placement services for families and single parents with dependent children.
 - **Alameda, CA:** Alameda County Behavioral Health Care Services offers shared housing for 14 formerly homeless individuals with serious mental illness in four single family homes in San Leandro and Ashland, CA. The residents receive services coordinated through Bay Area Community Services; housing and program management services work with all residents to ensure supportive service provision is consistent and meets the residents’ needs.

For Discussion:

- What innovative ideas has your community considered or started pursuing to address local housing capacity concerns?
- When testing one of these strategies, how might you define success? What measures or data would you collect to determine success?

NAVIGATING REGULATION, BUILDING CODES, AND ZONING ORDINANCES

Many of these innovative housing models require developing an understanding of how zoning regulations and building codes apply. While there is currently little statutory regulation specifically addressing new dwellings, like tiny homes, they must still follow relevant building and zoning codes, some of which might vary between state, county, and city jurisdictions.

TINY HOME NEW CONSTRUCTION REGULATION

The concept of tiny homes is not currently described in building codes, so how building codes apply for tiny homes will depend on how the dwelling is categorized. Building codes will generally not apply to recreational vehicles or manufactured homes (the type of dwelling typically in a mobile home park and often installed on a chassis), but will be governed by other codes. RVs are governed other laws and regulations as well as by rules outlined in the Division of Motor Vehicles. Manufactured Homes are primarily regulated by HUD and will have a label from HUD affixed to it at the factory identifying that it meets HUD regulations.

Modular or site-built dwellings will likely have to follow building codes as outlined for homes, which requires that for the dwelling to be inhabitable it include a minimum of horizontal dimension of 7 feet measurement, ceiling height of 7 feet 6 inches, permanent sanitation provisions, and light and ventilation. While many of the provisions outlined in building code for these types of dwellings do not prohibit tiny homes, they may present some challenges with code compliance.

Additionally, it is important to note that tiny homes that adopt a transitional model are often not considered official dwellings because they may not have kitchens or bathrooms.

Some Bay Area cities, such as the **City of Richmond**, have adopted ordinances that allow for tiny houses on wheels for transitional residential occupancy by persons experiencing homelessness. In Richmond, a 12-month tiny home pilot was approved, where occupants of these units would be limited to individuals whose homeless status has been verified by Contra Costa Health, Housing and Homeless Services. The **City of San Jose** was the first to have regulations signed into law that bypass the state's restrictive building codes and allow for the creation of a tiny home pilot as intermediate housing to serve those experiencing homelessness. The recommended scope of the tiny home project has been modified several times (from 99 potential village sites, to now only two), and is still under consideration.

ACCESSORY DWELLING UNIT (ADU) REGULATIONS

ADUs, when serving as permanent dwellings, will also need to meet certain requirements. The California legislature has revised laws pertaining to ADUs, including prohibiting local governments from adopting ordinances precluding ADUs. Local ordinances will often cover additional regulations regarding how many units are allowable within an area, parking access, and owner occupancy requirements. If a local government does not have an ordinance covering ADUs, then they must comply by state standards. In the state, ADUs can be up to 1,200 square feet and must include a kitchen and bathroom.

California also allows for Junior Accessory Dwelling Units (JADUs) that are a maximum of 500 square feet, include a kitchen but can make use of common sanitation and do not require a separate bathroom. Cities in **Contra Costa County**, such as **Antioch** and **Richmond**, allow property owners to apply for Administrative Use Permits to ensure that the proposed second unit complies with the relevant Municipal Code, where JADUs are allowed in single-family and multi-family zoning districts. Multiple cities and towns throughout Marin County, Sonoma County, and the cities of Alameda, Fremont, and San Mateo have also approved such ordinances.

ZONING ORDINANCES

Local zoning ordinances will play a large role in determining specifications of what types of structures are allowable and where the community can place these structures. It is critical that early in the planning process the lead of the project understands what current ordinance dictates and what changes might be needed in order to execute a project. For example, **Berkeley, CA** is reviewing the existing ordinances and codes for building tiny homes. Their law currently allows for tiny homes on private property for temporary use through their Administrative Use Permit Process and does not require additional ordinances. However, creating tiny homes on public or private property for longer-term use would require modifications to existing zoning and building codes. Researching what is allowable will be necessary for any new construction project.

For Discussion:

- What is the dialogue like in your community around how to modify regulations to increase housing capacity to serve homeless individuals?
- Has your community pursued any creative housing ideas and run into challenges complying with regulations? What did those challenges include?

FUNDING CREATIVE HOUSING IDEAS

Many of these projects will also require creative funding in order to get off the ground. While many of the existing projects are largely funded through private funding and non-profit donations, public federal funding, such as funds provided by the Department of Housing and Urban Development (HUD), can be used to develop these projects. However, any unit dwelling that is funded through HUD must also comply with the International Resident Code (IRC) definition of a dwelling, which defines it as: “**A single unit providing complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation.**” Examples of other federal funding streams include the following:

- **Continuum of Care (CoC) Program**, which provides grants offered through a competitive process for new construction, acquisition, rehabilitation, or leasing of buildings to provide transitional or permanent housing, as well as rental assistance, supportive services and other costs to nonprofits, states, and local governments serving individuals and families experiencing homelessness.
- **HOME Investments Partnership Program**, which provides cities and states with grants to fund affordable housing projects and provides direct housing assistance to low-income renters.
- **HUD Federal Housing Administration (FHA) Multifamily Mortgage Insurance** offers loans toward the “construction or rehabilitation of detached, semi-detached, row, walkup, or elevator-type rental or cooperative housing containing five or more units.”
- **Low Income Housing Tax Credits (LIHTC)** are offered to encourage individual and corporate investors to fund and build affordable rental housing.
- **Self-Help Homeownership Opportunity Program (SHOP)** provides funding to help build housing in which the future homeowner works in partnership with a non-profit and volunteer labor from the community to build the home.

Other funding opportunities through the State of California include the **No Place Like Home Program**, administered by the Department of Housing and Community Development (HCD). The program is a \$2 billion initiative that will provide both competitive and non-competitive funds to California county applicants and developers as sponsors to create integrated permanent supportive housing for persons experiencing homelessness, chronic homelessness, and those at risk of becoming chronically homeless with a Serious Mental Illness.

Additionally, earlier this month, as part of the state housing legislative package, the California Legislature passed **Senate Bill 2**, a measure to create a permanent funding sources for affordable housing through a new real estate fee (up to \$225 on certain real estate transactions, such as mortgage refinancing; home sales and commercial real-estate sales are exempt from the bill). Other bills in the package focused on reinforcing the goals of existing regulations, such as requiring cities to build the amount of units they are told need to be built every eight years to meet the regional demand (**SB 35**), and bolstering the Housing Accountability Act (the “anti-NIMBY Act”), to give an automatic fine of \$10k for every housing unit when cities don’t comply with a court order to allow development of an affordable housing project (**SB 540**).

For Discussion:

- What other funding streams might you want to explore when pursuing a new idea to increase housing capacity?

CONSIDERATIONS

It is important to remember that this smaller-scale housing is often most successful when paired with additional services, particularly located on-site, to best support those living in the housing. In addition, these units are often targeted toward single individuals and will likely not work for families.

Many of these creative ideas are still in their infancy, which provides a lot of room for learning and evaluating how these projects initially work. Collecting data and documenting the implementation process will be important for learning from these projects and improving upon them.

For Discussion:

- What additional considerations or concerns might you have before pursuing one of these creative housing ideas?

RESOURCES

- California Department of Housing and Community Development Information Bulletin 2016-01 on Tiny Homes: <http://files.ctctcdn.com/4d29178d401/ddccfe12-c56f-48cf-8ed9-8bbec86bb521.pdf>.
- California Department of Housing and Community Development on Accessory Dwelling Units: <http://www.hcd.ca.gov/policy-research/AccessoryDwellingUnits.shtml>.
- Applying Building Codes to Tiny Homes, NFPA: www.nfpa.org/~media/files/white-papers/whitepapertinyhomes.pdf.
- Tiny Houses: A Permanent Support Housing Model White Paper, Community Frameworks: <http://www.communityframeworks.org/ws-main/docs/FINAL%20Tiny%20Homes%20White%20Paper%20March%202015.pdf>.
- *Making a Tiny Deal Out of It: A Feasibility Study of Tiny Home Villages to Increase Affordable Housing in Lane County, Oregon*: http://media.wix.com/ugd/bd125b_211036ccee7432aa1e7108f934db279.pdf.
- Richmond City Council Meeting Agenda, July 25, 2017, adopting Ordinance No. 17-17 N.S.: <http://www.ci.richmond.ca.us/ArchiveCenter/ViewFile/Item/8175>.