



DATE: July 24, 2018

TO: Mayor and City Council

FROM: Assistant City Manager

SUBJECT: Renewal of Rental Housing Grant Subsidy Agreement with Abode Services

RECOMMENDATION

That Council adopts a resolution (Attachment II) authorizing the use of HOME Investment Partnership (HOME) funds for rental assistance to emancipated and former foster care youth through Abode Services' Project Independence and authorizing the City Manager to negotiate and execute a rental housing subsidy grant agreement.

SUMMARY

The recommended resolution authorizes the City Manager to negotiate and execute a rental housing subsidy agreement with Abode Services in an amount not to exceed \$275,908 of HOME funds. These funds will provide rental assistance to emancipated and former foster care youth. Project Independence, in addition to rental assistance, provides case management to support program participants with education, vocational, and social service resources. The program is consistent with priorities set in the Consolidated Plan of the Alameda County HOME Consortium and the Hayward Housing Element. Project Independence has been successful at providing positive outcomes for participants. The Project Independence Program has been supported by the City of Hayward since 2007.

BACKGROUND

On July 24, 2007, the City Council first authorized the use of HOME funds to provide rental assistance to emancipated youth and former foster care youth through Abode Services' Project Independence Program. The program was implemented in 2008. The primary goal of the program is to provide case management and rental support to emancipated and former foster care youth who are homeless or at risk of homelessness. Council approved the renewal of the program in 2010, 2013, 2014, and 2016. Supported by other funding sources, the program has provided services to approximately 350 households since inception.

DISCUSSION

The Project Independence Program provides a needed service in Hayward. The program is consistent with priorities set in the Consolidated Plan of the Alameda County HOME Consortium and the Hayward Housing Element. Project Independence has been successful at providing positive outcomes for participants.

Demonstrated Need

Per Alameda County's 2017 Homeless Census & Survey, it has been estimated that one in five former foster youth experience homelessness within four years of exiting the foster care system. Of the total respondents in the 2017 homeless survey, 15% of the respondents indicated that they have been in the foster care system, and of the youth under the age of 25, 22% reported aging out of the foster care system. Youth who age out of the foster care system face unique challenges such as mental health problems, early or unplanned pregnancies, lack of stable affordable housing, fewer employment opportunities, and substandard medical care. As a result, youth who were formerly in foster care or group homes experience disproportionately higher rates of unemployment, lower educational attainment, incarceration, dependence on public assistance, substance abuse, and other high-risk behaviors.

Consistency with Housing Goals

The Project Independence Program is consistent with the strategies, priorities, and programs of FY 2014-2019 Consolidated Plan of the Alameda County HOME Consortium, to which the City is a party. The Consolidated Plan outlines needs, strategies, priorities, and programs for the expenditure of federal funds for housing and community development activities as required by the Department of Housing and Urban Development (HUD) for jurisdictions to be eligible to receive federal funding. Additionally, the program is included in the Housing Element as one of the programs aimed at addressing the housing needs of special populations.

Program Description

The objective of the program is to assist young adults who are coming out of the foster care or group home system, with securing housing, linkages to training and/or education, and social services that will enable them to act with self-determination and ultimately become independent. Program participants are either fully emancipated youth or 18 years or older and have aged out of the foster care systems, homeless or at risk of homelessness, and demonstrate the ability to enter into housing, including signing a lease agreement, abiding by the rules, agreeing to paying the \$75 deposit and first month's rent. Each participant will develop a Transition to Independent Living Plan. This plan is used to set goals for the participant and monitor progress in achieving the participant's stated goals. Each participant will work with the youth services coordinator to identify and make referrals to any needed resources. Participants will be required to pay the greater of \$75 or 30% of their adjusted income on rent. They are also required to abide by the terms of the lease and the program.

Current participants are being housed in nine units located throughout multiple apartment complexes. As required by federal funding, staff from Abode Services conduct a housing quality inspection of the apartments prior to move-in by participants to ensure that they live in a decent, safe, and sanitary environment. The City pays the difference between the fair market rents, as established by the Department of Housing and Urban Development, and the participants' rent payment not to exceed the actual rent for the unit.

The program also receives funds from the State of California's Transitional Housing Placement Program and from other cities in Alameda County. Funding from the City of Hayward subsidizes the rents for youth previously in foster care in Hayward and youth that are homeless or at risk of homelessness.

Program Performance

Since the implementation of the program in 2008, Hayward's contributions of HOME funding have helped house over 350 youth formerly in foster care and at-risk of homelessness. During the current agreement term, the Project Independence Program supported approximately 130 former foster youth. *Table 1* highlights some of program's success for the 2017/18 program year.

TABLE 1. HIGHLIGHTS OF PROJECT INDEPENDENCE SUCCESS

Enrolled in formal education or vocational training	65%
Gained or maintained employment	71%
Maintained custody of children	89%
Earned high school diploma or GED	74%
Secured stable housing after aging out of program	75%

Independent living programs like Project Independence are an effective approach to mitigating and resolving many of the challenges with which youth that were formerly in the foster care system are invariably faced. The supportive housing strategy provides youth with a stable foundation and adult support while they finish their education or job training, find new employment and/or overcome psychological problems that interfere with their ability to live independently.

ECONOMIC IMPACT

Homelessness and housing crises are not only damaging to the physical, mental, and economic health of individuals and families, but have serious costs to the community as well. The costs to the community include the costs of providing emergency housing, mental health crisis services, emergency medical care, criminal justice, and judicial system involvement. A program such as Project Independence helps avoid these costs by preventing youth aging out of the foster care system from becoming homeless.

FISCAL IMPACT

Implementation and administration of this program would have no impact on the City's General Fund. There are sufficient HOME funds to support this contract.

Should Council approve the attached Resolution, the City will fund Project Independence in the amount of \$275,908 from uncommitted HOME funds for fiscal year 2017. 2018 HOME funds in the amount of \$415,280 will be available to commit to other HOME eligible activities such as acquisition, rehabilitation, or new construction of affordable rental housing.

Further appropriation of HOME funds is neither necessary nor recommended at this time. Staff is currently evaluating project applications submitted under the Notice of Funding Availability for the development of affordable rental housing and will likely return with recommendations to award the 2018 HOME funds in September.

STRATEGIC INITIATIVES

This agenda item relates to the Complete Communities Initiative. The purpose of the Complete Communities initiative is to create and support structures, services, and amenities to provide inclusive and equitable access with the goal of becoming a thriving and promising place to live, work and play for all. This agenda item relates to the following goal and objectives:

Goal 1. Provide a mix of housing stock for all Hayward residents and community members, including the expansions of affordable housing opportunities and resources.

Objective 2: Conserve and improve the existing housing stock.

Objective 3 Increase supply of affordable, safe and resilient housing in Hayward.

PUBLIC CONTACT

As part of the Housing Element update process, the City implemented the State's Housing Element's public participation requirements. As a goal of the Housing Element, the Project Independence Program was open to public feedback during community/stakeholder workshops, townhall forums, General Plan taskforce meeting, Planning Commission and Council Study Sessions, and through a community survey.

NEXT STEPS

If approved by Council, the City Manager will negotiate and execute a two-year Rental Housing Subsidy Grant Agreement with Abode Services to provide rental assistance to emancipated and former foster care youth.

Prepared by: Christina Morales, Housing Division Manager

Recommended by: María A. Hurtado, Assistant City Manager

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAdoo', written in a cursive style.

Kelly McAdoo, City Manager