



DATE: September 10, 2019

TO: Mayor and City Council

FROM: City Manager

SUBJECT: Allocation of \$379,716 in HOME Investment Partnership Program Funds and Renewal of Rental Housing Grant Subsidy Agreement with Abode Services for Project Independence to Provide Tenant Based Rental Assistance to Emancipated and Former Foster Care Youth

RECOMMENDATION

That the City Council adopts a resolution authorizing the use of HOME Investment Partnership Program (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 (Attachment II).

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 \$379,716 of HOME funds. These funds will provide monies to Abode Services for Project Independence for rental assistance to emancipated and former foster care youth. The Project Independence Program receives funding from multiple sources. The City of Hayward's entire allocation of HOME funds is used for the direct benefit of program participants through a rent payment subsidy. In addition to the City of Hayward, the program also receives funding from Alameda County Transitional Housing Program-Plus (THP+), which pays for case management, staffing, and other operating costs for the Program. 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 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 experiencing homelessness or at risk of experiencing homelessness. Council approved the renewal of the program in 2010, 2013, 2014, 2016, and 2018.

Supported by other funding sources, the Program has provided services to approximately 391 unduplicated 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

Research referenced in the Alameda County's 2019 Homeless Count & Survey Comprehensive Report estimates that one in five former foster youth experience homelessness within four years of exiting the foster care system. Of the total respondents in the 2019 homeless survey, fourteen percent (14%) of respondents reported a history of foster care and, of the youth under the age of 25, eighteen percent (18%) reported that aging out of the foster care system was the primary cause of their current homelessness.¹ 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 in the 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 which 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 system, experiencing homelessness or at risk of experiencing homelessness, and demonstrate the ability to enter into housing, including

¹ 2019 Alameda County Homeless Count & Survey Comprehensive Report: http://everyonehome.org/wp-content/uploads/2019/07/2019_HIRDReport_Alameda_FinalDraft_7.23.19.pdf

signing a lease agreement, abiding by the rules, agreeing to pay 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 ten (10) 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 in order to make sure 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 payments not to exceed the actual rent for the unit.

Program Funding

The Project Independence Program receives funding from multiple sources. The City of Hayward's entire allocation of HOME funds is used for the direct benefit of program participants through a rent payment subsidy. In addition to the City of Hayward, the program also receives funding from Alameda County Transitional Housing Program-Plus (THP+) which pays for case management, staffing, and other operating costs for the Program.

Program Performance

Since the implementation of the Program in 2008, Hayward's HOME fund contributions have helped house over 391 youth formerly in foster care and at-risk of homelessness. During the current agreement term, Project Independence supported approximately twenty-five (25), emancipated or former foster care youth. *Table 1* highlights some of the Program's successes for the 2018/19 program year.

TABLE 1. HIGHLIGHTS OF PROJECT INDEPENDENCES SUCCESS

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|---|-----|
| Enrolled in formal education or vocational training | 55% |
| Earned high school diploma or GED | 73% |
| Secured stable housing after aging out of program | 86% |

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 \$379,716 from uncommitted HOME funds for fiscal year 2020.

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: Doris Tang, Management Analyst

Recommended by: Christina Morales, Housing Division Manager
Jennifer Ott, Deputy City Manager

Approved by:

A handwritten signature in black ink, appearing to read "K. McAdoo". The signature is fluid and cursive, with a long horizontal stroke at the end.

Kelly McAdoo, City Manager