



Memorandum

TO: NEIGHBORHOOD SERVICES
AND EDUCATION COMMITTEE

FROM: Jacky Morales-Ferrand

SUBJECT: SEE BELOW

DATE: August 29, 2019

Approved

Date

9-5-2019

**SUBJECT: HOMELESSNESS AND HOUSING INSECURITY FOR HOMELESS
FAMILIES WITH CHILDREN**

RECOMMENDATION

It is recommended that the Neighborhood Services and Education Committee accept the report on homelessness and housing insecurity for homeless families with children.

BACKGROUND

On June 13, 2019, Housing Department staff presented the Demand for Affordable Housing for Families with Children to the Neighborhood Services and Education Committee (NSE). While the presentation centered around the demand for housing for families, the Committee's recommendation was to return to the NSE with research and information on the current realities of families experiencing homelessness in San José.

This report provides an overview of the following:

- Defining homelessness for families;
- Data on homeless families in Santa Clara County;
- Impacts of homelessness on families;
- Current inventory of programs available for homeless families; and
- Future opportunities to enhance programs for homeless families.

ANALYSIS

Defining Family Homelessness: US Department of Housing and Urban Development vs. McKinney-Vento

To understand the data and programs for homeless families, it is important to know that there are two definitions of homelessness for families, each of which are used for different programs. The first definition is from the U.S. Department of Housing and Urban Development (HUD), and is used for the majority of homeless programs in the County and all City federal funding programs including CDBG, ESG, HOME and HOPWA. The second definition is contained in the McKinney-Vento Homeless Assistance Act which is a federal law that authorizes a federal program related to education of homeless children and youth and is used primarily by schools. The definitions are as follows:

1. The Homeless Census and Survey uses the HUD definition of homelessness when counting homeless person in San José and Santa Clara County. Individuals and families who lack a fixed, regular, and adequate nighttime residence and includes a subset for an individual who has resided in an emergency shelter or a place not meant for human habitation, and who is exiting an institution where the person temporarily resides. The definition also includes individuals and families who are fleeing or are attempting to flee domestic violence, dating violence, sexual assault, stalking, or other dangerous life-threatening conditions that relate to violence against the individual or a family member.
2. School districts use the McKinney-Vento Homeless Assistance Act definition of homelessness to identify students who may qualify for homeless services in their schools. Children and youths who: lack a fixed, regular, and adequate nighttime residence; are sharing the housing with other persons due to loss of housing, economic hardship, or a similar reason; are living in motels, hotels, trailer parks, or camping grounds due to the lack of alternative adequate accommodations; are living in emergency or transitional shelters; are abandoned in hospitals; have a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for humans.

The HUD definition is used in the biennial Homeless Census and Survey and does not include people living in unstable housing situations such as living in an over-crowded unit, “couch surfing,” or staying in motels or hotels. As a result, homeless families are most likely undercounted due to the current methodology and definition used for the Homeless Census and Survey. Families with children experiencing homelessness are largely hidden and often seek opportunities to stay on private property. Most homeless families are in over-crowded or “doubled up” housing situations. Further, it is difficult to identify homeless families with children, as they tend to avoid detection for safety and fear of interaction with law enforcement, child protection services, and other government entities that might separate their families.

The McKinney-Vento Act requires each state to ensure that every homeless child has access to the same education as housed children. It also requires liaisons to ensure that homeless children and youth are identified by school personnel and through coordination with other entities and

agencies. McKinney-Vento liaisons have access to families experiencing homelessness, which is a population that is often difficult to count.

Data on Homeless Families in Santa Clara County

According to data in the Santa Clara County Homeless Management Information System (HMIS) in FY 2018 – 2019, over 6,000 individuals in San José are experiencing homelessness. Of the 6,000 homeless households in HMIS, 81 percent (4,876) are single adults while 10 percent (602) are families with children. Data in HMIS also provides the following information about the 602 families:

- 71 percent head of household designation are female while 29 percent are male;
- 48 percent of family households consist of one adult (single parent family);
- 70 percent are Hispanic/Latinx;
- 7 percent (40) of families with head of household designation were currently fleeing domestic violence while 28 percent (168) have reported domestic violence at any given time;
- Income range for 403 families is between \$501 to \$1000 per month;
- Approximately 40 percent (240) of the families enrolled in a shelter program; and
- 14 percent (214) of individuals in families have a reported mental health disability.

Santa Clara County is prioritizing serving families with children. In FY 2018 – 2019, a total of 618 families with children requested housing assistance for the first time in Santa Clara County. However, during the same period, 524 families with children were placed in permanent housing. It is evident that the gap is decreasing between inflow and housing placements of families with children. Households with children represent 16 percent of the inflow into HMIS but represent 27 percent of housing placements. Only three percent of the more than 7,000 people in the community queue who are awaiting referrals for housing opportunities are families with children. Families are receiving services at higher rates as compared to other populations. For example, 13 percent of all households needing Rapid Rehousing Program assistance are families with children, but 27 percent of the Rapid Rehousing Program resources in the County are set-aside for families with children. In addition, the Homelessness Prevention Program originally targeted families with a goal of keeping families in their homes. As a result, families with children are more likely to be referred to a housing resource than many other subpopulations in the County.

Looking at data trends from the Homeless Census and Survey between 2013 and 2019, the estimate of homeless families in San José has steadily declined to its lowest in 2019. The Census data in these years are as follows:

- 2013; counted a total of 151 families with children (representing 417 individuals) experiencing homelessness in San José.
- 2015; counted a total of 121 families with children (representing 388 individuals)

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- experiencing homelessness in San José.
- 2017; counted a total of 104 families with children (representing 340 individuals) experiencing homelessness in San José.
- 2019; counted a total of 98 families with children (representing 313 individuals) experiencing homelessness in San José.

It is important to note that this data represents the number of homeless families meeting the Department of Housing and Urban Development's (HUD) definition of homelessness, and not the McKinney-Vento Homeless Assistance Act definition of homelessness. Were the McKinney-Vento definition used, the number of families experiencing homelessness would (very) likely be much greater.

Since 2013, the Housing Department has collaborated with the Santa Clara County Office of Education (SCCOE) to confirm the total number of children meeting the biennial Homeless Census and Survey and HUD definition of homelessness. With each process, participation by the school districts has been limited and gathering an accurate number of children experiencing homelessness in Santa Clara County has been challenging. During the 2019 Homeless Census, there was a significant effort made to include data from all the school districts within Santa Clara County, including meeting with school district representatives to train and prepare each school administration for the count in data collection procedures. District representatives were trained to conduct a separate survey of families on the night of the count. Participation from school districts was not as extensive in 2019 when compared to 2017 which may have an impact on the number of unsheltered families identified. In 2017, a total of 12 school districts participated while only seven participated in 2019.

During the 2017 – 18 school year, school districts identified 2,249 students experiencing homelessness within 18 school districts in San José boundaries. The school districts found that 1,769 students were doubled or tripled-up, 88 were living in motels or hotels, 263 were in emergency or transitional shelters, and 129 were unsheltered. The Housing Department will continue to work with SCCOE to review the data and understand the trends. For example, the HMIS data calculates households but the SCCOE data calculates individual students. More analysis is needed to reconcile data sets to provide better comparisons.

Impacts of Homelessness on Children

During the month of August 2019, the Housing Department coordinated three separate family residential instability workgroups. The 19 participants included: 11 school districts, McKinney-Vento homeless liaisons, and five representatives from various community services agencies. Liaisons shared their personal experiences supporting McKinney-Vento families and areas in which the city should increase or improve delivery of services. Feedback shared with the Housing Department is listed below:

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- Families are fearful of disclosing their homeless status due to the possibility that the family household will be separated for fear of agencies such as Immigration and Customs Enforcement or the Department of Family and Children's Services;
- Few safe and stable services to prevent doubled and tripled-up families from experiencing unsheltered homelessness;
- Current process and time it takes for a family to get into a family shelter is not realistic (i.e. calling every day between 10am-11am to maintain name on wait list);
- Services are antiquated;
- Few to no tenant protections for family households who are renting rooms, garages, couches, or floor spaces;
- Need for education about family homelessness; and
- Excited to provide input on the 2020-2025 Community Plan to end Homelessness.

Unsheltered homelessness not only hinders many families throughout the County from becoming self-sufficient, but keeps children in the cycle of traumatic poverty. When home is a vehicle or an unpermitted dwelling, the impact of that living experience on a child can be detrimental overnight. In the case of McKinney-Vento students, medical, dental, and behavioral health risks are a constant battle every day. Health problems are severe among homeless families, resulting in progressive morbidity and premature mortality. Poverty and lack of cooking facilities may contribute to poor nutrition, increased birth defects, accidents, disease, and mental illness. Typically, problems reported included victimization; physical, sexual, and emotional abuse; and a high prevalence of alcohol and substance addiction or mental health disorders.¹

While the experience of homelessness has impacts on families with children, housing instability also creates repercussions. In San José, nearly 20 percent of households are "severely cost-burdened." This means that residents are paying more than 50 percent of their gross income on housing, leaving an insufficient income to pay for their other needs such as food, clothing, medical care and transportation.² A 2017 survey of 406 urban markets in nine countries ranked San José the 5th most unaffordable housing market overall, ahead of Los Angeles and San Francisco.³ The high rents place tremendous pressure on individuals and families to crowd into smaller apartments, endure longer commutes to less expensive housing markets, and to accept substandard housing.

While the Housing Department has census and survey data for the income of households, it is harder to obtain aggregate income data specifically for households with children. However, given that families with children have a need for larger homes than households without children, it is fair to assume that at least 20 percent of families with children are also severely cost-burdened. Using the 2017 data, there are at least 24,798 San José households with children that are severely cost-burdened.

¹ Morris, R. (n.d.). The impact of homelessness on the health of families. *The Journal of School Nursing: The Official Publication of the National Association of School Nurses.*, 20(4), 221-227.

² HUD Comprehensive Housing Affordability Strategy (CHAS) for San José City, 2009-2013

³ National Housing Conference, *Paycheck to Paycheck 2016*.

When families are housing cost-burdened, they are often forced to live in substandard and/or over-crowded conditions. Rent-burdened families are forced to move more frequently than families with substantial financial means. This creates housing instability and educational challenges for children who change schools frequently. Research has shown that children raised in substandard or overcrowded housing can suffer health, socio-emotional, and cognitive impacts. Studies have also found that residential instability can lead to lower educational outcomes, higher levels of delinquency, and disruptions for both children's and parent's social networks.⁴

According to the 2019 *Santa Clara County Children's Data Book*, more than one in three households in California (over 3.8 million) struggle to meet basic needs. Many families in Santa Clara County contend with significant deprivation. They earn too much to qualify for income support such as CalFresh, Medi-Cal, subsidized housing or childcare, yet they struggle to meet their basic needs. The Real Cost Measure (RCM) methodology considers local costs of living to develop household budgets to meet the basic needs for families in the county. The RCM then looks at neighborhood-level demographics to estimate the number of households with incomes below the basic-needs budget.⁵ In Santa Clara County, 122,725 households fall below the Real Cost Measure. For a household with two adults, one infant and one school-age child, the RCM is \$92,084. The RCM focus point highlights the daily living situations for families in Santa Clara County as indicated below:

- 39 percent or 47,401 households below the RCM standard are Latinx;
- 36 percent of households with children under the age of six fall below the RCM standard;
- 64 percent of families headed by single mothers fall below the RCM standard;
- 98 percent of families that fall below the RCM have at least one working adult. 78% designated as head of households who work are employed full time and year-round;
- Families with two adults, one infant, and one school-age child would need to work nearly three fulltime jobs earning \$15.00 per hour; and
- 35 percent of all households in Santa Clara County spend over 30% of their income on housing.⁶

This glaring cost of living for families is not a focus for discussion and has not been a focus of local priority setting, but this is one of many root causes of family homelessness in San José.

Working-class families are being forced into invisible living situations that consist of shared living situations, and children are growing up in generational cycles of poverty. The cost of a living gap is even wider when we take into consideration that many families experiencing

⁴ Funders' Network, *How Housing Affects Child Well-Being*, Fall 2016

⁵ Block, Betsy Baum, Gascon, Henry, Manzo, Peter, Parker, Adam D. Parker. "Struggling to Stay Afloat: The Real Cost Measure in California 2018." Article and Santa Clara County Profile retrieved 2/28/2019 at unitedwaysca.org.

⁶ Ibid.

homelessness are households headed by single women, and families with children under the age of six.

Current and Future Opportunities for Serving Homeless Families

In 2018, a total of 618 homeless families with children in Santa Clara County entered the Homeless Management Information System for the first time by completing the Vulnerability Index – Service Prioritization Decision Assistance Tool. In the same period, 524 homeless families were permanently housed in Santa Clara County. Families are entering the system at a higher rate than the community has resources to help. However, there are opportunities to increase, expand or scale current programs serving families, as well as opportunities to develop new priorities and plan for programs serving families.

Homelessness Prevention

Destination: Home's report, *Home Not Found: The Cost of Homelessness in Silicon Valley*, found that 32% of the homeless population were homeless for two to six months, versus 20% who were homeless for one month. This data illustrates that families experiencing homelessness need interventions which will prevent them from becoming homeless and/or can provide a quicker exit from the homeless system. Given the high percentage of rent burdened households who fall below the RCM, homelessness prevention is a priority for the City of San José to stop homelessness of individuals/families before falling into it, especially for families with children.

In FY 2019 – 2020, the Housing Department partnered with Destination: Home using one-time Homeless Emergency Aid Program (HEAP) funding in the amount of \$4M to increase capacity in the local Homelessness Prevention System. In its first two years of operation with roughly \$4M total Countywide (from private foundations, the Cities of San José, Santa Clara and Morgan Hill, and County of Santa Clara), the Program prevented homelessness for 841 families (584 families in San José). A total of 72 percent of households served were families with children. The Homelessness Prevention Program turned away over half of the households who needed assistance due to lack of capacity and resources. As the Program moves into its third year of operation, Destination: Home has proposed to add to the funding increasing the capacity to serve up to 1,500 households per year. Destination: Home has raised over \$14M for the next two-year pilot expansion including a \$4M contribution from the City of San José. In order to reach the goal of serving 900 households each year, a total of \$20M is needed. There is currently a \$6M gap to reach the goal. To scale the Program, the City of San José has an opportunity to increase the contribution by potentially using the second round of Homeless Emergency Aid Program funding, and given that the large majority of households are served in the central county (79 percent),

Temporary Shelter

San José has three emergency shelters for families with a total of 191 beds, providing a temporary residence for homeless families for a period of no more than 90 days. Recognizing the need to increase emergency beds for families, the Housing Department has proposed to

partner with LifeMoves on a Motel Voucher Program for families in FY 2019 – 2020. Using approximately \$2M in one-time State funding, the Program will assist at least 60 unsheltered families with temporary shelter in motels with the ultimate goal of being permanent housed.

In FY 2019 – 2020, the Housing Department will recruit more organizations to offer shelter to homeless families under the City's Temporary and Incidental Shelter Ordinance. While these sites typically target single individuals, there is potential to designate one or more of the locations for families with children. Further, the Housing Department will recruit private property owners and schools to designate their parking lots under the Safe Parking Ordinance. These sites may include safe places for families to park their vehicles with children.

Rental Subsidies

Time-limited rental subsidy programs are viewed as a national best practice, especially for homeless families. For example, rapid rehousing programs connect households experiencing homelessness to permanent housing by providing financial assistance and targeted supportive services that assist in achieving long-term housing stability. During FY 2018-2019, a total of 161 households (361 individuals) were enrolled in the City's Rapid Rehousing Programs with the goal of successfully exiting the Program to permanent housing. Of the 161 in the Program, a total of 109 have been housed within the programs while 39 households are enrolled and are waiting to be housed. Of the 54 households who exited the Rapid Rehousing Programs after being housed, 83 percent exited to permanent housing.

Assisted Rapid Resolution

Assisted Rapid Resolution (ARR) is a system-wide strategy that reduces system inflow and ensures individuals and families who access the homeless system the opportunity to quickly resolve their current housing crisis. ARR is a new strategy that will be implemented throughout Santa Clara County in FY 2019 – 2020. A series of workshops are currently being held to design specific programs under this strategy. Examples of ARR strategies for families could include:

- Create teams dedicated to diverting families from the homeless service system and back into stable housing;
- Develop a client-focused problem solving centralized helpline for families to call when they are at risk of losing their housing; or
- Implement a system in which there are multiple safe access points within the City of San José (including community centers and libraries) as an initial step in the coordinated entry engagement and assessment process.

Multifamily Affordable Housing Production Program

The Housing Department plans to announce the availability of additional funds for affordable housing development this winter providing an opportunity for the housing needs of families be

taken into consideration. Prior to the release of these funds, the Housing Department will take the following actions:

- *Assess Demand for Larger Apartments:* Staff will obtain input from affordable housing developers and property managers to ascertain the demand of three- and four- bedroom units, and assess if there are any challenges to keeping larger unit apartments occupied.
- *Review Application Scoring Criteria:* Staff will evaluate the astuteness of maintaining or expanding application scoring incentives which favor funding new developments with two-, three-, or four-bedroom units.
- *On-site Day Care:* Consistent with the City Council priority to further early childhood education, staff will include scoring for developments providing on-site day care facilities. These services will support affordable housing for families.

Coordination with Schools and McKinney- Vento Liaisons

McKinney-Vento liaisons have access to families experiencing homelessness or those who are unstably housed, which is a population that is difficult to enumerate. McKinney-Vento liaisons within the school districts gathered data on all homeless families for the biennial Homeless Census and Survey but only submitted the households that met the HUD definition of homeless; most of the data was not included in the Homeless Census. An important future opportunity is to better coordinate and data share information between the County HMIS system and the McKinney-Vento liaisons, such as improved training and preparation for the Census. The Housing Department is currently holding focus groups and listening sessions with McKinney-Vento liaisons to receive feedback on how the two systems could better align and coordinate. This feedback will be incorporated into future plans and funding opportunities.

Community Plan to End Homelessness

One upcoming opportunity to prioritize families is through the development of the new Five-Year Community Plan to End Homelessness. In 2014, Destination: Home developed a county-wide community plan to address homelessness by convening over 200 stakeholders in a year-long planning process. The Community Plan is the road map for the County, Cities, and service providers to follow on how to end homelessness. Many cities and organizations have signed on and use the community plan to help guide programs in their jurisdictions. For the City of San José, the City Council adopted the plan in 2015. The Housing Department uses the community plan to guide and prioritize programs. After prioritizing chronically homeless individuals for many years in the previous plan, the Housing Department, Destination: Home, and the County Office of Supportive Housing recognized the need to include a strategy focus on serving families in the new community plan.

The planning for the new community plan has begun and the City of San José has two seats on the Steering Committee which oversees the overall plan development. Additionally, the City participates in the working group for the plan, meeting weekly, to develop the plan and oversee the community engagement. The framework for the Plan includes three new pillars:

1. Increasing the capacity and effectiveness of housing programs;
2. Addressing the root causes of homelessness through system and policy change; and
3. Improving quality of life for unsheltered individuals and creating healthy neighborhoods for all.

Each of these pillars will have specific strategies. The projected timeline for the completion of the new Plan is early 2020. Community engagement is a critical piece of the strategic planning process to ensure diverse feedback and increase investment in the Plan. Feedback will be solicited on the proposed pillars, goals, and strategies from key stakeholders, subject matter experts, the community, and consumers. To collect input, there will be scheduled focus groups, community meetings, surveys, and interviews. Finally, the Housing Department will develop a San José specific work plan that details strategies, programs, goals, and timelines specific to the City of San José.

On August 20, 2019, the first convening was held to receive feedback from homeless family service providers on Countywide gaps in services for homeless families with children. Below is some of the feedback on future opportunities for serving homeless families:

- Expand the homelessness prevention system;
- Increase temporary beds (shelters and motels);
- Cross-coordinate and share data between HMIS, school districts, foster care system, jails, hospitals, and County Departments of Behavioral Health and Alcohol and Drug Services;
- Educate and collaborate with property owners to increase affordable housing stock;
- Develop a 24/7 helpline for families experiencing homelessness; and
- Build high-density, multi-family housing for large households.

As the Community Plan is developed, there is a great opportunity to include strategies specifically for families with children within the detailed work plan. The community engagement process has just begun, but the Housing Department continues to be actively involved in the leadership developing the plan which will be brought to Council this winter.

Five Year Consolidated Action Plan

The U.S. Department of Housing and Urban Development (HUD) requires jurisdictions that receive federal housing and community development grant funding to develop a Consolidated Plan that identifies priority needs, goals, actions, and funding strategies. The Consolidated Plan represents a comprehensive strategy for four federal funding programs:

1. Community Development Block Grant
2. HOME Investment Partnership
3. Emergency Solutions Grant
4. Housing Opportunities for Persons with Aids

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San José currently is completing its approved activities under its 2015-2020 Consolidated Plan and is now starting to develop the 2020-2025 Consolidated Plan. The City Council approved priority areas for the 2015-20 Consolidated Plan are:

- Increasing and preserving affordable housing opportunities;
- Responding to homelessness and its impacts on the community;
- Strengthening neighborhoods; and
- Promoting fair housing.

The development of a new Consolidated Plan for 2020-2025 is an opportunity to receive community feedback on spending priorities and develop new priorities. The Housing Department is engaging with a consultant to develop the new Consolidated Plan and will conduct extensive community outreach. The Department will return to the Neighborhood Services and Education Committee in early 2020 with initial community feedback and drafted spending priorities.

State Funding

In 2019, the City of San José received a one-time grant from the State of California called the Homeless Emergency Aid Program (HEAP). The Council recommended prioritizing HEAP spending on prevention, essential services, and temporary shelter opportunities as well as prioritization of programs that could quickly accommodate the greatest number of participants. The Housing Department has funded a variety of programs including mobile hygiene services, expanding the prevention program, Bridge Housing Communities, motel voucher program, rental subsidies for youth, and increasing shelter opportunities in cold weather.

The Housing Department expects to receive another one-time grant from the State for homeless aid programs under Assembly Bill 101 which was approved by the California legislature and the Governor in July 2019. This could be an opportunity to expand services for homeless families. The Housing Department expects to bring a proposed expenditure plan to City Council for approval this winter.

Conclusion

As noted above, there are opportunities to increase support for families. In the coming months, the Housing Department will continue the community engagement process for both the 2020-2025 Community Plan to End Homelessness and the Five-Year Consolidated Action Plan. The Housing Department will engage with service providers, McKinney Vento representatives, education leaders, and service providers to get feedback on family serving priorities for the proposed plans. The Housing Department continues to collect data from other family serving organizations to better understand trends and inform future plans and policies for families.

Additionally, there will be an opportunity for the Housing Department to conduct analysis on transitional age and foster youth and how that population correlates with the data in HMIS and data received by school districts. The homeless youth population is one in which the Housing Department will invest in the upcoming fiscal year with an investment of \$2M from HEAP. The

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inclusion of this population when discussing and prioritizing families and children will be part of the conversation moving forward.

Finally, the Housing Department will bring forward the following items for City Council feedback which provide opportunities to enrich services and coordinate strategies serving families:

- Five Year Consolidated Action Plan:
 - Neighborhood Services and Education and Community and Economic Development Committees early 2020
 - City Council in May 2020
- Community Plan to End Homelessness:
 - City Council in early 2020
- State Funding (AB101):
 - City Council in winter 2020

EVALUATION AND FOLLOW-UP

The Housing Department will return to City Council with separate items for several homelessness and housing initiatives in the coming months.

PUBLIC OUTREACH

This item has been posted on the Neighborhood Services and Education Committee website for September 12, 2019.

COST SUMMARY/IMPLICATIONS

There are no cost implications at this time.

COORDINATION

This item has been coordinated with the City Attorney's Office.

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CEQA

Not a Project, File No. PP10-069 (a), Staff Report.

/s/

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Director of Housing

For questions, please contact Kelly Hemphill, the Homelessness Response Manager, at 408-975-4483.