



A Tale of Three Cities: Partnerships & Programs for the Unhoused



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Speakers:

Helene Schneider, Regional Coordinator
U.S. Interagency Council on Homelessness

Bob Nisbet, City Manager
City of Half Moon Bay

Alma Martinez, City Manager
City of El Monte

Damien R. Arrula, City Administrator
City of Placentia



10 Strategies to Reduce Homelessness with ARPA

Strengthen the Rehousing System

Expand the Affordable Housing Supply



The American Rescue Plan (ARP) Act was signed by President Biden on March 11, 2021, in response to the economic crisis catalyzed by the COVID-19 pandemic. The \$1.9 trillion relief legislation includes an **unprecedented \$10 billion investment in ending homelessness** through the Department of Housing and Urban Development's (HUD) [Emergency Housing Voucher \(EHV\)](#) and [HOME Investment Partnerships \(HOME-ARP\)](#) programs. This provides a **once-in-a-generation opportunity** to significantly reduce homelessness in some communities and end it in others if we simultaneously strengthen the rehousing system and expand the supply of affordable housing, especially for the lowest-income renters.

HUD Secretary Marcia Fudge's [House America](#) initiative provides communities with the focus, resolve, and technical know-how needed to deploy these resources to maximize impact. Through *House America*, HUD and USICH are inviting state, local, and tribal leaders to join a national partnership to use this historic investment to address the homelessness crisis.

The path forward must be guided by equity and evidence, particularly the Housing First approach that's proven to lower not only returns to homelessness but also costs associated with emergency services. The pandemic amplified the systemic racism that's embedded in our housing and health institutions. People of color are overrepresented in the homeless population and more likely to contract and die from coronavirus. To reduce homelessness, we must address these deep-rooted inequities and ensure that everyone has access to housing.

USICH urges communities to **prioritize these resources for the most vulnerable**, including people living unsheltered. For the first time since this data collection began, more people are living on the streets than in shelters.

The following 10 strategies provide **practical guidance for leaders at all levels of government** to maximize the housing resources in the American Rescue Plan—as well as other federal, state, and local resources. At USICH, we work across the federal government to prevent homelessness when possible and ensure that it's a rare, brief, and one-time experience when it happens. *We know how to end homelessness in this country. Together, we can make it happen.*

House America: An All-Hands-On-Deck Effort to Address the Nation's Homelessness Crisis



The Tale in Half Moon Bay





Coast House Basics

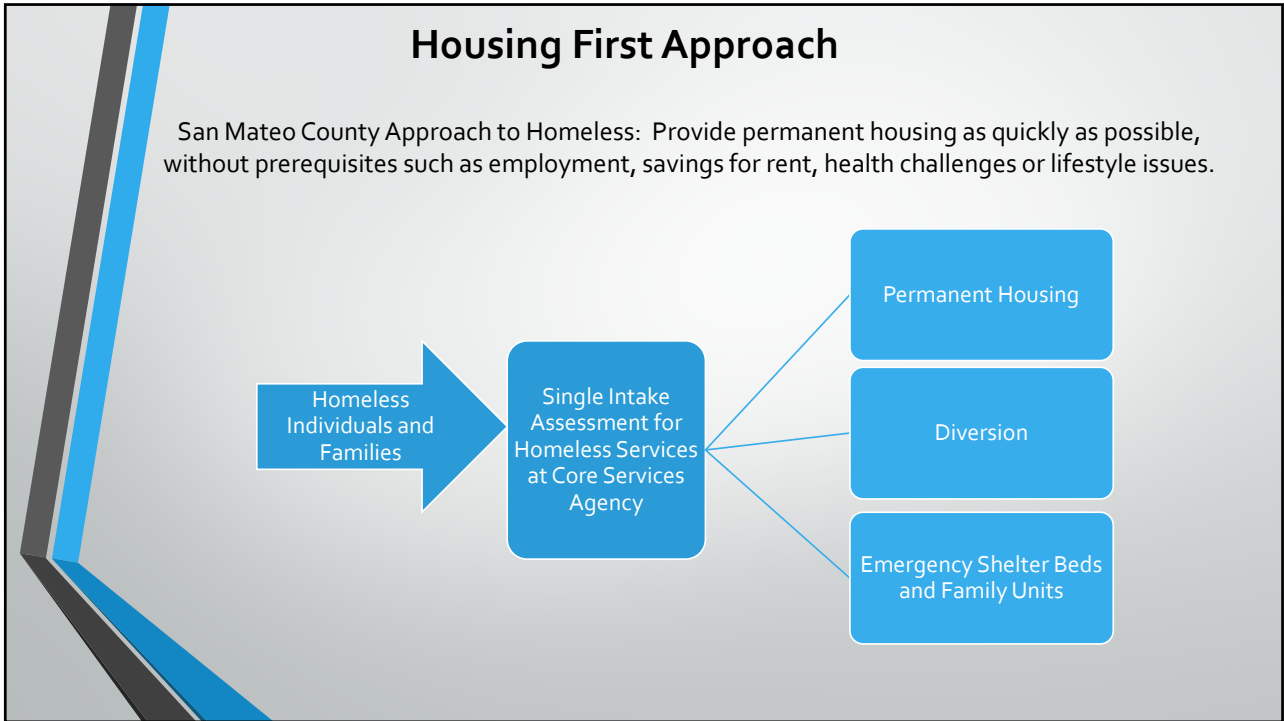


- 52 guest rooms
- All rooms furnished, including:
 - Furniture, linens, etc.
- Reception area, laundry room, and a breakfast area

Coast House Services

- LifeMoves non-profit operating facility
 - 24/7 staffing
 - housing-focused case management
 - Non-Congregate Care = Privacy
- Memorandum of Understanding with County
- Community Advisory Committee







Abundant Grace Workforce Development Center



Abundant Grace in Action

Takeways

- 1) Partnership with County
- 2) Housing First: Benefits of Non-Congregate Shelter
- 3) Local Non-Profits like Abundant Grace
- 4) Site shelter front and center; not “into the darkness”

The Tale in Placentia



Background

- 2019 Point in Time count: 6,860 persons in Orange County experiencing homelessness (43% increase from 2017)
- Cities being litigated against
- Martin v. Boise (2018) Case



- 12 North Orange County Cities developed a regional plan to address homelessness
 - Placentia, Buena Park, Brea, Cypress, Fullerton, La Habra, La Palma, Los Alamitos, Orange, Stanton, Villa Park, and Yorba Linda

Regional Collaboration on Homelessness

- 12 cities entered into MOU
- Entered into Master Settlement Agreement with Federal Court
- Secured approximately \$16 million in funding from Orange County
- North SPA worked to proactively find suitable locations for proposed shelters; Two Navigation Centers in North SPA Cities Buena Park and Placentia (250 beds)
- Vision was to address:
 - Housing in a high-quality facility for homeless persons
 - Need for wraparound services
 - Regional nature of homelessness
 - Avoid future legal exposure

Funding the Navigation Centers

- November 2018 – North SPA receives approximately \$16 million HEAP funds from the State via the County
 - \$10.2 million designated for Buena Park
 - \$5.6 million designated for Placentia
- Ongoing operations largely funded by State (Senate Bill 2), County, and Cities
- Buena Park
 - Property purchased with City's Housing Successor Agency set-aside funds
 - Funds can only be used for no to low-income housing
- Placentia
 - No General Fund

Funding the Navigation Center Collaboration

- Evaluated each City's:
 - Population
 - Unsheltered Homeless and % of City Population
 - % of North SPA Unsheltered
 - % of North SPA Regional Population
 - # and % Current and Proposed Shelter or Navigation Center Beds
- Developed Two Formulas:
 - One for Construction
 - One for Operations

Construction Funding Formula

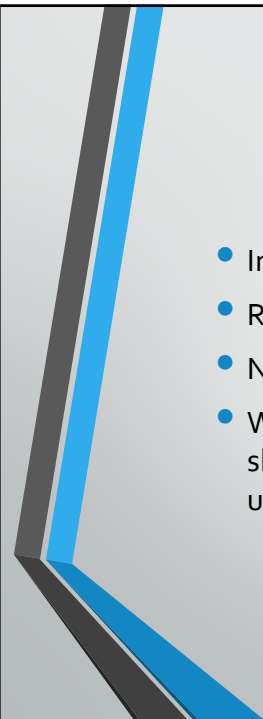
- Total cost of Acquisition and Construction for both the Placentia and Buena Park sites is approximately \$17.3 million.

CONSTRUCTION AND ACQUISITION FORMULA BASED ON:
50% of Percent of Total Regional Population
50% of Percent of Region Homeless Population
5.46% Credit/Surcharge (Based on Percent of Total Beds minus Percent of Total Region Population)

Operations Funding Formula

- Total annual cost of operations for both the Placentia and Buena Park sites - \$4,125,000

OPERATIONS FORMULA BASED ON:
50% of Percent of Total Regional Population
50% of Percent of Region Homeless Population
15.5% Credit/Surcharge to/from Host Cities



Management and Operations of the Placentia Navigation Center

- Independent Operators: PATH (Placentia) and Mercy House (Buena Park)
- Referral-only based facilities
- North Orange County residency requirements
- Wraparound services include health resources, counseling, job and social skills, and opportunities to reunite with family and friends, with the ultimate goal of helping them find a permanent job and home



Lessons Learned

- Unforeseen design challenges (old and new buildings, privacy, multiple client types)
- Narcotics management and disposal
- COVID-19
 - Spacing and design
 - Transition to permanent housing
- In hindsight, master RFP for same site operator
- Prepare for a larger contingency budget on construction
- Expect delays in funding from the State (cash flow)
- Expect additional overhead costs (City staff, management of program)
- Be able to address dumping
- Ensure residency requirements are established on day one
- Manage expectations on future growth

Outcomes

- To date, PATH has assisted **54** clients in obtaining permanent housing and jobs through the Navigation Center
- Mercy Housing has assisted **41** clients in obtaining permanent housing and jobs through the Buena Park Navigation Center
- Placentia removed **3** homeless encampments after opening and placed people into a clean and safe environment
- Buena Park removed **6** homeless encampments after opening and placed people into a clean and safe environment
- Since opening in March 2020, Placentia has not had one arrest or citation of a homeless individual

End Results

Buena Park's Navigation Center



Placentia's Navigation Center



The Tale in El Monte



HOMEKEY PROGRAM

City of El Monte



Alma K. Martinez
City Manager
City of El Monte

Located approximately 12 miles east of downtown Los Angeles, **El Monte** is the hub of the San Gabriel Valley, where two major freeways - Interstates 605 and 10 - intersect and is the ninth largest city (out of 88) in Los Angeles County with a population of approximately 120,000. The land uses within its 10 square mile area are 58% residential, 11% retail, 10% industrial, 7% office/retail, and 14% other of amenities. El Monte also has an ethnically diverse and dynamic population with 72% Hispanic, 18% Asian, and 7% White.

El Monte has one of **the largest unhoused population in the San Gabriel Valley**. The 2020 Homeless Count conducted by the Los Angeles Homeless Services Authority (LAHSA) reported **433 homeless individuals** in the City.

El Monte is leading the way in the SGV by developing **permanent supportive housing** for the homeless population and now with the HCD **Homekey Program**.



HCD HOMEKEY PROGRAM

Building on the success of the Project Roomkey Program, in July 2020, the California Department of Housing and Community Development (HCD) issued a Notice of Funding Availability for the Homekey Program.

Homekey is the next phase in the State's response to protecting Californians experiencing homelessness who are at a high risk for serious illness and are impacted by COVID-19.

The maximum Homekey funding allocation with no match is \$100,000 per unit, and a separate 24-month operating subsidy in an amount not to exceed \$1,000/month per unit. Funding requests over \$100,000 per unit will require a 50% match by the Grantee.



EL MONTE HOMEKEY APPLICATION

City received **\$5.67M** of HUD Emergency Solutions Grant (ESG) Coronavirus (CV) funding for homeless prevention, street outreach, rapid rehousing, and emergency shelter.

Leveraged the **ESG-CV funding** to apply for the Homekey Program.

The City prepared and submitted applications for the 93-room M Motel and the 40-room Budget Inn. Both hotels are located adjacent to one another at Valley Blvd./Baldwin Ave. and were under the same ownership.

November 2020, El Monte was awarded Homekey funding totaling **\$17,713,213**.

Budget Inn \$4,170,920 and **M Motel \$10,350,293** for acquisition and rehabilitation and **\$960,000** and **2,232,000** for operations via Philanthropic Funds from Kaiser Permanente.

HOMEKEY SITES

BUDGET INN
40 ROOMS

M MOTEL
93 ROOMS



BUDGET INN

30,000 SF (0.68 acre) lot

16,200 SF two-story building
32 parking spaces
built in 1984

Manager's unit for case
management offices



M MOTEL

50,000 SF (1.15 acre) lot

28,100 SF two-story building
48 parking spaces
built in 1964

Large courtyards and
rear usable space



NEGOTIATIONS PURCHASE AND SALE AGREEMENTS

Asking Price - \$17,500,000

M Motel

- Appraised Value: \$11,000,000
- Purchase Price: \$11,000,000
- Closing Date: December 15, 2020

Budget Inn

- Appraised Value: \$5,000,000
- Purchase Price: \$4,000,000
- Closing Date: December 15, 2020

Total Appraised Value: \$16,000,000

Total Purchase Price: \$15,000,000

**OPPORTUNITY TO REPURPOSE BLIGHTED BUILDINGS
WITH HIGH CRIME ACTIVITIES AND CLEAN UP THE NEIGHBORHOOD**



HOMELESS HOUSING

With 133 beds, Homekey will provide housing for up to 30% of the City's homeless population (433 individuals).

Budget Inn will operate as an emergency shelter in perpetuity due to ESG-CV funding sources.

M Motel will operate as temporary housing for homeless families for Years 1 – 5 and transition to permanent supportive housing at Year 6.

Tenants have to be entered into the LA County Coordinated Entry System (CES) and will be available for all San Gabriel Valley Service Planning Area (SPA) 3 cities.

Budget Inn will prioritize transition age youth (TAYs) and M Motel will house families in July 2022 through funding from the LA County Homeless Initiative for 36-months.



PARTNERSHIPS ONSITE SUPPORTIVE HOUSING BUDGET INN

Partnering with **Volunteers of America (VOA)** to provide property management and **onsite wraparound supportive services** for the first year.

VOA staff will provide onsite management and security 24 hours, seven (7) days a week, and maintenance of the facilities.

Budget Inn includes a 783 square foot, two-bedroom, two-story manager's unit that can be used for the onsite management office and offices for onsite services.

Supportive services include daily meals, rapid rehousing and outreach, homeless prevention, family reunification, substance abuse help, employment services, and mental health support.

Cost of operations is \$752,000 annually for 40 occupants.



CHALLENGES RELOCATION REQUIREMENTS

Upon taking ownership of the buildings, the City discovered that 11 households were utilizing the motels as long-term housing.

City had to provide property management services and 24-hour security for the households.

City responsible for relocating the households before the sites could be occupied.

City utilized Overland Pacific & Cutler to develop a **relocation plan** and assist with **relocation benefits**.

Relocation plan had to be approved by HCD and the City Council.

Relocation took 6 months; City paid **\$350,000** in relocation benefits.



CHALLENGES RENOVATIONS

City discovered significant Building and Fire code violations and structural damages that were not identified in HCD's presale inspection.

M Motel had to be **red-tagged** due to structural failure.

Renovations:

- Structural repairs
- Roof replacement
- Mold and asbestos abatement
- Electrical re-wiring
- Plumbing re-piping
- Termite abatement
- ADA compliance
- HVAC replacement
- Security system

Challenges: Material costs increase and supply shortages due to covid have resulted in increased costs and significant construction delays.

STRUCTURAL FAILURE



RENOVATIONS



OCCUPANCY REQUIREMENTS

TEAMWORK PUBLIC WORKS

HCD's funding agreement requires the City comply with the **50% occupancy** rate by December 31, 2021.

Due to ongoing renovation at the Budget Inn, the City had to house homeless individuals at the M Motel site.

In order to achieve this milestone, staff identified 39 rooms that could be quickly renovated for temporary occupancy until the M Motel undergoes full renovations.

A very aggressive schedule was implemented that included the employment of City staff in the **Public Works Department** to complete the basic room renovations necessary for occupancy.

Public Works staff employed on an overtime basis are all skilled tradespersons in terms of painting, tiling and carpet laying, carpentry, and the installation of basic fixtures.

TEMPORARY RENOVATED ROOMS





PARTNERSHIPS

UNION STATION HOMELESS SERVICES

Union Station Homeless Services provides homeless resources through the City's Homeless Access Center funded by Measure H.

Leveraging the existing **partnership** with Union Station, the City and Union Station entered into a contract to provide **onsite wraparound supportive services** at the M Motel for the temporary emergency shelter of the 39 rooms.

The temporary shelter will operate until June 30, 2022.

Starting July 1, 2022, the M Motel will undergo full renovations in preparation for family housing.

ACCOMPLISHMENT – 39 homeless individuals moved into the M Motel on January 26, 2022 in compliance with HCD!

The City was granted an extension for the M Motel due to the significant renovation requirements.



ADDITIONAL FUNDING SOURCES

Due to the unexpected renovations required, the City had to seek additional funding in order to complete the renovations and fund the ongoing operations.

In October 2021, **HCD awarded** the City additional CDBG-CV funding totaling **\$6.6M** to complete the renovations.

In December 2021, the **El Monte City Council** approved an allocation of **\$5.1M in ARPA funds** for renovations and operations.

The City is working with **LA County Homeless Initiative** to provide subsidy for the operations of the M Motel for **family homeless housing** starting in Fiscal Year 2022.



LESSONS LEARNED

DUE DILIGENCE / THOROUGH SITE INSPECTIONS

PROPERTY MANAGEMENT

ONSITE SECURITY NEEDS

RELOCATION NEEDS

BUDGET/SOURCES OF FUNDS

CONCLUSION



CONTACT INFORMATION

Alma K. Martinez
CITY MANAGER

amartinez@elmonteca.gov

Dialogue & Q&A



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