



**CITY OF HAYWARD**  
**AGENDA REPORT**

AGENDA DATE 07/24/07  
AGENDA ITEM 2  
WORK SESSION ITEM \_\_\_\_\_

**TO:** Mayor and City Council  
**FROM:** Director of Community and Economic Development  
**SUBJECT:** Authorization to Spend HOME Funds to Provide Rental Assistance to Emancipated Youth Through Tri-City Homeless Coalition's "Project Independence"

**RECOMMENDATION:**

That the City Council:

- Adopt the attached resolution authorizing the use of \$201,120 in HOME program funds for rental assistance to emancipated youth through Tri-City Homeless Coalition's "Project Independence";
- Authorize the City Manager to execute the Regulatory Agreement and any other documents necessary to implement the proposed program.

**BACKGROUND:**

Each year, the City receives an allocation of federal HOME Investment Partnership funds, which are disbursed through the Alameda County HOME Consortium, and are to be used to provide affordable housing. The City's current year allocation of HOME grant funds is \$509,258. Because these funds originate from HUD and reside in the Consortium's Line of Credit, the City does not actually receive the funds until it identifies an affordable housing project and appropriates the funds. The City most recently used these funds for renovations to Huntwood Commons, an affordable family housing development owned by Eden Housing, Inc.

Staff proposes to utilize HOME funds to help pay for rental subsidies for emancipated youth through Project Independence, a program implemented by Tri-City Homeless Coalition (Tri-City). Project Independence serves emancipated youth in Alameda County - youth from 18 to 24 who have aged out of the foster care system. In addition to affordable housing, the program provides the youth and their children, if applicable, with comprehensive supportive services. Program participants live in subsidized apartments at scattered rental complexes and participate in case management, education and vocational training, employment placement, financial literacy training, mental and physical healthcare and other supportive programs.

Tri-City was formed in 1989 by local community leaders in the Fremont/Newark/Union City area in order to return homeless people to stable housing and positive community interdependence by providing shelter, stability and opportunities to improve life skills. Tri-City receives funding from several cities in Alameda County to provide services. In addition to

funding provided by local jurisdictions, Tri-City utilizes funds from foundations such as the Walter S. Johnson foundation to provide its supportive services.

Independent living programs like Project Independence have recently gained attention at the national level for addressing the urgent needs of a formerly neglected population and are considered to be an effective approach to addressing the difficulties facing emancipated youth. As Tri-City states, this housing plus services strategy is effective because it 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.

A recent compilation of statistics from the John Burton Foundation for Children Without Homes estimates that nationally about 20,000 youth aged 16 or older make the transition from foster care to legal emancipation each year. From January 1, 2004 to December 31, 2004, 4,255 children emancipated from foster care in California. The compilation found that children who emancipate from the foster care system face unique challenges such as mental health problems, early or unplanned pregnancies and lack of stable affordable housing, employment opportunities and medical care. As a result, according to the study, emancipated youth experience disproportionately higher rates of unemployment, lower educational attainment, incarceration, dependence on public assistance, substance abuse, and other high-risk behaviors. In the housing area, particularly, the finding from the study was that children who emancipate from the foster care system are unlikely to find safe, affordable housing. In California, 65% of youth leaving the system do so without a place to live. In Los Angeles and Alameda counties, 50% of emancipated youth will be homeless within six months.

It is estimated that approximately 300 youth emancipate annually from foster care in Alameda County. Establishing the residency of this population is difficult. Some of the youth might have had dozens of foster homes. However, based on a survey from Tri-City, of the program participants (including those already housed or waiting to be housed), 18 have a connection to the City of Hayward.

Providing tenant-based rental assistance is an eligible activity under the HOME program regulations and is consistent with the Policies and Programs of the City's General Plan. Among those policies is the "support of 'special needs' housing" through programs that help homeless or former homeless households to obtain or retain their housing, respectively. The proposed program is also consistent with the "Alameda County-wide Homeless and Special Needs Housing Plan" (adopted by City Council on December 5, 2006), which recognized the multidimensional nature of chronic homelessness, and the need for inter-jurisdictional and interdisciplinary cooperation to reduce and prevent homelessness by, among other things, increasing and sustaining the housing opportunities for the target populations in Alameda County.

The total HOME funds recommended for the program is \$201,120 for a two-year program. This funding would be used by Tri-City to pay 70% of the program participants' rent not to exceed \$734 for a studio with a single mother and one child, \$838 for a one-bedroom apartment with a single mother and up to two children, and \$943 for a two-bedroom apartment with two single young adults. If any of the two-bedroom units is occupied by one single participant only, the City will only pay 50% of the participant's applicable rent. Staff anticipates the \$201,120 initial

amount would subsidize rents for 10 to 20 individuals per year. The proposed funding level assumes the scenario in which the City would subsidize 10 (ten) one-bedroom apartments at the maximum City HOME subsidy (\$838) for twenty-four (24) months.

The City would enter into a Regulatory Agreement with Tri-City to guarantee that the organization comply with HOME program and City requirements as related to the use, conditions for disbursement and disbursement schedule of funds. The Regulatory Agreement would contain provisions to guarantee that the program is administered in accordance with the HOME and City requirements and other program's procedures. For example, Tri-City requires that foster youth must be employed before entering the program and be able to pay a deposit and one month's rent. As mentioned above, the required contribution from participants towards the rent must increase gradually after the first year. Finally, participants must enroll in education and vocational training and have to meet on a regular basis with their service coordinators who assess their progress. Participants' failure to comply with lease provisions, for example, may even result in expulsion from the program.

Provisions regarding the monitoring of the program's progress will be part of the Agreement as well. The City would use an agreement similar to agreements Tri-City has entered into with other Alameda County jurisdictions such as the City of Fremont and the City of Livermore which also provide HOME assistance to subsidize the rental housing part of the Project Independence. Staff in both cities considers the program very successful.

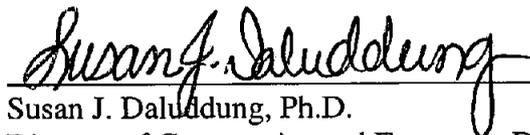
The funds for this program would represent approximately 40% of the total FY 07-08 HOME *project allocation* to the City (the total allocation minus the HOME funds used for administration of the HOME program). Staff anticipates that the rest of FY 07-08 HOME funds (\$308,138), which have not yet been committed, will continue to be used to subsidize the acquisition, rehabilitation, or new construction of affordable rental housing developments.

Prepared by:



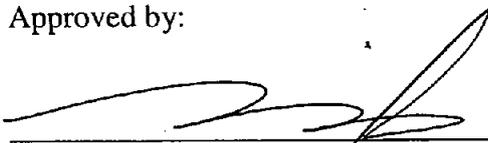
Maret Bartlett, Redevelopment Director

Recommended by:



Susan J. Daludung, Ph.D.  
Director of Community and Economic Development

Approved by:



Fran David, Acting City Manager

Resolution

# DRAFT

HAYWARD CITY COUNCIL

RESOLUTION NO. 07-

Introduced by Council Member \_\_\_\_\_

*me*  
7/18/07

**RESOLUTION AUTHORIZING THE USE OF HOME FUNDS FOR RENTAL ASSISTANCE TO EMANCIPATED YOUTH THROUGH TRI-CITY HOMELESS COALITION'S PROJECT INDEPENDENCE AND AUTHORIZING THE ACTING CITY MANAGER TO NEGOTIATE AND EXECUTE THE REGULATORY AGREEMENT AND RELATED DOCUMENTS**

WHEREAS, each year the City receives an allocation of federal HOME Investment Partnership funds, the current allocation of which is \$509,258; and

WHEREAS, Project Independence, a program implemented by Tri-City Homeless Coalition (Tri-City) services emancipated youth, ages 18 to 24 in Alameda County who have aged out of the foster care system with affordable housing and comprehensive supportive services, such as education and vocational training, employment placement, financial literacy training, and mental and physical healthcare; and

WHEREAS, staff proposes to utilize \$201,120 in HOME funds to help pay for rental subsidies for emancipated youth through Project Independence, which funds would be used by Tri-City to pay a portion of the program participants' rent, and anticipates that said funds would subsidize rents for 10 to 20 individuals per year, provided they remain in compliance with the provisions of the program.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Hayward hereby authorizes utilizing \$201,120 from HOME funds to help pay for rental subsidies for emancipated youth in Alameda County.

BE IT FURTHER RESOLVED that the Acting City Manager is hereby authorized and directed to negotiate and execute any and all documents necessary to complete the transaction.

