



24-5201

**DATE:** May 7, 2024 (Item No. {{item.number}})

**TO:** Board of Supervisors

**FROM:** Consuelo Hernandez, Director, Office of Supportive Housing

**SUBJECT:** Amendment to Delegation of Authority for No Cost MOU - Supportive Services

### **RECOMMENDED ACTION**

Approve amended delegation of authority to the County Executive, or designee, to negotiate, execute, amend, or terminate no-cost Memoranda of Understanding with owners of affordable housing developments relating to operating and maintaining high quality site-based supportive housing units that help stabilize and improve the health and well-being of persons who have experienced homelessness and housing instability, with a delegated contract term limit for a maximum term of 20 years, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive. Delegation of authority shall expire on December 31, 2026. An exception to Board of Supervisors Policy 5.4.5.4, Length of Term of Contracts, has been approved by the Office of Countywide Contracting Management. (LA-1)

### **FISCAL IMPLICATIONS**

While the Memoranda of Understandings (MOU) with the owners of the affordable housing developments are non-monetary, the County would be agreeing to provide ongoing supportive services for residents of the supportive housing units (i.e., permanent supportive housing and/or rapid rehousing), which does have a cost impact. The estimated cost of supportive services ranges from \$7,500 to \$13,500 per unit per year. Actual expenses vary based on the type of supportive housing services provided, the needs of the clients, and the length of time that they have been housed. Funding for the supportive services is subject to annual appropriations by the Board of Supervisors.

### **REASONS FOR RECOMMENDATION AND BACKGROUND**

The County routinely enters into MOU to provide services for newly constructed or deed-restricted affordable housing projects with units set aside for individuals or families who need supportive services. The Board approved a delegation of authority (DOA) for MOU for 14 new projects on September 11, 2018 (Item No. 52). On August 31, 2021 (Item No. 56), the Board approved an amended DOA that extended its term from June 30, 2023 to December 31, 2026 and expanded the list of properties that would be covered under the amended DOA. Attachment A provides a list of executed MOU covered under the approved

DOA. Attachment B provides a list of MOU that have not yet been executed but that are covered under the existing DOA.

Under the current DOA, the Administration has executed 18 MOU, and is approved to execute 20 additional MOU for Board approved projects. The amended DOA would allow the Administration to finalize and execute an additional 23 MOU for new developments previously approved by the Board. Attachment C lists the additional 23 proposed MOU that would be covered under the amended DOA.

Every few years, the Administration will request to amend the DOA so that the Administration can update the Board on the status of MOU and have sufficient authority to manage the various MOU involving varying start and termination dates.

#### *Reason(s) for exception to Board Policy*

Pursuant to Board Policy 5.4.5.4, an exception to the maximum five-year term of contracts must be approved by the Office of Countywide Contracting Management (OCCM). Attached to this Legislative File is a copy of OCCM's approval of the exception. The Santa Clara County Housing Authority typically commits project-based vouchers for one 20-year term, with the option to renew for an additional 20 years. An additional year will be incorporated into the MOU to allow supportive services staff to begin engaging, preparing, and assisting potential residents.

#### *Reason for request of Delegation of Authority*

Although delegations of authority are discouraged except under certain circumstances, this delegation of authority is necessary due to in part the high volume of MOU that need to be executed as part of implementing the 2016 Measure A Affordable Housing Bond and other affordable housing financing programs. The Administration needs a process by which to efficiently execute these MOU with the owners of affordable housing developments. The MOU are terminable by the County with written advance notice.

To ensure that the MOU are consistent with the Board direction, the Office of Supportive Housing (OSH) in partnership with the Office of the County Counsel is working on the development of an updated MOU that better reflects the improved partnerships at each property. The Administration would be responsible for ensuring that all MOU adhere to the same principles of operating and maintaining high-quality supportive housing units that help stabilize and improve the health and well-being of persons who have experienced housing instability, lead to improved health of residents, and reduced use of acute and emergency services, stabilized and/or increased tenant incomes, and tenant participation in vocational programs.

The County has committed to providing supportive services as part of its housing programs, including the Mental Health Services Act Housing Program and the Continuum of Care program. In each development, OSH establishes the referral process and the screening criteria. Under the MOU, the County's primary responsibility is to ensure that supportive housing unit residents are offered adequate supportive services. The project owners have two primary responsibilities: (1) to ensure that all residents receive professional property management services, and (2) to ensure that all residents receive some level of supportive

services. Examples of these critical services include counseling, transportation, childcare, and job training, as well as community-building activities for the residents. By outlining clear expectations and responsibilities, the MOU help ensure that supportive services, property management, and resident services staff work together effectively while maintaining distinct roles. This ensures that the County's poorest and most vulnerable households have direct access to affordable permanent housing and the supportive services they need to stay housed.

### **CHILD IMPACT**

The recommended action would have a positive impact on children and youth through Every **Child Safe** indicator. Children and youth who are part of chronically homeless households would have greater access to affordable permanent housing and supportive services.

### **SENIOR IMPACT**

The recommended action would have a positive impact on seniors by providing seniors who are chronically homeless with greater access to affordable permanent housing and supportive services.

### **SUSTAINABILITY IMPLICATIONS**

The recommended action would enhance social equity and safety by improving the community's most vulnerable residents' access to permanent affordable housing services.

### **CONSEQUENCES OF NEGATIVE ACTION**

Negative action would prevent or delay the execution of the MOU.

### **STEPS FOLLOWING APPROVAL**

Upon approval, the Clerk of the Board is requested to send e-mail notification to Consuelo Hernandez, Natalie Monk, and Tina Le of the Office of Supportive Housing.

### **ATTACHMENTS:**

- Attachment A List of Executed MOU for Developments with Supportive Housing Units
- Attachment B List of Developments with Supportive Housing Units Without an Executed MOU
- Attachment C List of Additional New Development with Supportive Housing Units Subject to an MOU
- Approved Beyond Five Year Form for Various Limited Partnerships