

**ADDRESSING THE AFFORDABLE HOUSING CRISIS FOR CALWORKS
AND LOW-INCOME WORKING FAMILIES IN SANTA CLARA COUNTY:
A CONTINUUM OF SUPPORT**

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Executive Summary

INTRODUCTION

The path towards self-sufficiency for most welfare recipients involves finding and keeping a job and working toward increasing the family's income. The high cost of housing in Santa Clara County, as well as other counties in the Bay Area, has proved to be a formidable barrier for many families moving from welfare to work. Ironically, in the midst of an economic boom fueled by the dot.com industries, where jobs in so many sectors were plentiful, suddenly, many CALWORKS families found themselves in a desperate search for affordable housing as rents skyrocketed beyond their means.

In response, Santa Clara County's Social Service Agency (SSA), within its Department of Employment and Benefits Services (DEBS) and partnership with the Housing Authority (HA), has tackled the housing crisis on a wide front. They have found creative use of Section 8 and Public Housing subsidies, Homeless funds, and CALWORKS incentive funds and ancillary expenses, to develop a wide spectrum of programs which assist low-income families and individuals, including CALWORKS, who try to find and maintain affordable housing while endeavoring to become self-sufficient and going off welfare and housing assistance.

As part of my project I reviewed four housing assistance programs, which specifically addressed the needs of CALWORKS and low-income working families. They were:

- **Welfare to Work** - for Section 8 wait list persons where housing is a barrier to the retention of employment.
- **Rental Assistance Program** - stipend for active Section 8 wait list persons to prevent homelessness where housing is a barrier to seeking and maintaining employment.
- **First/Last and Deposit Program** for persons who have found permanent housing but cannot afford up-front move in costs.
- **Train the Trainer** workshops to educate interested parties about housing services and resources in the county - information which they can use to assist their clients in their self-sufficiency planning.

Also, I reviewed a relatively new program called The Office of Housing Resources and Development (HRD), which exists within SSA's Department of Governmental Relations and Planning. Its strategic plan is to develop long and short-term housing resources for families and individuals with special needs that are served by SSA programs, such as TANF/CALWORKS participants, people in the foster care system, persons with disabilities, and dependent adults

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within Adult Protective Services and guardianships. Also, it seeks to have a close and direct working relationship with the County Executive in order to influence housing policies.

RECOMMENDATIONS FOR SAN MATEO COUNTY

San Mateo County conducts similar programs to Welfare-to-Work and First/Last and Deposit, but does not offer a monthly stipend as in the Rental Assistance Program. However, I do not recommend offering a similar program because it is heavily reliant on CALWORKS incentive dollars, which for the next fiscal year may not be available.

I do make two recommendations, though. They are:

- Conduct Train the Trainer housing workshops. These workshops are a cost-effective way to inform interested parties about housing services for low-income people. Instead of a handful of HA staff trying to reach thousands of clients, you could potentially double or triple the amount of workers relaying the same message. The trainings would be held in HSA facilities and would involve the normal expenses for advertising workshops. Some shift of staff responsibilities may be required.
- Evaluate whether an HRD-level of service is needed. This office attempts to place SSA in the forefront of affordable housing planning within the County Executive's office. Because HSA also oversees various housing programs, it may be useful to examine HRD's goals and see if they would be beneficial to HSA management in advancing its self-sufficiency and affordable housing goals. In light of the fiscal crisis, I do not recommend creating staff positions. However, existing staff that deal with housing policies may wish to strategize along the line of HRD.

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INTRODUCTION

The path towards self-sufficiency for most welfare recipients involves finding and keeping a job and working toward increasing the family's income. The high cost of housing in Santa Clara County, as well as in San Mateo County, has proved to be a formidable barrier for many families moving from welfare to work. Ironically, in the midst of an economic boom fueled by the high tech industries, where jobs in so many sectors were plentiful, suddenly, many CALWORKS families found themselves in a desperate search for affordable housing as rents skyrocketed beyond their means. As an example, a CALWORKS mother with two children who works 32 hours per week at \$8.00 per hour brings in a monthly income, including the cash grant, of \$1,293. Average rent for a twobedroom apartment in a high cost county such as Santa Clara could reach as high as \$2,000 per month, much higher than this family's income -despite receiving MediCal, child care subsidies, and food stamps. How could she become selfsufficient and off welfare at this rate?

In response, Santa Clara County's Social Service Agency (SSA), within its Department of Employment and Benefits Services (DEBS) and partnership with the Housing Authority (HA), has tackled the housing crisis on a wide front. They have found creative uses of Section 8 and Public Housing subsidies, Homeless funds, and CALWORKS incentive funds and ancillary expenses, to develop a spectrum of programs which assist low-income families and individuals, including CALWORKS, who try to find and maintain affordable housing while endeavoring to become self-sufficient and going off welfare and housing assistance.

San Mateo County, too, has a critical interest in this area because our CALWORKS and low-income working families face the same challenge of the lack of affordable housing. *Shared Vision 2010 - The Promise of the Peninsula*, a recent report issued by the San Mateo County Board of Supervisors, offers ten commitments and twenty-five goals as a demonstration of its long term commitment to the well-being of its citizens. One of its goals is to offer a full range of housing choices so that housing exists for people at all income levels and for all generations of families. Innovative solutions that can be found among the best practices in other counties would be of great service to our many CALWORKS and low-income families.

As part of my BASSC internship, I viewed various SSA efforts to address the housing needs of CALWORKS and low-income working families. Four direct service programs that I reviewed were Welfare to Work, Rental Assistance Program, First/Last and Deposit Program, and Train the Trainer. Also, I reviewed a relatively new program called The Office of Housing Resources and Development (HRD), which exists within SSA's Department of Governmental Relations and Planning.

HISTORY

The high tech boom of the late 1990's sparked an unprecedented prosperity in the Bay Area and most notably in the Silicon Valley of Santa Clara County. Jobs were plentiful which allowed many CALWORKS participants to obtain employment and leave the welfare rolls.

Unfortunately, the increased incomes for so many also meant that housing costs and rents rose precipitously. Many individuals and families, from the middle class to the working poor, found themselves priced out of purchasing a home or unable to pay steady rent increases. Growing numbers of landlords began to refuse Section 8 vouchers because they could make more money on the open market than they would with a fixed rate of return. Land developers were more eager to create office space than to partner with government and community agencies in developing low-income housing. This news, along with the knowledge that the Section 8 wait list was over 10,000 registrants, meant that many of their recent CALWORKS "leavers" and current participants, were at risk for homelessness, overcrowded apartments and rooms, and had little, if any, discretionary income to save for their family's future.

In response to this crisis in the midst of prosperity, the Social Services Agency and the Housing Authority collaborated in providing a continuum of housing support. Through the use of creative funding, they targeted: Section 8 and public housing participants, active child welfare cases, individuals in drug treatment, mentally-ill clients, homeless, and CALWORKS participants.

RESULTS OF THE COLLABORATION

SSA and HA developed programs that would provide a continuum of care for CALWORKS and low-income working families. Four programs that were developed were:

- **Welfare to Work** provides housing to qualified families where housing is a barrier to the retention of employment. Active CALWORKS or past recipients within the last twenty-four months, who were on the Section 8 waiting list, receive a voucher. Clients are expected to seek and maintain full-time employment and attend self-sufficiency workshops. HA case manages the clients. It is funded by Section 8 subsidies and CALWORKS incentive funds and will serve a thousand sixty six clients.
- **Rental Assistance Program** assists active and compliant CALWORKS participants who are on the Section 8 wait list. Clients can receive a \$250 per month housing stipend for up to three years. Its purpose is to prevent homelessness where housing is a barrier to seeking and maintaining employment. The goal is to assist five hundred families over three years. HA case manages the clients who must attend mandatory workshops in order to remain eligible.
- **First/Last and Deposit Program** is designed to serve CALWORKS clients who have permanent and stable housing but are unable to afford all of the up-front costs of moving in. An average of \$3,000 will be available per eligible client with approximately four hundred clients receiving this service over a three year period. Funding comes from the CALWORKS ancillary fund.
- **Train the Trainer** workshops teach interested CALWORKS workers, community agencies, advocates, and other relevant parties on how to conduct Housing Search clinics on behalf of their clients. These monthly sessions conducted by HA began in November 2001. The two main agenda items are *Everything You Wanted to Know About the Housing Authority* and *Conducting a Housing Search in Santa Clara County*. In the Housing Search section the topic of *Client Presentation to the Landlord* (understanding what landlords look for, good credit reports, first impressions, etc) seemed especially useful in helping a client compete for housing.

Apart from this collaborative effort is the **Office of Housing Resources and Development**, which was initiated by SSA. Although this is not part of the collaborative effort it deserves mention because of its ambitious scope and intent. Briefly, its purposes are:

- Expand the number of housing options, services, and resources.
- Educate and provide materials regarding the needs of populations SSA serves.
- Create collaborative partnerships
- Provide technical assistance to county departments, non-profits, and corporations.
- Provide recommendations to the County Executive's Office.

In discussion with a staff person attached to HRD, it was clear that the ability to influence housing policies and funding that affected SSA customers was a primary concern. SSA administers supportive housing services through Adult Protective Services, foster care, CALWORKS, and other dependent populations, so the need to create an office, which advanced SSA's agenda, was considered critical.

CONCLUSION

When SSA started these programs, the county was in the midst of an economic boom. Unemployment was as low as 1.3% as recently as October 2001. However, by December 2001 unemployment zoomed to 7.7%. Not coincidentally, CALWORKS caseloads also began to rise. Though recent national economic indicators seem to show that the recent recession appears to be lessening, high housing costs and unemployment persist in the Silicon Valley. SSA staff have expressed concerns that the governor's proposed cuts may put CALWORKS incentive dollars, which support their housing efforts, at risk - though not in the foreseeable future. However, in conversations with managers from the SSA and HA, they are convinced that their collaborative efforts are vital for the continuum of CALWORKS and low-income working families, and will seek ways to continue these services that help their clients become self-sufficient even if funding is cut.

San Mateo County offers similar housing programs that provide a continuum of care. SSA's Welfare-to-Work is matched by HSA's Moving to Work, and San Mateo County low-income residents who need help with moving in costs can access community-based organizations' *Season of Sharing* funds or HSA's *Family SelfSufficiency Team* fund. However, HSA does not offer a monthly stipend as in the Rental Assistance Program, nor does it have a specific office that attempts to achieve what the Office of Housing Resources and Development is designed to do.

RECOMMENDATIONS FOR HUMAN SERVICES AGENCY

Because of the worsening state budget situation and its dire implications for county governments, counties may become reluctant or unable to outlay more monies for critically needed services which support affordable housing programs. Any new program that is heavily reliant on CALWORKS incentive dollars is unlikely to be developed, so the development of a Rental Assistance Program in this county remains remote. However, based on my BASSC experience, I have two recommendations to make - one is a simple pilot project and the other a look at organizational design. They are:

- 1) Conduct regularly scheduled Train the Trainer workshops. These workshops are a cost-effective way to inform interested parties about housing services for low-income people. Instead of a handful of HA staff trying to reach hundreds or thousands of clients, you could potentially double or triple the number of workers relaying the same information, thereby serving more clients. The trainings could be held in HSA facilities and would involve the normal expenses for advertising the workshops. Some shift of HSA staff responsibilities may be required.

Also, perhaps trainers could be versed in housing services that are available in other counties. Though this may appear controversial during the Train the Trainer workshop, I observed a social worker from a CBO noted that some of her clients wanted to know what housing services were available elsewhere in neighboring counties -particularly who they could contact.

- 2) Evaluate whether an "Office of Housing Resources and Development" type service would be useful to HSA in promoting housing services. This office attempts to place SSA in the forefront of affordable housing planning within the County Executive's office. Because HSA, also, oversees various housing programs, it may be useful to examine HRD's goals and see if they would be beneficial to HSA management in advancing its self-sufficiency and affordable housing goals. In light of the current fiscal crisis, I do not recommend creating staff positions. However, existing staff that deal with housing policies may wish to strategize along the line of HRD.

ACKNOWLEDGEMENTS

I would like to express deep appreciation to the Social Services Agency and Housing Authority who graciously gave of their time in support of my internship. Particular thanks goes to:

- Denise Boland, CALWORKS SSPM, SSA
- Mona Simmons, Management Analyst, SSA
- Sandi Douglas, Community Services Coordinator, HA
- Alette Lundberg, Administrator, ESI and CALWORKS, SSA
- Cindy Chan, Assistant to Manager of Housing Operations, San Mateo County HSA