



# County of Orange

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County Executive Office

August 29, 2018

Honorable Charles Margines  
Presiding Judge of the Superior Court of California  
700 Civic Center Drive West  
Santa Ana, CA 92701

Subject: Response to Grand Jury Report, "Where There's Will, There's a Way: Housing Orange County's Chronically Homeless"

Dear Judge Margines:

Per your request, and in accordance with Penal Code 933, please find the County of Orange response to the subject report as approved by the Board of Supervisors. The respondents are the Orange County Board of Supervisors and the County Executive Office.

If you have any questions, please contact Lilly Simmering of the County Executive Office at 714-834-6748.

Sincerely,

Frank Kim  
County Executive Officer

Enclosure

cc: FY 2017-18 Orange County Grand Jury Foreman  
Lilly Simmering, Deputy Chief Operating Officer, County Executive Office



Responses to Findings and Recommendations  
2017-18 Grand Jury Report:

*“Where There’s Will, There’s a Way – Housing Orange County’s Chronically Homeless”*

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**SUMMARY RESPONSE STATEMENT:**

On May 31, 2018, the Grand Jury released a report entitled: “Where There’s Will, There’s a Way – Housing Orange County’s Chronically Homeless.” This report directed responses to findings and recommendations to the Orange County Board of Supervisors and the County Executive Office, which are included below.

**FINDINGS AND RESPONSES:**

**F.1. Homelessness in Orange County is a regional problem requiring regional approaches and solutions.**

**Response:** **The respondent agrees with finding.** In the Assessment of Homelessness in Orange County (Assessment) released on October 18, 2016, the County of Orange identified the need for regional collaboration and recommended the County implement three Service Planning Areas (SPAs): North, Central, and South. Collaboration across 34 city borders will be necessary to effectively respond to homelessness. A regional system that includes street outreach, emergency shelter, bridge housing, and permanent housing for special needs and/or extremely low-income populations should be allocated amongst regional SPAs in order to respond to the diverse needs of homelessness.

**F.2. The lack of a regional plan designating specific development goals for Permanent Supportive Housing contributes to an insufficient number of available units to house the chronically homeless.**

**Response:** **The respondent disagrees partially with the finding.** Developing a regional planning process would be beneficial however, it would not supersede a city’s local land use authority or the General Plan-Housing Element and Regional Housing Needs Assessment.

While a regional planning process may reduce duplicate efforts, serve broader categories of need, and ensure city projects are not competing with each other for competitive funding or tax credit programs, voluntary participation by cities in this joint effort is required for regional planning to occur.

City governance includes authority over land use jurisdiction and planning authority through the City General Plan-Housing Element as well as the Consolidated Plan for the cities. Cities also receive funding directly from the Federal Department of Housing and Urban Development including Community Development Block Grant (CDBG), HOME Investment Partnership (HOME) and Emergency Solutions Grant (ESG). Additionally three cities in the County; Santa Ana, Anaheim, and Garden Grove have their own Public Housing Agencies that require project-based units and subsidies operate within the jurisdiction of that city. Local authorities for housing development may also prioritize specific populations, such as seniors, veterans, or families. While these efforts could be coordinated by a regional entity, ultimately cities have the authority on the aforementioned decisions.

**F.3. The County’s overreliance on unpredictable and inconsistent federal and state funding risks funds being unavailable for future Permanent Supportive Housing development and supportive services.**

**Response:** **Respondent disagrees wholly with the finding.** The County has oversight over certain funds, such as Mental Health Services Act dollars, however the County and the cities each receives funds directly for CDBG, HOME, and ESG. Admittedly, these Federal and State funds are insufficient to bridge all of the funding gaps for homeless housing; additionally, these funding streams have many restrictions on their uses. However, these are the funding constraints within which the County must operate. Overreliance assumes other available funds could be used for Permanent Supportive Housing and Supportive Services which is an oversimplification of the issue given the contingencies, conditions, and criteria on other funding streams. Utilizing County General Fund money would require policy decisions on programmatic changes and potential cuts in other services.

**F.5. A staffing shortage exists within the County Housing and Community Development Department impeding Permanent Supportive Housing development.**

**Response:** **The respondent disagrees wholly with the finding.** In spite of several key retirements over the last 18 months, the County continues to work on increasing the development of Permanent Supportive Housing in Orange County and has identified numerous projects to support, which were, in fact, approved by the Board of Supervisors in June of 2018.

**F.6. Service Planning Area meetings have successfully brought together city, county, and non-profit entities to share information on homeless issues, but have not fostered decision-making or action.**

**Response:** **The respondent disagrees partially with the finding.** Dividing the County into three SPAs was a recommendation in the 2016 Assessment. As such, the Director of Care Coordination hosted three sets of regional SPA meetings in March, June, and September of 2017. The goal of the regional meetings was to bring diverse stakeholders together, invite collaboration, improve the narrative regarding shared responsibilities and investments, and enhance the overall response to homelessness in the county. The meetings were well attended with city and county elected officials, operational leadership, nonprofit service providers, faith based groups, healthcare, law enforcement and housing professionals. The meetings provided a common foundation with educational information about the current System of Care and encouraged the attendees to envision how a regional SPA approach might improve countywide collective results.

The initial SPA meetings were successful in establishing the first steps to foster the implementation of a regional approach, whereby Cities worked across borders to coordinate efforts within the System of Care. These introductory meetings were not structured to be decision making in nature however, through the Federal Court proceedings, the Cities have naturally convened within their respective SPAs to cultivate a regionally planned response to homelessness.

As the County has articulated throughout its response, homelessness is a regional challenge that requires coordinated regional solutions; therefore, the SPAs will continue to make implementation of a regional approach a priority.

**F.7. NIMBYism has impeded the creation of housing for the homeless, including Permanent Supportive Housing, in the County of Orange.**

**Response:** **The respondent disagrees partially with the finding.** In effort to strategically address homelessness with regional solutions, the County of Orange is focused on developing a sound and well-balanced System of Care to provide much needed services to this population and, working with the Cities, State, and Federal governments to address the creation of affordable and permanent supportive housing. Both of which, are great lifts for the entire region.

The County agrees that NIMBYism has been identified by others as an impediment to progress, however disagrees that it is the only impediment to the creation of Permanent Supportive Housing.

Moreover, to date, in Orange County, there are many examples of communities coming together to address, respond and provide care for those experiencing homelessness. These examples include the Alternative Sleeping Location in Laguna Beach, Bridges at Kraemer Place in Anaheim, and the Courtyard Transitional Center in Santa Ana, both demonstrate strong collaborations with stakeholders to make

those programs effective for those they serve. These programs, although very different models, highlight the complexity of homelessness, the role of community support, contributions and the need to provide diverse points of entry to serve these populations well.

In addressing homelessness, community concerns are valid and should not be unfairly discounted. As the County moves forward in addressing homelessness, it will continue to take into consideration all concerns expressed by its residents and stakeholders in order to create not only permanent supportive housing but also a complementary System of Care that targets the needs of the homeless community so that they can live a sustainable life.

**F.8. Orange County cities and the County have engaged in blaming and finger-pointing, hampering the collaborative efforts needed to site, finance, and maintain Permanent Supportive Housing.**

**Response:** **The respondent disagrees wholly with the finding.** Due to the complexity of homelessness and the need for a regional solution, proactive collaboration can be difficult to negotiate, both operationally and with funding contributions. The County disagrees with this finding that the collaboration between the County and Cities have been hampered.

The County has resources but cannot solve homelessness alone, and there are many examples of the County and cities working together on the issues of homelessness such as siting shelters, collaborating on street outreach responses, and in developing permanent supportive housing.

The County believes that there are key areas of collaboration between the County and Cities that will make significant progress in addressing homelessness in Orange County. For example, Assembly Bill (AB) 346 Redevelopment: Housing Successor: Low and Moderate Income Housing Asset Fund may facilitate collaborative efforts among cities to site, finance and maintain housing programs responding to homelessness. These funds may be utilized for the development of permanent supportive housing, homeless prevention and rapid rehousing and allows a successor agency to transfer up to \$1 million to a neighborhood jurisdiction for the development of a regional homeless shelter. It also allows a successor agency to transfer up to \$1 million to a neighboring jurisdiction for the development of a regional homeless shelter. Another legislative example is AB 448 Joint powers authorities: Orange County Housing Financing Trust (Trust) which is cosponsored by the County and the Association of California Cities, Orange County. AB 448 would create a Housing Trust Joint Powers Authority (JPA) consisting of elected officials representing the County of Orange and representative of cities that are party to the JPA. If approved by the Legislature and signed into law by the Governor the JPA would be responsible for responding to the homelessness crisis with the development of capital projects and the acquisition of necessary funds for those projects, but also for helping the county and cities to respond to the low-income and



affordable housing crisis that the region is experiencing in tandem with the homelessness crisis.

**F.9. Cities have taken a silo approach to developing Permanent Supportive Housing resulting in inefficient leveraging and pooling of funds across municipal borders.**

**Response:** **The respondent disagrees wholly with the finding.** Cities are independent, autonomous governing bodies, as is the County. Each respective governance, as such, gives voice to and represents its constituents; therefore, it is incurred to call cities positions a “silo approach.” The County is not the only local government entity in Orange County to have a Public Housing Authority, Housing Successor Agency or governance structure tasked with developing affordable housing and/or permanent supportive housing. The County is not involved in each city’s respective processes that are a direct result of each cities’ independent governance structure.

The County has taken the lead on providing a Housing Funding Strategy (Strategy) for cities and developers which was approved by the Board of Supervisors on June 12, 2018. The Strategy was designed to provide a working funding roadmap to achieve the 2,700 permanent supportive housing unit goal established in partnership with the Association of California Cities, Orange County.

**F.10. There is no established, independent leadership body in the County empowered to address regional homeless issues in an effective manner.**

**Response:** **The respondent disagrees partially with the finding.** Established in 2007, the Commission to End Homelessness convened a cross section of stakeholders to the table to discuss how to end homelessness in Orange County. Its last meeting was in January 2018. A new Commission to End Homelessness was created by the Board of Supervisors in January 2018 and will be seated by the Board of Supervisors in August of 2018. The new Commission will enhance regional leadership, promote the integration of services throughout the community and implement new strategies to the regional implementation of the System of Care.

The Commission will focus on establishing the following services in the three different regional Service Planning Areas:

- Navigation Centers and Emergency Shelters
- Employment/income programs
- Siting of Crisis Stabilization Units/recovery programs
- Collaborative Courts / Reentry programs
- 2,700 Permanent Supportive Housing Units

**RECOMMENDATIONS AND RESPONSES:**

**R.1. Orange County cities and the County should develop a Permanent Supportive Housing development plan, and should consider a plan structure similar to the proposal put forth by Association of California Cities – Orange County, that proportionally allocates sites among the cities.**

**Response:** **The recommendation has been implemented.** On June 12, 2018, the Board of Supervisors approved a Housing Funding Strategy that lays out a framework for how to meet the 2,700 housing unit goal established in partnership with the Association of California Cities – Orange County.

**R.2. Each Service Planning Area should identify sites for Permanent Supportive Housing proportional to the allocation suggested in the Association of California Cities – Orange County proposal.**

**Response:** **The recommendation requires further analysis.** The County has taken the first step in working toward the housing allocation goal suggested by the Association of California Cities-Orange County. On June 12, 2018, the Board of Supervisors approved a Housing Funding Strategy to identify opportunities for funding and development of Permanent Supportive Housing across the region (in partnership with the cities). Also, on June 12, 2018, the Board of Supervisors approved a Mental Health Services Act spending plan for the \$70.5 million dedicated to funding permanent supportive housing. In the spending plan, eleven current housing projects were identified, eight projects anticipated to begin construction in FY 2018-19, will result in the construction of 451 housing units including both affordable and permanent supportive housing units. However, to fully implement the housing strategy, cities will still need to site projects on an ongoing basis since they maintain local control over planning within their borders.

**R.3. The County Executive Office should organize the agenda and content of the Service Planning Area meetings to promote collaboration between cities on Permanent Supportive Housing and other housing development.**

**Response:** **The recommendation will not be implemented because it is not warranted or needed at this time.** Siting projects requires significant negotiations with multiple entities, and therefore, it would not be recommended to facilitate this dialogue in public meetings. Trust is imperative in negotiation processes, as tentative plans are cultivated around site location, neighborhood outreach, service provider selection and clientele to be prioritized for the project, in addition to the complexity of funding required to ensure the project is sustainable. Furthermore, as mentioned under Finding 2, cities maintain local jurisdiction over land use authority therefore, SPA meetings may assist with facilitating discussion however, and decision-making authority resides with cities.

**R.5. Orange County Community Resources should add an appropriate number of additional positions to the Housing and Community Development Department beyond the two currently budgeted to be optimally positioned for the increased Permanent Supportive Housing development that will likely arise.**

**Response:** **The recommendation has been implemented.** The vacancies from several retirements are being filled. The Affordable Housing Development Administrator position was filled on June 8, 2018, and the Affordable Housing Development Manager position is in the process of recruitment. Additionally, Orange County Community Resources (OCCR) is utilizing existing consultants as support. OCCR will assess the need for additional staff based on additional funding coming from the State and local level within the next six to twelve months and the amounts allocated from those funds for development of affordable housing/permanent supportive housing to staff at appropriate levels. OCCR will work with the Health Care Agency on the timing for expenditure of MHSA funding for development of MHSA housing to better understand the on-going versus temporary resources required at each agency to manage the current and future development of permanent supportive housing.

**R.7. To streamline shelter and Permanent Supportive Housing development, the County and its cities should establish a decision-making body, such as a Joint Powers Authority, that is empowered to identify and allocate sites and pool funding associated with housing and supportive services for the homeless.**

**Response:** **The recommendation has been implemented.** On June 26, 2018, the Board of Supervisors voted in support of AB 448 legislation and have been added as a Co-Sponsor to the legislation that will create the Orange County Housing Finance Trust. If signed into law, the Orange County Housing Finance Trust will be a collaborative effort by public agencies and private stakeholders to fund the development of permanent supportive housing for homeless populations.

**R.8. Such a decision-making body should develop a comprehensive, regional housing business plan that identifies both the number of Permanent Supportive Housing units needed as well as the associated costs of renovating existing units or building new ones.**

**Response:** **The recommendation has been implemented.** On June 12, 2018, the Board of Supervisors approved a Housing Funding Strategy that lays out a framework for how to meet the 2,700 housing unit goal established in partnership with the Association of California Cities – Orange County.



**R.9. Such a decision-making body should propose a plan for securing local, supplemental sources of funding for both Permanent Supportive Housing development and associated support services.**

**Response:** **The recommendation requires further analysis.** The County of Orange is proactively seeking to position itself for State homeless and housing initiative resources. The Emergency Homeless Aid Block Grant provides one time funding to mitigate this statewide crisis whereas the Senate Bill (SB) 2 Building Jobs and Homes Act funding will provide funding for one-year of planning with an estimated ongoing revenue source in the jurisdiction of \$14.2M annually. On June 12, 2018, the Board of Supervisors approved a spending plan for \$70.5M in Mental Health Services Act dollars to the development of Permanent Supportive Housing. Additionally, in November of 2018, No Place Like Home and SB3 Veterans and Affordable Housing Bond Act of 2018 will be on the ballot for voters. If approved, County staff will make recommendations to the Board on how to obtain and utilize the maximum dollars available.