LACDA
Los Angeles County Development Authority

October 12, 2021

TO: Each Supervisor

FROM: Emilio Salas
Executive Director

SUBJECT: EXPLORING SUSTAINABLE SOLUTIONS TO DEVELOP AFFORDABLE HOUSING FOR COLLEGE STUDENTS EXPERIENCING HOMELESSNESS (ITEM NO. 17, AGENDA OF AUGUST 10, 2021)

On August 10, 2021, the Board of Supervisors ("Board") adopted a Motion ("Motion") by Supervisor Solis and Supervisor Kuehl directing the Los Angeles County Development Authority ("LACDA"), in collaboration with the Chief Executive Office ("CEO") and the Los Angeles Homeless Services Authority ("LAHSA"), to report back to the Board in 60 days with: 1) An analysis of finance models to develop and operate affordable housing for college students experiencing homelessness; 2) The identification of opportunities to partner in the development of affordable housing for college students experiencing homelessness; 3) The identification of County of Los Angeles ("County") resources that can be leveraged to support the development and operations of housing for college students experiencing homelessness; and 4) The identification of additional opportunities the County should consider to address the high rates of college students experiencing homelessness.

Attachment I contains an analysis of finance models and potential partnership opportunities based on engagement efforts; the identification of County resources that might be leveraged to support the desired housing development; and other considerations moving forward.

Should you have any questions, please contact me at (626) 586-1505, or via email at Emilio.Salas@lacda.org.

ES:LK:ML:AJ:AM

Attachment

c: LACDA Deputies
Chief Executive Officer
Los Angeles Homeless Services Authority

ATTACHMENT I

Introduction and Executive Summary

According to the Hope Center, a research and policy institute, in the 2018-19 school year, nearly a fifth of California's 2.1 million community college students experienced homelessness.[1] These numbers are supported by the findings of an earlier 2016 survey by the Los Angeles Community College District ("LACCD") that found nearly 20% of students surveyed reported experiencing homelessness and 55% reported experiencing housing insecurity.[2] Yet, only 8% of homeless college students receive housing assistance. The overall state of housing affordability in the state largely contributes to the student housing crisis.

A report by the Southern California Association of Nonprofit Housing ("SCANPH") identified the following financing challenges for developing housing for community college students experiencing homelessness:

- Federal housing programs are generally insufficient because there are restrictions for college students and shortages in subsidized housing;
- Traditional affordable housing financing sources have limitations related to student housing;
- Fiscal and budgetary impacts on colleges;
- Lack of resources to construct and manage on-campus housing; and
- Resident amenities and services, along with product type, can pose high costs.

This report provides background, identifies challenges, and discusses potential funding and organizational opportunities the County might use to support community colleges in developing housing and providing resources for students experiencing homelessness.[3]

Based on the research conducted for this report, the County can take a two-pronged approach; one which aims to address the urgent needs of unhoused students in the immediate term, and one which aims to provide increased housing opportunities for unhoused students in the long-term.

The County can address the immediate-term needs of unhoused college students in the following ways:

1.) Funding existing housing and services programs administered by mission-driven nonprofit organizations; 2.) Providing flexible rental assistance to students; and 3)

[1] https://hope4college.com/wp-content/uploads/2019/03/RealCollege-CCCCO-Report.pdf
[2] https://www.laccd.edu/documents/newsdocuments/laccd-hope-lab-survey-results.pdf
[3] https://static1.squarespace.com/static/58793de5f7e0abe551062b38/t/5cb0bca015fcc0bf1949520e/1555086502109/LACCD-SCANPH+Report-web.pdf

Supporting campus case management services to connect unhoused students to critical resources.

The County can address the long-term needs of unhoused college students in the following ways:

1.) Providing continued focus to developing housing for unhoused students by dedicating streams of funding to already identified sites for adaptive re-use; 2.) Supporting colleges in applying for Homekey funding; 3.) Exploring the use of County-owned sites near community colleges as opportunities for affordable student housing development; 4.) Providing technical assistance, capital, operating subsidies, and other available County resources to colleges that help to bridge funding gaps; and 5.) Providing funding for new housing opportunities by colleges.

This report identifies three approaches that may be used to advance these recommendations whereby:

1.) The County creates a college housing capital fund to pilot larger-scale projects in addition to projects and sites already identified for adaptive re-use by existing nonprofit organizations; 2.) The County expands an immediate-term service subsidy pool and college rental subsidy pool in collaboration with the community college system; and 3.) The County partners with colleges to apply for Homekey funds.

Analysis of Potential Financial Models

This section analyzes several models of financing housing for college students experiencing homelessness. Federal housing programs generally cannot be used to subsidize the cost of housing that serves full-time students. A housing development using the Low-Income Housing Tax Credits (“LIHTC”), which is the most common form of affordable housing capital subsidy, cannot include households comprised entirely of full-time students, with exceptions that include students receiving Temporary Assistance for Needy Families (“TANF”) or who were formerly in foster care. There are also restrictions around using Section 8 Housing Choice Vouchers (“HCV”) for full-time students. The California Tax Credit Allocation Committee’s (“CTCAC”) regulations do allow housing for full-time students who qualify as unaccompanied homeless youth, but only after the initial 15-year federal compliance period has ended on a particular development.[4] Therefore, colleges interested in housing students experiencing homelessness need to look broadly at alternative forms of financing, several models of which are described in this section.

College Provides Land on Campus for Housing

Many colleges typically use land on campus for student housing, which can reduce the cost of development, making a project more feasible. This is part of an increasingly

[4] https://www.treasurer.ca.gov/ctcac/programreg/2021/20210616/2021-regulations-clean.pdf

popular strategy adopted by many public agencies—including the County, the State of California, transit agencies, school districts, localities, and others—of using surplus or underutilized land for affordable housing. On-campus land is typically zoned for an educational institution, not requiring rezoning to accommodate student housing. Underutilized land on college campuses may include parking lots or structures that can be repurposed.

Partnering With a Public Agency That Provides Land Off Campus for Housing

Because of the high cost of land in much of California, including Los Angeles County, a public agency can donate land to significantly lower the cost of housing development, making a new construction or rehabilitation project more feasible. Publicly-owned land may not require the complex process of rezoning a property to accommodate housing. Off-campus student housing is typically close to the campus, across the street or a short walk away, but farther locations are possible as well, provided there is good transit access to the campus. Building farther off campus could open opportunities for collaboration between public agencies that own vacant or underutilized land to dedicate their property for use as affordable student housing through the California Department of Housing and Community Development's ("HCD") surplus or excess land programs or could open the door to other public subsidies available such as Homekey.[5,6] Los Angeles County has a significant opportunity to partner with colleges in identifying whether its land can be used for affordable student housing.

Other Collaboration Between Colleges and Localities

Community colleges that develop housing for their students have found that collaboration with local jurisdictions may provide additional resources, support, and financial opportunities. A city or county, for example, may provide access to state resources and funding opportunities as public funding streams typically require the lead applicant to be a local government. Additionally, cities and counties may have a local fund or available land that can support the housing development. Collaboration with a Housing Authority may provide HCVs as a key funding source to provide deep affordability, support development debt, and provide operating subsidy. Vouchers generally cannot be used for college students but can be used for students who meet certain U.S. Department of Housing and Urban Development ("HUD") criteria, such as TANF recipients or former foster youth. A successful program ensures that once students have completed their studies at the college, they either have enough income to afford rent on the private market or are moved into another subsidy program. It should be noted that on-site supportive services are essential to helping students reach independence upon graduating from the college.

---

[5] https://www.hcd.ca.gov/community-development/public-lands-for-affordable-housing-development.shtml
[6] https://homekey.hcd.ca.gov/

Collaboration and Support from Outside Agencies

Community colleges generally do not have expertise in housing, including supportive housing models, to support the needs of students experiencing homelessness. Thus, many increase their capacity by collaborating with other organizations. Higher educational institutions that have created housing programs for students experiencing homelessness have collaborated with Community Based Agencies ("CBA") and/or Housing Authorities ("HA") to fill the gaps in knowledge, skills, and capacity to run a housing program for their students. In some instances, a CBA or HA partner becomes the property manager, oversees case management for the students, provides services, and leases the properties themselves to fill the gaps for the educational institution's lack of real estate expertise and capacity. These relationships and collaborations between college/university staff and partner agencies are essential, and training to understand institutional structures within each is needed for effective collaboration. In some instances, an on-campus hub with both college and partner agency staff is created to both effectively provide available resources to the students and facilitate relationships between partners.

Master Leasing Existing Housing

Colleges may master lease a property and either provide or contract for the project management for the complex, sometimes in partnership with an organization with experience in this area. A master lease, in contrast to a single lease for an individual unit, covers multiple units from one landlord to one tenant, in this case the college. As with housing owned by the college, when a property is master leased, the housing subsidy provided to the student by the college stays with the unit, and the student is not able to bring the subsidy with them to the private rental market.

Providing Rental Subsidies to Use in Existing Student Housing

Some community colleges have had success developing student housing without the deep affordability restrictions needed to support students experiencing homelessness. Such housing is available at rents close to typical market rates with tax-exempt bond financing potentially offering subsidy to support slightly below-market rents. Some colleges may then offer low-income students experiencing homelessness a lower rate, or they may cover the cost of student rent entirely. This subsidy typically comes from private donations or school funds. Such a model offers a solution to the challenge of requiring affordable housing residents to move on after two or three years at the community college. By creating student housing that is generally available to all students, and then offering subsidies to low-income students experiencing, or at risk of, homelessness and tying that subsidy to enrollment, the institution can ensure that students advance from the housing upon completing their time at the college. This approach ensures the subsidy continues to serve future students. Such a model also allows college students experiencing homelessness to live in the same housing as the general student population, participating in common community life without living in separate affordable housing.

Providing Rental Subsidies to Use in the Private Rental Market

Community colleges may look to providing rental subsidies directly to the student (like an HCV), allowing the student to rent housing in the private market. The college has no relationship with the landlord in this case as the student holds the lease directly. This model would allow the student to take the subsidy with them if they choose to move, under the condition that they remain enrolled in the college. The student can then take over the lease upon finishing school. This model also offers a solution to the challenge of requiring residents of affordable housing to move on after two or three years at the community college by tying the subsidy to enrollment in the college. This model requires ongoing funding, which is a significant drawback.

Analysis of Existing Financial Models

Of California's 116 public community colleges, only 11 have historically provided student housing. Those 11 colleges are mostly in rural areas where students would need to commute long distances to attend classes. With greater attention being paid to the needs of students experiencing homelessness and housing instability, several colleges around the state are beginning to develop student housing to serve this particular population. This section describes and analyzes the financial models for student housing recently developed or being developed at Cerritos College, Imperial Valley College, Bakersfield College, Santa Rosa Junior College, and Orange Coast College. Each college's housing—whether completed or in progress—relies on a combination of the potential financing mechanisms outlined in the section above. The table below summarizes the financial model for each college, with a more in-depth analysis following.

College Student Housing	Financial model
Cerritos College (opened in 2020)	Funded primarily from college general funds, state grant for college students experiencing homelessness, and private philanthropy. Operations led by a local nonprofit dedicated to supporting youth experiencing homelessness. Twenty-eight (28) units for students experiencing homelessness, free/low-cost rent.
Imperial Valley College (opened in 2021)	Funded primarily through Homekey, in partnership with the City of El Centro, and supported by Homeless Emergency Aid Program ("HEAP"), state grant for college

	students experiencing homelessness, and other funds. Land provided by city. College providing services and case management. Twenty-six (26) units for students experiencing homelessness, $200/month rent.
Bakersfield College (under development)	Development on college-owned land in partnership with Housing Authority of the County of Kern stalled as a result of neighborhood opposition and insufficient capital, however, the college and Housing Authority are exploring other options.
Santa Rosa Junior College (under development)	Financing primarily through tax-exempt bonds issued by the California School Finance Authority on College's behalf, and a one million-dollar capital donation from Kaiser Permanente. Dormitory-style housing that prioritizes students experiencing homelessness, among other groups. Developed by an experienced for-profit student housing developer. Two-hundred fifty-eight (258) units for 352 students. Rents: $986/month for double room, $1,223/month for single.
Orange Coast College (opened in 2020)	Financed entirely through tax-exempt bonds solicited by Texas nonprofit. Apartments available to the general student population. College has special funds set aside to offer a $400-$600/month rental subsidy to students with financial needs who meet specific criteria. Unsubsidized Rents range from $1,080/month for a shared bedroom in a 2-bedroom, 2-bath unit to $2,190/month for a private 1-bedroom unit. The 323-unit development has 814 beds.

Cerritos College

In June 2020, Cerritos College opened The Village, which consists of seven townhomes it purchased to house students experiencing homelessness. The project was lauded as California's first community college housing development specifically addressing student homelessness. Cerritos College, located in Norwalk, partnered with Jovenes, Inc., a Los Angeles nonprofit that serves as the Coordinated Entry System lead for Youth in the region and assists homeless and displaced young adults. The housing will accommodate 28 students, ages 18–25, with a combination of free- and low-rent options. Six of the townhomes are three-bedroom, three-bath at approximately 1,500 sq. ft. Some rooms will be offered as a private bedroom-bathroom while others can be shared with up to three students. The College is also working to secure another site for housing students experiencing homelessness and who are older than 25 or have children. Jovenes provides supportive services such as case management; it is important to note that these much-needed resources for students experiencing homelessness also can add significant costs and complexity beyond typical rental housing development.

The College fully-funded this project's capital costs and relied on state grants and other support for operations. Los Angeles County Supervisor Janice Hahn's office provided $219,000 a year to operate some of the units as temporary bridge housing, and six private philanthropy sources provided additional funds. The College also reported additional support from the City of Norwalk. Cerritos College purchased the seven townhomes, located on approximately one acre of land about ¼ mile from the campus, for $3,825,000 in February 2020 using its general funds. The district pays Jovenes $634,800 annually for operations, using student housing funds that the district received through the California Community College Chancellor's Office, described in more detail later in this report. Those operating costs include a per-person, per-month rental subsidy of $1,090.62. A detailed budget for Jovenes's contract is shown in the table below:

Personnel costs	Lead case manager (1 FTE)	$56,742
	Program assistant (0.5 FTE)	$26,000
	Subtotal	**$82,742**
Operating costs (non-personnel)	Prevention Assistance	$100,000
	Move-in Assistance	$15,000
	Rental Subsidies	$392,622
	Subtotal	**$507,622**

Admin	7% of total budget	**$44,436**
Total project costs		**$634,800**

Source: Jovenes, Inc., Agreement with Cerritos College[7]

Cerritos College taking on the acquisition cost of the townhome complex for this project greatly simplified the project financing. Other colleges could pursue a similar strategy and use Homekey to fund the acquisition. Capital costs are fully covered by the College's general fund, and by acquiring a recently-built structure, the College avoids the complexities of new development. Its operating costs are covered by a $700,000 annual grant it receives from the State, a fund to which only three other colleges in Los Angeles County have access. Partnering with a dedicated service provider and operator is also vital to ensure the facility is serving the needs of its population.

Imperial Valley College

The Lotus Living Tiny Homes Project, 13 tiny home duplexes which house Imperial Valley College students experiencing homelessness, was completed in May 2021. The College and the City of El Centro collaborated to provide housing for college students experiencing homelessness when 2020's Homekey program was announced and emerged as a vital source of project funding. The project site is on a city-owned lot, located approximately five miles, or a 25-minute bus ride, from the College. The 170 sq. ft. units, unlike most temporary tiny home facilities, include a private kitchen and restroom. Students pay $200/month in rent and are required to volunteer 10 hours a month to help care for the facility.

Homekey provided a significant source of funds for the project. The lead applicant on Homekey projects must be a city, county, or tribal government, so the College needed to apply alongside the City of El Centro. Homekey provided $2.6 million for capital costs as well as $524,000 from Enterprise Community Partners for operations; the city contributed the 1.2-acre lot; Imperial County contributed $458,000 in HEAP funds to assist with construction. The Imperial Valley Continuum of Care paid unspecified installation costs for the Tiny Homes. The nonprofit Imperial Valley College Foundation has a long-term lease on the site and will oversee property maintenance and improvements at the site for the next 55 years. The College, which received $700,000 a year in AB 74 funds, is providing wraparound services and case management for the residents.[8]

Imperial Valley College was able to meet much of this project's capital costs through Homekey and other homelessness-specific funds provided through Imperial County. Partnership with the City and County, therefore, was essential to securing the necessary

[7]https://go.boarddocs.com/ca/cerritos/Board.nsf/files/BUUN8Y5C9673/$file/C21000000062%20Jovenes%20Inc.%20Agreement%20-signed.pdf
[8] https://go.boarddocs.com/ca/caiccd/Board.nsf/files/C5QPT6660DB2/$file/081821%20-%20Student%20Services%20-%20Memorandum%20of%20Understanding%20-%20ICCD-IVC%20Foundation%2021-24.pdf

capital and operating funds as well as land. The College is covering some of the operating costs, itself, but is also relying on part of the project's Homekey grant to cover the initial years of operations.

Bakersfield College

Bakersfield College ("BC") partnered with the Housing Authority of the County of Kern ("HACK") to develop student housing on a 0.7-acre college-owned property across the street from the campus. The project, which was proposed in 2019, has stalled as a result of neighborhood opposition to rezoning the property for three-story apartments, as well as difficulties in assembling sufficient capital. HACK was able to assemble capital financing from City affordable housing funds, a traditional bank loan, supported by Section 8 Project-Based Housing Choice Vouchers ("PBV"), and a possible equity investment by the college's nonprofit foundation, however, the identified funds were only enough to cover about half the project's capital costs, according to HACK Executive Director, Stephen Pelz. While this project has stalled, the collaboration between a housing authority and community colleges is an important partnership model for the County to evaluate and consider.

One key challenge BC and HACK were able to resolve was around whether residents would remain in the housing after completing their studies. BC wanted to ensure the housing would have been able to serve current students and that residents would have remained in housing only for the duration of their studies. To circumvent restrictions around funding student housing, HACK avoided most state and federal affordable housing funds. Therefore, HACK designed the project with about a quarter of the units reserved for shared housing with affordable rents and three-quarters supported by PBVs. The shared units came with the requirement of enrollment in BC. The PBV-supported units came with the requirement that students must meet one of the following HUD criteria: 1.) Receiving TANF, or 2.) Students formerly in foster care. The PBV-supported units, however, could not require that residents leave after they finish their studies. In an effort to mitigate this issue, HACK planned to institute a program similar to its successful Building Blocks program, which assists former foster youth to find their own apartments after moving into a PBV-supported development that HACK operates.[9] As part of the program, residents make a clear plan to eventually transition into their own apartment within two years. The PBV assigned to the residents' unit can convert into a tenant-based voucher after one year of residency, so they are able to have on-going rental assistance while freeing up another Building Blocks program unit. The student housing would have similarly helped the BC students to have a clear path to exit the housing once the student has completed their time at the college. Without requiring residents to leave, HACK would have planned for students to transition out either because they secured a job with a higher

[9] https://www.kernha.org/menus/building-blocks-a-transitional-housing-program.html

income than the housing's eligibility requirement or because they were able to transition into their own home with a tenant-based voucher.

HACK's strategy to look beyond traditional state and federal housing funds was important in ensuring that the project has the flexibility to accommodate college students experiencing homelessness. HACK was able to secure city funding and a possible equity investment from a private foundation. Identifying PBVs for most of the site's units also ensured the project could support some debt financing.

The college is now exploring developing student housing on its own campus, looking at its underutilized parking lots. Such sites would not require a rezoning process. HACK has indicated that it is available to support the project.

Santa Rosa Junior College

Following the destruction in the wake of the 2017 Tubbs Fire, in which 1,000 students at Santa Rosa Junior College lost their homes, the educational institution decided to develop on-campus student housing. The resulting 258-room, 352-bed dormitory structure is being built on 2.76 acres on the northwest corner of the College's campus. The project's developer, Servitas, builds on- and off-campus student housing throughout the country. The College will prioritize the housing for, among other populations, students experiencing homelessness. While rents are lower than market rates for an apartment in the surrounding community—$986/month to share a double room and $1,223/month for a single—they do not offer the deep affordability typically needed for homeless housing.

The project is estimated to cost $57 million, according to the College's application for bond financing.[10] The College was approved for up to $87 million in bond financing, issued primarily as tax-exempt bonds by the California School Finance Authority ("CSFA"). The Santa Rosa Junior College project is the 36-year-old CSFA's first community college housing project.

The financing on this project does not include public funds as subsidy, relying primarily on debt which can be covered by anticipated near-market rents. While the housing will prioritize students experiencing homelessness, there is no additional subsidy for students in need.

Orange Coast College

Orange Coast College partnered with the Scion Group, an experienced student housing developer, to build The Harbour, on-campus housing for more than 800 students and available to the general student population. The 300,000 square foot project, with 323 units, 600 parking spaces, study lounges, and other amenities, opened in September

[10] https://www.treasurer.ca.gov/csfa/meeting/2020/20200924/staff/4.pdf

2020 and is located on the northwest corner of the campus. The $100 million project was financed through tax-exempt bonds in partnership with National Campus and Community Development Corp., a Texas nonprofit, according to an OCC news release.[11] The college offers a $400-$600/month rental subsidy to students with financial needs who meet specific criteria, using funds from its Pirates' Promise Program.[12,13] Rents range from $1,080/month for a shared bedroom in a two-bedroom, two-bath unit to $2,190/month for a private one-bedroom unit.

Similar to Santa Rosa Junior College, Orange Coast College financed this project primarily with debt which can be covered by anticipated near-market rents. While the housing will prioritize students experiencing homelessness, the College is providing some additional subsidy for students in need.

Potential Partnership Opportunities

To obtain a well-rounded understanding of the landscape of existing affordable housing for college students experiencing homelessness and housing insecurity; to receive input and ideas from various stakeholders already conducting work in this arena; and to identify potential partnership opportunities for the County the LACDA (with support from LeSar Development Consultants ("LeSar")), CEO-HI, , and LAHSA convened 10 interviews with various stakeholders. Interviews were held with individuals from the following groups and institutions:

- Several representatives of LACCD;
- Dr. Jessica Perea, Shaina Phillips, Anais Medina Diaz, and Russel Castaneda-Calleros of Rio Hondo College;
- Rashida Crutchfield of California State University Long Beach;
- Justin Mendez of Long Beach Community College;
- Jose Fierro and Dilcie Perez of Cerritos College;
- Andrea Marchetti and Eric Hubbard of Jovenes;
- Mel Tillekeratne and Raymond Mora of Shower of Hope;
- Samuel Prater of Los Angeles Room and Board ("LA Room and Board");
- Nicholas Jiles of Foundation for California Community Colleges;
- Stephanie Grijalva, Coordinator Youth CES, LAHSA;
- Chris Jenne, LAHSA Campus Peer Navigator; and
- Stephen Pelz of the Kern Housing Authority.

It should be noted that Los Angeles County is home to over ninety colleges, with nine community colleges within the LACCD alone. The interviews that were held represent

[11] https://prod.orangecoastcollege.edu/news/2020/article.html
[12] http://www.orangecoastcollege.edu/about_occ/occhousing/Pages/housing-assistance.aspx
[13] http://www.orangecoastcollege.edu/student_services/student-equity/Pages/pirates-promise.aspx

only a small fraction of the number of stakeholders and institutions, however, numerous partnership opportunities likely exist across the County.

The most salient points from the interviews were:

- Student homelessness is ineligible for conventional affordable housing models and funding sources.
  - Traditional funding sources rely on HUD definitions of homelessness, which generally refer to individuals residing in locations unfit for human habitation.
  - Notably, the HUD definition of homelessness excludes the most prevalent conditions of housing instability endured by college students, which essentially disqualifies homeless student housing projects from funding consideration. For instance, most housing subsidy programs do not consider “doubling-up” (i.e. couch surfing) a qualifying condition of homelessness.
- Housing development represents a long-term solution to a current pressing crisis. While additional efforts are needed to address high rates of student homelessness in the long-term through new and adapted housing opportunities for students, the County may be able to intervene in the short-term to immediately address college student homelessness and housing insecurity by:
  - Providing funding to aid in capacity building for existing non-profit organizations who aim to address student homelessness and housing insecurity from a holistic approach, including, but not limited to Jovenes, Shower of Hope, and LA Room and Board. Funding for these efforts could be in the form of capital financing, service subsidy, or operational subsidies;
  - Providing direct rental assistance outside of Section 8 HCVs, as these subsidies are limited in their ability to assist students who do not meet the traditional HUD-definitions of homelessness;
  - Providing funding for colleges and community colleges to staff supportive service case managers;
  - Providing technical assistance to colleges and non-profit organizations applying for State grant funding and Community Project Requests (“CPR”);
  - Providing technical assistance to colleges applying for Homekey funding, which, as detailed later in this report, has a share of its funding dedicated specifically to projects that address youth homelessness;
  - Supporting cross-collaboration between California State Universities (“CSU”) and the community colleges to facilitate opportunities for

sharing dorms or other community housing to potentially allow unhoused community college students to occupy vacant CSU housing, thereby creating a pipeline for transfer to a four-year university;
    - Thoughtfully considering the support of, and investment in, certain temporary harm reduction models, like safe parking, and implementing these models only where appropriate;
  - Adaptive re-use represents a time-efficient, low-cost housing solution that can produce units for students quicker than new construction can. There are several successful adaptive re-use housing models currently in operation throughout the LACCD network; however, what currently exists does not meet the demand of a growing unhoused student population;
  - Housing typology can create barriers in providing housing for students experiencing homelessness and housing insecurity; Permanent Supportive Housing (PSH) does not lend itself to a population type who historically have been better served by Bridge Housing and Rapid Re-Housing models;
  - If PSH models *are* used to house students, direct referral pathways and transition programs need to be adapted to advance students out of PSH housing and into other housing opportunities after they graduate or leave college;
  - Some colleges and community colleges, such as Cerritos College, Cal State Long Beach, and Long Beach City College, have existing housing for homeless students that are successfully operated by nonprofit partners and that can be used as a basis for future student housing models. Cerritos College's model is described in greater detail earlier in this report; and
  - Some colleges and community colleges, such as Rio Hondo College and Mission College, have expressed interest in increasing housing stock for their student populations and have identified sites for potential development opportunities that the County can support.

Many of these points are discussed in greater detail throughout the report.

Existing County Resources

Capital Financing for PSH

The LACDA administers or has administered several sources of capital financing for the acquisition, predevelopment, construction, and permanent financing of affordable housing through its Multifamily Affordable Housing Notice of Funding Availability ("NOFA"), including: County General Funds; Measure H Funds; State No Place Like Home ("NPLH") funds; Mental Health Housing Program ("MHHP") funds; and HOME Investment Partnership Program Funds ("HOME"). Outside of the NOFA, the LACDA also administers the L.A. County Housing Innovation Fund II ("LACHIF II"), a revolving loan fund made to finance acquisition and predevelopment costs for qualifying affordable housing developments.

In addition to capital financing, the LACDA also acts as the County's conduit bond issuer for tax-exempt multifamily mortgage revenue bonds, which are administered by the California Debt Limit Allocation Committee ("CDLAC") and awarded to developers to finance low- and moderate-income housing to leverage 4% LIHTC. While the LACDA is limited to acting as the conduit bond issuer for either tax-exempt or taxable bonds for multifamily housing projects, the County has the ability to issue general obligation bonds and revenue bonds, among other types of bond financings.

While the sources that the LACDA administers currently provide capital to fund affordable housing developments throughout Los Angeles County, it should be noted that there are regulations attached to each source, which may create impediments for use in student housing. Sources with the most flexibility for potential use would likely be County General Funds, Measure H Funds, and County-issued General Obligation Bonds, as authorization for the use of these funds is solely the responsibility of the Board.

Measure H Funding for Interim, Bridge, and Rapid Re-Housing

Measure H funding is allocated to various strategies that serve youth experiencing homelessness. For example, as part of the CEO's Homeless Initiative ("HI"), Measure H dollars support Strategies B3 (partner with Cities to expand Rapid Re-Housing) and E14 (enhanced services for Transition Age Youth ("TAY")), which funds, among other things, subsidies and case management services for transitional housing and rapid re-housing for TAY. According to LAHSA, $1,739,988 in Measure H funds have been allocated specifically for rapid re-housing for TAY in Fiscal Year 2021-22. Additionally, though not targeted for college students or youth, Strategy E8 (enhance the Emergency Shelter System) funds interim housing options for individuals and families, which a TAY attending college could access.

Service and Operational Subsidies

In addition to the Measure H funding highlighted above and LACDA-administered funds, the state's Homelessness Coordinating and Financing Council has allocated over $90 million in grant funds to the County in the first two rounds of its Homeless Housing, Assistance and Prevention program ("HHAP"). As part of an effort to promote regional coordination to combat homelessness, HHAP funds offer local agencies a flexible funding source to build and sustain homeless assistance and prevention programming. Eligible uses of HHAP funds include rental assistance for rapid rehousing, operating subsidies for permanent or interim housing, and service coordination. Notably, for the two upcoming rounds of funding, HHAP grantees must use at least 10% of funds to serve unaccompanied youth between the ages of 12 and 24 years who are experiencing homelessness.[14]

The LACDA also provides short- and long-term rental subsidies through a collaboration with the Department of Health Services ("DHS"), the Department of Mental Health ("DMH"), and LAHSA – Section 8 HCVs and PBVs. These tenant-based rental assistance programs, however, are federally subsidized and qualify participants based on the HUD definitions of homelessness, which excludes most students unless they can otherwise fit into traditional definitions of homelessness as discussed in greater detail throughout the report.

County- or State-Owned Land in Proximity to Colleges

Los Angeles County has considerable land holdings throughout the County. A review of its properties near community college campuses can identify underutilized sites that may be able to accommodate student housing. The CEO's office is presently working to identify potential sites and will meet with Board offices to review any potential locations. County-owned properties near college campuses include offices, medical facilities, surface parking lots, and golf courses.

Partnership with other public agencies—especially the State of California's Department of General Services, which is guided by an Executive Order directing the agency to identify excess properties to be used for affordable housing—could identify other suitable publicly-owned land.

Additional Opportunities

Stakeholder interviews revealed a robust network of existing infrastructure that offers immediate support to college students experiencing homelessness and housing instability. Indeed, in light of the time horizons of new housing development, several stakeholders emphasized the importance of short-term strategies that buttress ongoing efforts to mitigate the student homelessness crisis. The following section reviews a variety of these initiatives and how the County may invest in additional strategies to combat and prevent student homelessness.

Potential Immediate Solutions for County Intervention

Re-defining Student Homelessness

As discussed throughout the report, the majority of operational subsidies and housing capital sources that presently exist to provide housing opportunities for unhoused individuals exclude some unhoused students that do not meet the traditional HUD definitions of homelessness. Campus Peer Navigators and Basic

---

[14] The required set-aside also existed in the first two rounds of HHAP, however, the Board of Supervisors directed the CEO to increase the HHAP set-aside to 18%. The Board could take another similar action.

Needs Coordinators are, in some instances, able to utilize the McKinney-Vento definition of Homelessness to better serve unhoused students. McKinney-Vento provides a broader definition of homelessness inclusive of, among other things, youth who are sharing housing of other persons due to loss of housing; are living in motels, hotels, trailer parks, or camping grounds; are living in emergency or transitional shelters; and are living in cars, parks, or public spaces.[15] Although Measure H does not require HUD definitions of homelessness, partners may leverage other funding sources that impose more stringent requirements. While the County may not be able to amend these other sources' definitions of homelessness, the County may be able to free up further resources that minimize the need for funds from sources with stricter definitions. In the long-term, the County should look to advocate for policy at the state and federal level to include more broad definitions of homelessness.

Funding Existing Efforts That Help to Alleviate Student Homelessness from a Holistic Approach

In addition to students supported through Measure H's Homeless Services Delivery System, several mission-driven organizations throughout the region have established an infrastructure of shelter, services, and care dedicated specifically to college students experiencing homelessness. Identifying the particular challenges facing this population that fuel high rates of student attrition, these entities have partnered with educational institutions to address the desperate need for affordable housing and critical supportive services. Such student-centered programming includes not only access to stable housing, but also may include one-on-one tutoring, individual therapy, case management, and life-skills workshops. This model of housing and services described by stakeholders echoes the "wraparound" approach in supportive housing models, but tailored specifically to college students, who are generally ineligible for subsidized housing funded through conventional sources.[16]

For instance, through its College Success initiative, Jovenes, Inc. has partnered with colleges throughout the County to help unhoused students navigate opportunities for stable accommodations and services to support their academic success. These partnerships appoint Jovenes as a case manager for students experiencing homelessness. After initial assessment, Jovenes may offer students housing it oversees—through the master lease it holds for The Village or otherwise through its bridge or rapid re-housing programs—or may refer students with acute housing needs to the County Coordinated Entry System (CES) for access to

[15] https://uscode.house.gov/view.xhtml?path=/prelim@title42/chapter119/subchapter6/partB&edition=prelim
[16] Notably, however, students are eligible for Interim Housing and Rapid Re-Housing through the Homeless Services Delivery System funded through Measure H.

additional resources. Similarly, Shower of Hope and LA Room & Board have both implemented their own holistic, student-centered programs, which use leased properties to offer housing and services to students experiencing homelessness.

Notably, these partnerships between non-profit organizations and institutions rely largely on private donor funds, the participating schools' general funds, or a limited state grant for basic needs of students experiencing homelessness. As a result, the capacity of these programs is extremely limited and the need for affordable housing and services greatly outstrips the supply overseen by these entities. This existing infrastructure among regional non-profits represents an immediate opportunity for County investment, which may strengthen and broaden the reach of such critical resources and support services for college students.

In addition to aiding in the capacity building of existing nonprofit organizations, it was also learned that not all colleges have access to an on-site case manager, which in many cases leaves some Basic Needs Coordinators and other college employees to step in and fill these roles. Cerritos College is one such institution with access to funding for an on-site case manager and has cited their work as being essential to the ongoing success of their students. Funding case management services at colleges may also represent an immediate opportunity for County investment; for example, the County could further support its existing network of Campus Peer Navigators funded through Measure H dollars.

General Rent Subsidy Money

The 2019-20 state budget allocated $9 million a year over the course of three years to the California Community College System to support basic housing needs of students experiencing homelessness as part of the College Homeless and Housing Insecure Pilot Program. The funds can be used for rapid rehousing, wraparound services, and rental subsidies for eligible students. The California Community College Chancellor's Office allocated those funds to 14 colleges, including $700,000/year for three years to each of the following four colleges in Los Angeles County:

- Antelope Valley College;
- Cerritos College;
- Long Beach City College; and
- Los Angeles Southwest College.

The Chancellor's Office selected the 14 recipients based on the availability of low-income housing in the area, the percentage of students receiving Pell grants, the percentage of foster or former foster youth students, the percentage of student veterans, and the percentage of students living with a disability. Campuses were also rewarded if they had effective relationships with community-based housing organizations. As noted earlier in this report, Cerritos College uses $634,800 of its annual grant funding to pay Jovenes for operating The Village student housing. Long Beach City College uses $565,000 of its funds to pay Jovenes to operate a master leased apartment building near the campus; those funds cover rental support for 30-40 students, move in costs, emergency aid, two on-campus outreach staff members, and program administration. Antelope Valley College ("AVC") agreed in September 2020 to use $470,000 of its state grant funding for The People Concern ("TPC") to provide rental assistance, housing navigation and location services, move-in services, and case management services to up to 20 students referred by the college.[17,18] AVC has also set aside $39,000 of that funding for temporary hotel stays for students experiencing homelessness.[19,20]

A later section of this report will describe a similar funding source approved in the 2021-2022 state budget that provides $100 million to support basic needs including housing and food.

Safe Overnight Parking

Another consideration for community colleges seeking to meet the needs of their students who are experiencing homelessness is whether to provide safe overnight parking. California's AB 302 would have required community colleges to open their parking facilities to students experiencing homelessness, but the bill died in the Senate in 2020 after receiving approval by the full Assembly and some Senate committees. The bill was opposed by the Community College League of California, which advocates for its 73-member community college districts in the state. San Diego County's Palomar College in 2019 considered a safe overnight parking proposal by the student government, but overnight parking on campus remains prohibited.[21,22] West Valley College in the Silicon Valley city of Saratoga joined with local houses of worship in 2019 to begin a safe overnight parking initiative.[23] A different lot is available each month for safe overnight parking for college students and others who are sleeping in their cars.

While Safe Overnight Parking provides a temporary solution, as it is well known that many students sleep in their cars on a nightly basis, it should not be lauded as a complete solution and should be very thoughtfully considered if implemented. In several stakeholder interviews it was discussed that Safe Overnight Parking can, in fact, add significant challenges for students and colleges with policing,

[17] https://go.boarddocs.com/ca/avc/Board.nsf/files/BT239T05D2A1/$file/MOU%20The%20People%20Concern%20for%20Housing.pdf
[18] https://www.avpress.com/news/avc-poised-to-aid-homeless-students/article_65e83d3c-0b68-11eb-85bf-df13925134af.html
[19] https://go.boarddocs.com/ca/avc/Board.nsf/goto?open&id=BXHRMH6D2BDC
[20] The uses of the Southwest College allocation were undetermined for this report.
[21] https://www.kpbs.org/news/2019/jun/03/palomar-college-considers-allowing-homeless-studen/
[22] https://go.boarddocs.com/ca/pccd/Board.nsf/files/BBYPGH648BB1/$file/ASG%20Overnight%20Parking%20Report.pdf
[23] https://www.usatoday.com/story/money/2019/06/10/homelessness-among-college-students-growing-crisis/3747117002/

safety, liability, security, and vandalism, among other things. It should also be noted that many colleges do not support this model.

Potential Long-Term Solutions for County interventions

While stakeholders have identified several key areas wherein the County can aim to address the issue of student homelessness and housing insecurity in the immediate-term, the County should also continue to direct efforts to fill the larger gaps in housing access and affordability in the long-term as well. The following section reviews a variety of proposed long-term strategies, including providing funding, resources, technical assistance, and support to solutions aimed at providing housing development opportunities for unhoused college students.

Rapid Re-housing and Transitional Housing

Rapid re-housing and transitional housing models represent two flexible interim strategies to support students experiencing homelessness. Although these approaches are categorized as "long-term" solutions, these models can be implemented without ground-up new construction. For example, rapid re-housing integrates case management, housing navigation, and temporary housing subsidies to help unhoused individuals secure permanent housing.[24] Similarly, transitional housing offers interim shelter typically for unhoused individuals identified through the CES—as a temporary measure for persons receiving navigation services for permanent housing.[25] In effect, both models are critical strategies that serve to prevent prolonged periods of housing instability and homelessness.

Although these strategies are generally administered by LAHSA through its CES, organizations focused on student homelessness currently oversee programs that implement these models in partnership with colleges. As discussed above, Jovenes offers students access to rapid re-rehousing and transitional housing in collaboration with Cerritos College and Long Beach City College, which support the program with their state College Homeless and Housing Insecure Pilot Program grant funds along with Jovenes's private funds.

It is worth emphasizing that certain institutions and funding sources define homelessness differently, which limits the capacity of rapid re-housing and transitional housing programs for housing insecure college students. For instance, the underlying funds for the Cerritos College and Jovenes partnership depend upon their respective definitions of homelessness, which include housing insecurity (e.g. "doubling up").

[24] https://homeless.lacounty.gov/wp-content/uploads/2017/12/25-Glossary-of-Terms-and-Acronyms.pdf
[25] Ibid.

Master Leasing and Other Finance Models

As discussed in greater detail in the Analysis of Potential Financial Models and the Analysis of Existing Financial Models sections of the report, there are a variety of financial structures that could be employed for the development and operation of affordable housing for unhoused college students. The range of finance models that exist indicate that there is not a standard approach to this type of development, however, the County could look to employ or support any one of these strategies in partnership with local colleges.

Supporting Adaptive Re-Use Models

Several adaptive re-use models are currently in operation throughout Los Angeles County and are working to serve the needs of an unhoused student population. The Opportunity House operated by LA Room and Board, and two properties operated by Shower of Hope through *Hope Housing for Students* in San Gabriel Valley and East LA, represent several successful examples of this model. These affordable student housing developments were sites with existing improvements that were identified either by the partnering college, private donors, or by the operating organizations; the properties were then donated and retrofitted to house a student population with all of the necessary amenities including bedrooms, bathrooms, kitchens, community rooms, game rooms, and study rooms. LA Room and Board has identified an additional site in Pasadena, in collaboration with a private donor, in which they plan to apply this model to refurbish and house college students in the area. Adaptive re-use of existing structures that are near college campuses can provide housing much quicker than new development can, and adapting housing in partnership with experienced organizations that provide comprehensive wraparound services, like Shower of Hope, LA Room and Board, and Jovenes is critical. The County can look to support the adaptive re-use of more sites by providing the necessary capital for acquisition or rehabilitation, or providing underutilized County-owned property.

Tax-Exempt Bond Financing

Tax-exempt bond financing is the cornerstone of both public facilities construction and a substantial portion of affordable housing development in California. Tax-exempt bond financing is complex and generally carries high transactional costs associated with its complexity, so the execution is typically reserved for large projects (> $30 million) that justify such transaction costs.

In the current lending environment, the traditional financial advantages of lower interest rates through tax-exempt debt are nominal at best because of historically low rates. Therefore, the implicit subsidy derived from tax-exempt financing is not a driver of development feasibility or affordability. Tax-exempt bond financing does offer a source of large-scale debt at affordable rates, which should offer a reasonable degree of flexibility across a range of development options, including public-private partnerships. Note that tax-exempt bond financing for student housing would occur through what is termed a "conduit" structure, where the issuer assumes no risk or obligation related to bond repayment. That burden must be carried by the development entity and may or may not include credit enhancement from an outside entity (which raises the rating and lowers the interest rate on the bonds).

There are two public issuers in California that have recently issued bonds for housing at community colleges: the California School Finance Authority[26] (issuer of bonds for the SRJC project) and the California Community College Finance Authority (issuer of the bonds for the OCC project). Neither of these sources of tax-exempt bond financing require housing affordability to be a factor for eligibility, so unlike competitive tax-exempt private activity bonds regularly used for affordable housing development, this financing will not be a determinant or driver of affordability levels. Moreover, tax-exempt bond issuance requirements introduce additional obstacles to this financing mechanism that further undermine feasibility.

Homekey

California's Homekey program, which in 2020 provided more than $840 million to facilitate the expansion of homeless housing statewide, has been extended for two more years with $2.75 billion of funding. While Homekey is typically associated with hotel/motel conversions into permanent housing, the funds can be used for a variety of acquisition/rehab projects, as well as new construction. One 2020 Homekey project, noted earlier in this report, serves students at Imperial Valley College who are experiencing homelessness. The continued funding can be considered for either acquisition/rehab, master leasing, or new construction of housing for students experiencing homelessness. Given Homekey's requirement for short turnaround projects—funding must be expended within eight months and construction and rehab must be completed within one year—there are significant challenges for conventional new construction to work under Homekey. Projects with short timeframes, seen with IVC's factory-built tiny homes or Cerritos College's acquisition of a townhome development, would make strong Homekey candidates.

[26] The State authority derives from Section 17180 of the Education Code, which permits the California School Finance Authority to make loans to a participating party to finance or refinance a project. The proposed project can be considered an educational facility under the definition of project in Section 17173(j) of the Education Code. The California Attorney General's Office (AG) has previously determined that on-campus student housing fits within the definition of educational facility described above.

The 2021 NOFA for $1.45 billion of Homekey funds includes a geographic set-aside of nearly $359 million for Los Angeles County as well as a separate $116 million set-aside for Homekey projects that serve homeless youth or youth at-risk of homelessness, both of which could be available for community college housing. The youth population includes former foster youth up to 25 years old. To qualify as a homeless youth project, the following criteria must be met:

- At least 25% of units are reserved for homeless youth or youth at risk of homelessness,
- Applicants include a nonprofit with experience serving homeless youth or youth at risk of homelessness,
- The site must have reasonable proximity to youth-centered amenities, including, but not limited to, community colleges, universities, trade schools, apprenticeship programs, employment programs, childcare centers for parenting youth, and community centers for youth (e.g., LGBTQ+ centers, drop-in youth centers).

Projects for homeless youth who are community college students would be competitive for the $116 million in statewide homeless youth funds, leaving the County's $359 million geographic set-aside for other Homekey projects. Moreover, homeless youth projects qualify for a baseline per-unit allocation of $175,000, which is about $28,000 more than the average per-unit state award to the 28 Homekey projects awarded in Los Angeles County in 2020.[27] Projects are also eligible for additional state funding, if matched with an equal amount of local funding, up to $100,000 per door. Overall, a homeless youth project is eligible for up to $275,000 per unit in state Homekey funding, provided the locality applying provides $100,000 per unit. Homekey funds can also cover a per unit per month operating subsidy up to $1,400 for up to three years.

The County, therefore, can collaborate with community colleges to identify suitable Homekey sites near the 23 campuses in the County and could potentially provide technical assistance with the application process. Applicants can partner with an identified nonprofit partner, like Jovenes, Shower of Hope, or LA Room and Board, all of which have considerable experience working with the target population of community college students experiencing homelessness, to create a more competitive application. Some colleges, including Rio Hondo College, have already identified potential Homekey sites and have expressed interest in partnering with the County.

[27] In 2020, Homekey funded the 1,832 units of housing for a total HCD award of $268,374,750. This does not include additional costs borne by local governments.

New Resources from the State Budget

The 2021-2022 state budget includes two major, one-time funding sources for community colleges to use for housing. First, the budget includes $100 million for basic needs including housing and food insecurity support, similar to the $9 million provided as part of AB 74 in the 2019-2020 budget act. Secondly, the budget includes $1 billion for planning and construction of affordable student housing. Both of these pools of funding will be distributed over the next three years.

It is not yet clear how the $100 million in basic needs funding will be distributed among the state's community colleges. These funds can be used for a wide range of student support. To promote the need for affordable student housing, colleges can be encouraged to use whatever share of this funding they receive as rent subsidy or operational funding for supportive services, as Cerritos College and Long Beach City College do in partnership with Jovenes.

The $1 billion fund, part of the Higher Education Student Housing Grant Program described in AB 169, is dedicated to developing affordable student housing.[28] Half of the funds are for planning and feasibility studies, while $500 million is reserved for housing development, including acquisition and rehabilitation. Legislation states that colleges will be able to propose housing projects by October 13, 2021, for selection in a subsequent budget act, to be enacted by March 2022. The housing built with these funds must be for students enrolled in at least 12 units and must prioritize low-income students who meet one of the following three criteria:

1. Eligible to receive Pell Grant or Cal Grant financial aid,
2. An exemption from paying nonresident tuition provided the student meets income criteria of the California Dream Act, or
3. A fee waiver from a California community college.

According to legislation, the applications must meet the following criteria:

- Applications must include the following information: the project goals, costs, number of students to be housed, timeline for the project, financial feasibility of the project, anticipated impact on the campus' ability to accommodate California resident enrollment growth, and a commitment to construct the project within the resource needs identified in the proposal;
- Construction on the project should begin by December 31, 2022, or by the earliest possible date thereafter;
- Rents must be affordable to a one-person household earning 50% of the Area Median Income ("AMI");

[28] https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB169

- The units have affordability restrictions in perpetuity;
- The housing must be prioritized for low-income students;
- Eligible students renting housing in the facilities shall be permitted to live in the facilities for the full academic or calendar year so long as the student remains enrolled in the applicable campus; and
- Students renting housing in the facilities can temporarily be enrolled in less than 12 units if they demonstrate an exceptional circumstance such as illness or injury, as determined by the applicable campus.

Given the number of community colleges around the state and the significant need for affordable student housing, it is likely that there will be significant competition for both the planning/feasibility funds and the development funds. The County could encourage colleges to apply for these funds and provide real estate development expertise in guiding the predevelopment process to create competitive projects where needed.

Relevant bills in legislature

There are currently two bills in the California Legislature most relevant to developing affordable housing for community college students experiencing homelessness:

- SB 330 (Durazo) Los Angeles Community College District Affordable Housing Pilot Program - This bill expands the ways in which a community college district can enter a joint occupancy agreement with a private person, firm, or corporation to provide its students and employees with affordable housing. It directs the LACCD to develop and implement a pilot program to provide affordable housing to district students or employees, with priority to low-income students experiencing homelessness.[29]

Status: Passed the Senate and the Assembly. Awaiting Governor's signature.

- SB 290 (Skinner) Density Bonus Law - Improves and clarifies the state's Density Bonus statute to ensure it achieves its intended outcome of increasing affordable housing production. This bill will make it easier to build density bonus projects and provides incentives to build affordable housing for low-income students. Specifically, the incentives go to student housing where 20% of the units dedicated to lower-income students, affordable at 65% of single-room AMI, with priority to students experiencing homelessness.[30]

Status: Signed by Governor Newsom on Sept. 29, 2021.

[29] https://leginfo.legislature.ca.gov/faces/billStatusClient.xhtml?bill_id=202120220SB330
[30] https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB290

Zoning Incentives

While community colleges can generally build student housing on their campuses because they are zoned for an educational institution, off-campus properties will need to be zoned to allow the kind of housing being pursued. Jurisdictions near Los Angeles County's community colleges can offer zoning incentives to affordable housing developments, including those that prioritize community college students experiencing homelessness. A 2017 report by the California Homeless Youth Project, Resources Supporting Homeless Students at California's Public Universities and Colleges, provides the following recommendation to localities:

"To assist students who struggle with housing insecurity, local governments should provide incentives and supports that encourage nonprofit developers to build or establish affordable housing near colleges and universities. Incentives may include density bonuses, fee waivers or deferrals, subsidies, and low or no-cost financing."[31]

The County can adopt such incentives and encourage cities to do the same. While such incentives do not address the need for capital and operating funds, they can open up additional sites for potential development, as well as reduce the cost of developing such housing.

Other Considerations

One set of considerations exists around tenure and occupancy in such housing. In creating affordable housing for college students experiencing homelessness, housing providers will need to distinguish between whether they are providing student housing that is available during the academic term, year-round housing that happens to be targeted for college students, or permanent housing with a mix of students and staff.

- **Academic-term housing** is typically vacated during the summer and possibly during the winter and spring breaks as well. This would create a significant gap for students who would otherwise be unhoused. Providing low-cost dormitory accommodations may still be helpful for students who otherwise have unstable housing or living in crowded or substandard conditions. However, dormitory-style housing would not address the needs of homeless students.
- **Year-round student housing** offers a conventional home that is not tied to an academic calendar. An important question to answer, however, is whether students retain access to the housing after completing their studies at the community college. Students may complete their time at the community college no longer needing the deeply affordable housing; for example, graduates may have secured a higher-paying job or are entering a four-year university that provides

[31] https://www.library.ca.gov/wp-content/uploads/2021/08/CollegeSupportsReportPDF4-27-17.pdf

housing. Colleges and housing providers, however, should make clear agreements with students residing in the housing at what point, if any, they are no longer eligible for the housing; and if the resident is to move on after finishing their time at the school, the college should ensure it provides assistance in finding new housing.

- **Permanent housing for students and staff** is a potential strategy that some colleges consider and is included in SB 330. Housing providers will need to consider whether providing mixed housing for students and staff is appropriate and, as with exclusively-student housing, what sort of threshold criteria residents need to meet.

As discussed, one challenge in offering affordable housing to community college students experiencing homelessness is whether they can remain in the housing upon completing their studies. Colleges will want to ensure there is turnover in the affordable student housing; the low-cost housing is envisioned not a long-term solution but rather as temporary support for the two or three years a student is enrolled in the college. One solution to this challenge is to tie the subsidy to general student housing that is run by the college. This can ensure low-income students at-risk of homelessness are able to access the low-cost housing they need, while also ensuring that subsidy can go to another student when one moves on from the college. Such an approach would require a college to develop their own on-campus housing and make it available to the general population, while also creating a pool of subsidy for students in need. This has been the model at the College of the Redwoods in Eureka. The Redwoods Room & Board Scholarship Fund costs about $50,000 a year to house and feed eight students and is covered by private donations.[32]

Some colleges that provide affordable housing for students experiencing homelessness set clear enrollment and academic standards. It will be imperative for housing providers to determine the following:

- **Enrollment standards**: How many course units must a student be enrolled in to be eligible for the housing? For how long must the student have already been enrolled in the college? What if the student is not enrolled for the summer session or takes a semester off?
- **Academic standards**: Do students accessing the affordable housing need to have a minimum grade point average? If so, does the college offer some relief or support to students whose grades have fallen below the standard? Do students need to follow any other academic guidelines?
- **Homelessness standards**: How is the college defining a homeless student? Do students need to be referred from an academic counsellor, the homelessness

[32] https://www.redwoods.edu/Foundation-Home/Room-and-Board

system, or some other mechanism? Are there age requirements, such as being a transitional age youth (TAY), up to 24?

Student housing built with the recently-approved state funding in the 2021-22 budget addresses some of these questions. The funding would require residents to be enrolled in 12 units—with some flexibility for exceptional circumstances. Also, the funding allows for year-round housing, not requiring students to leave during the summer and winter breaks, for example.

The following standards for Imperial Valley College's ("IVC") homeless student housing, detailed earlier in this report, offer a helpful example:

- **Enrollment standards**: Residents must currently be enrolled in at least nine units and already completed at least 12 units at IVC, but no more than 70 units.
- **Academic standards**: The student must have an updated Comprehensive Student Educational Plan (CSEP), a semester-by-semester plan students create with an academic counsellor to graduate on time, on file.
- **Homelessness standards**: The student must be referred by a counsellor with Student Equity & Achievement (SEA) Program, which supports students who are homeless, among other special populations. The student must be experiencing homelessness and priority is given to former foster youth.

Conclusion

In conclusion, it is recommended that the Board consider a two-pronged approach; one which aims to address the urgent needs of unhoused students in the immediate-term and one which aims to provide increased housing opportunities for unhoused students in the long-term.

The Board could support the housing needs of unhoused college students in the long-term through a variety of approaches outlined throughout the report by:

1.) Providing continued focus to developing housing for unhoused students by dedicating streams of funding to already identified sites for adaptive re-use; 2.) Supporting colleges in applying for Homekey funding; 3.) Exploring the use of County-owned sites near community colleges as opportunities for affordable student housing development; 4.) Providing technical assistance, capital, operating subsidies, and other available County resources to colleges or homeless service providers to help bridge funding gaps; and 5.) Providing funding for new housing opportunities, where identified by colleges.

It is further recommended that the Board consider efforts to addressing student homelessness and housing insecurity in the immediate-term by:

1.) Continuing to fund existing housing and services ecosystems administered by mission-driven nonprofit organizations; 2.) Providing flexible rental assistance to students; and 3.) Supporting campus case management services to connect housing insecure students to critical resources. Given the time horizons associated with new development, these immediate-term efforts may help address the urgency of the crisis for current unhoused students.

These recommendations build on areas of housing policy, finance, and subsidy administration in which the County has critical expertise, experience, and infrastructure essential to achieve scalable solutions where the colleges, generally speaking, do not. Therefore, the fundamental considerations are to leverage the County's housing capacity, particularly in housing capital finance, rental subsidy administration, technical assistance, and service subsidy administration. Moreover, the County has experience and the ability to apply for Homekey funds. This report recommends three approaches to advance these recommendations whereby:

1.) The County creates a college housing capital fund to pilot larger scale projects in addition to projects and sites already identified for adaptive re-use by existing nonprofit organizations; 2.) The County expands an immediate-term service subsidy pool and college rental subsidy pool in collaboration with the community college system; and 3.) The County partners with colleges to apply for Homekey funds.

College Housing Capital Fund

The County can create a college housing fund, deployed along with other strategies to reduce the cost of and increase access to capital. A $50 million fund could provide the subsidy needed to create five to seven large-scale pilot projects, each with at least 50-100 units.[33] Such funding could be paired with lower-cost tax-exempt bonds and the property tax exemption given to publicly owned buildings. Such an approach, using a structured capital model that combines high-risk local and philanthropic funding with other conventional sources, could support mixed-income developments, ensuring a diverse range of community college attendees can access student housing. College-owned or other publicly owned land would be another approach for controlling costs; nearby County-owned land represents another significant form of support the County may be able to offer. Using County funds can create flexibility in the unit mix beyond what is required by traditional affordable housing funding sources, with specifics determined by project circumstances.

A County college housing fund would complement the state's effort, as part of the 2021-22 budget, to support community college housing by providing $1 billion for institutions to plan for and build student housing. Over the next three years, colleges will have access to $500 million for feasibility and planning studies and another $500 million for housing development. Units supported by these state funds have requirements detailed earlier in

[33] Assumes subsidy of $100,000 to $120,000 per unit, which can leverage conventional debt and below market sources.

this report, including that rents be capped to be affordable to students earning 50% of the AMI.

A potential County college fund could have a set-aside to also support adaptive re-use, bridge housing, and rapid-rehousing projects operated by mission driven organizations such as Shower of Hope, LA Room and Board, and Jovenes. A designated set-aside from a County college fund could provide the critical capital necessary to fund rehab work and bridge funding gaps for these projects to become operational.

Rental Subsidy and Service Subsidy Pool

The County can also consider expanding its immediate-term college rental subsidy pool and service subsidy pool in collaboration with the community college system. The County can build on its experience creating and administering rental subsidies to provide the deep subsidy needed for students experiencing homelessness. Such subsidies could support students living in newly-created student housing, allowing unhoused students to access that living environment. These subsidies can deepen the affordability created through capital finance. Rental subsidies can come from a variety of sources, including community colleges' share of the $100 million in basic needs funding approved as part of the 2021-22 state budget. In addition to a rental subsidy pool, a flexible services subsidy pool could aid in funding existing and ongoing supportive services infrastructure. Services subsidies could directly reimburse supportive services being delivered by mission-driven nonprofit organizations who are already providing wraparound services to unhoused college students. Services subsidies could also be administered directly to colleges who would be reimbursed for the employment of an on-site case manager as many colleges do not currently have one.

Homekey

Applicants for Homekey funds must be local governments, so a community college interested in securing that resource for housing would need to apply along with a locality, such as a city or county. The County could offer that support to local colleges. Homekey requires construction be completed within one year of the award and occupied within another 90 days, and its scoring criteria further favors projects that require little or no rehabilitation or construction and that can be fully occupied within eight months of award. This suggests that projects involving the acquisition of recently-built units or new construction using prefabricated units, like Cerritos College and Imperial Valley College models, would perform well as Homekey developments. Indeed, Imperial Valley College's project was funded by Homekey. Projects that are advanced in planning could apply for the current round of Homekey funds, while those earlier in the development process could apply during the 2022 round. Projects for community college students experiencing homelessness would most likely be particularly competitive for youth homelessness funds; the special $116 million set-aside as part of the 2021 NOFA. The County could also partner with experienced service providers, such as those described in this report, to provide necessary support for future residents.