

County of Santa Cruz

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HUMAN RESOURCES AGENCY

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September 1, 2000

AGENDA: September 12, 2000

BOARD OF SUPERVISORS

County of Santa Cruz
701 Ocean Street
Santa Cruz, CA. 95060

REPORT ON THE HOUSING SCHOLARSHIP PROGRAM

Dear Members of the Board:

On January 12, 2000 your Board approved the Housing Scholarship Program, a pilot program developed by the Human Resources Agency and operated in partnership with Families in Transition, to provide an incentive for CalWORKs participants to complete the training necessary for higher wage jobs. At that time, you requested additional information on the program costs and outcomes. The program has now been operating for seven months, and the purpose of this letter is to provide you with a report on the Housing Scholarship Program.

Background

The California Budget Project recently surveyed Bay Area Counties and found that housing assistance to families leads to increased employment and earnings by stabilizing the lives of families and improving their ability to retain jobs, and by increasing resources available for other work-related expenses, including child care transportation and work clothing. They identified programs like the Housing Scholarship Program, which link housing assistance to a commitment to training and career advancement, as particularly successful. Both San Mateo and San Francisco County have recently implemented similar programs.

As you know, the high cost of housing in Santa Cruz County means that families who are already struggling to meet basic living expenses must spend a large portion of their income for shelter. At the same time, the average family income and wages in the County continue to lag behind adjacent, more active job markets. While high wage jobs do exist in the County, many of those who are unemployed and underemployed do not have the skills or do not have the opportunity to develop the skills to succeed in those jobs. These factors contribute significantly to the challenges faced by families to become self-sufficient. In order to provide an incentive for CalWORKs participants to

complete the training necessary for high wage jobs, the Human Resources Agency initiated the Housing Scholarship Program.

Program Outcomes and Costs

The Program awards scholarships for a portion of their housing costs to selected CalWORKs families who are successfully participating in training programs and related job search leading to employment. In addition, case management services provide individualized assistance with budgeting and other supportive services necessary help the participant **finish** training and complete a successful job search. The cost per participant for the Housing Scholarship Program has averaged \$5,200 including both case management and housing assistance.

Although the program has only been in operation for seven months, the pilot phase of the program has already demonstrated that it is an effective incentive to keep participants in training that will lead to higher wages. The first program participants were selected based on their ongoing, successful participation in a training program, their defined career goals and the high proportion of their income spent on housing. Of the 20 participants who were initially awarded the scholarship, 19 either have completed the program or are in training or job search. This participation rate is significantly higher than CalWORKs participants in other programs.

The 19 active participants in the program consist of nine participants who are in the process of completing training, two who are in job search, and eight program graduates who have completed training and who are employed. These program graduates have secured a variety of jobs, including junior high school teacher; park ranger; construction worker; assembly test technician; medical assistant; and drug and alcohol counselor. Their average starting wage is between \$11-13 per hour. This wage is slightly higher than the average wage at placement for other training programs, and compares especially favorably to the average overall wage of between \$7.50 and \$9.00 per hour for CalWORKs participants who are leaving aid. Because they are now earning a higher wage, these Housing Scholarship Program graduates have reduced the percentage of their income spent on housing from more than 50% to an average of 38 % of their income. The reduction in the proportion of family income spent on rent will contribute significantly to the long-term stability of these families. Interviews with program graduates indicate that the Housing Scholarship Program was an important incentive towards completing training and a critical support towards reaching their long-term career goals.

Based on the initial success of the pilot program, the Human Resources Agency intends to conduct additional outreach to expand the number of CalWORKs recipients who are receiving this essential support to their efforts to become self-sufficient. This outreach will include recruitment of participants who are not yet in training and working with community based organizations to identify families who could benefit from this resource.

Conclusion and Recommendation

Clearly, the Housing Scholarship Program successfully addresses one segment of the need for both job advancement and housing support in our community. Given the current housing market and increases in rental costs, the lack affordable housing continues to present a challenge to families who are trying to create a stable future. As well, the lack of affordable housing continues to be a major barrier to family self-sufficiency for CalWORKs participants and former participants. HRA, in partnership with other County departments and agencies, will continue to explore additional program opportunities and resources to address the affordable housing needs of CalWORKs and former CalWORKs participants and their families.

IT IS THEREFORE RECOMMENDED that your Board: accept and file this report.

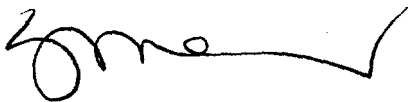
Very truly yours,



CECILIA ESPINOLA
Administrator

CE\SG

RECOMMENDED:



SUSAN A. MAURIELLO
County Administrative Officer

CC: County Administrative Office
Families in Transition, Inc.