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Sunnyvale

Sunnyvale: Creation of a Universal Basic Income Pilot Program

CITY COUNCIL MEETING

OCTOBER 24, 2023

Sunnyvale's GBI pilot study

In January 2022, the City Council of Sunnyvale introduced **Study Issue (SI) CDD 22-07** to **evaluate a Universal Basic Income (UBI) pilot program**

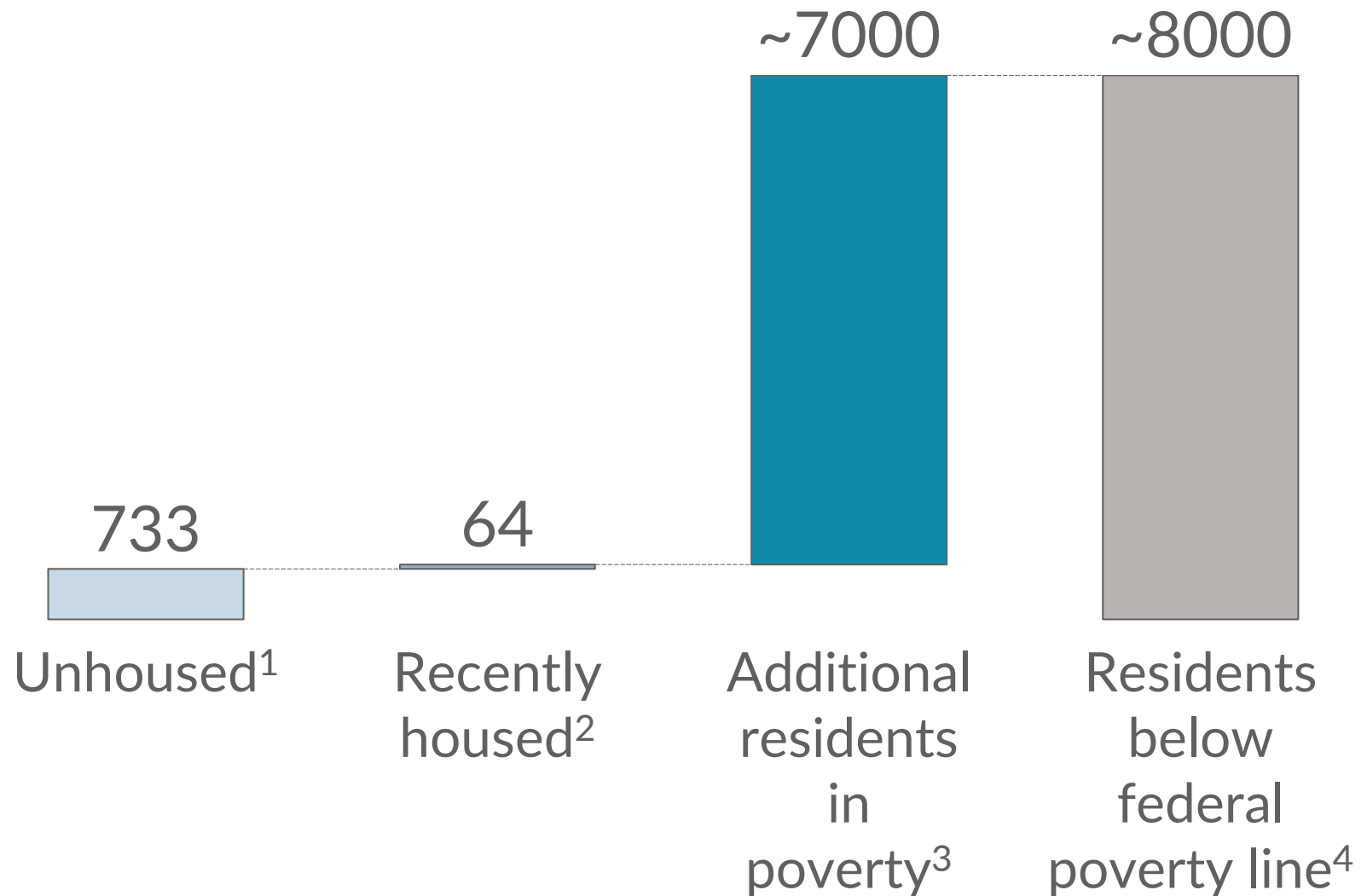
Dalberg Advisors has been supporting this Study since mid-August

Today we would like to get **Council** input to inform the design of a pilot program

Agenda

- Context for the GBI Pilot Study
 - Key findings to date
 - Next steps

Poverty in Sunnyvale



Note: The 2022 Federal poverty level for a family of four was \$27,750 as annual income.

Sources: [1] Santa Clara County Office of Supportive Housing, City of Sunnyvale HOME-ARP Allocation Plan Data Analysis, 2022; [2] Sunnyvale Community Services; 2023; [3] Dalberg analysis; [4] U.S. Census Bureau, [Data for Sunnyvale City](#), 2022.

What is Sunnyvale already doing? (1 of 2)

1. TBRA: Tenant Based Rental Assistance

- **Objective:**

- *Time-limited rental assistance, maximum 2 years – coupled with case-management/employment services*
- *No HH pays more than 30% of income on housing*

- **Funding:**

- *HOME Investment Partnerships (HUD)*
- *Up to \$1M per year in rental assistance*
- *\$350k per year in local funds for case management/administration*

- **Capacity:**

- *40 Households (recently increased from 20)*
- *Administered by Sunnyvale Community Services*

What is Sunnyvale already doing? (2 of 2)

2. Senior Rental Assistance program

- **Objective:**
 - *Support severely rent-burdened senior households*
 - *Starting Spring 2024*
- **Funding:**
 - *Permanent Local Housing Allocation Program (PLHA)*
- **Capacity:**
 - *Assist 40 households @ \$1,000/month*

Guaranteed Basic Income (GBI)

Universal Basic Income (UBI) provides **all individuals** a regular unconditional payment

Guaranteed Basic Income (GBI) refers to a similar concept for a **targeted population**

We use the term “**GBI**” in these materials

GBI is gaining momentum



100+ GBI pilots in U.S.¹



20+ GBI pilots in CA^{1,2}



4 GBI pilots by Santa Clara County³

1 GBI pilot by Mountain View⁴

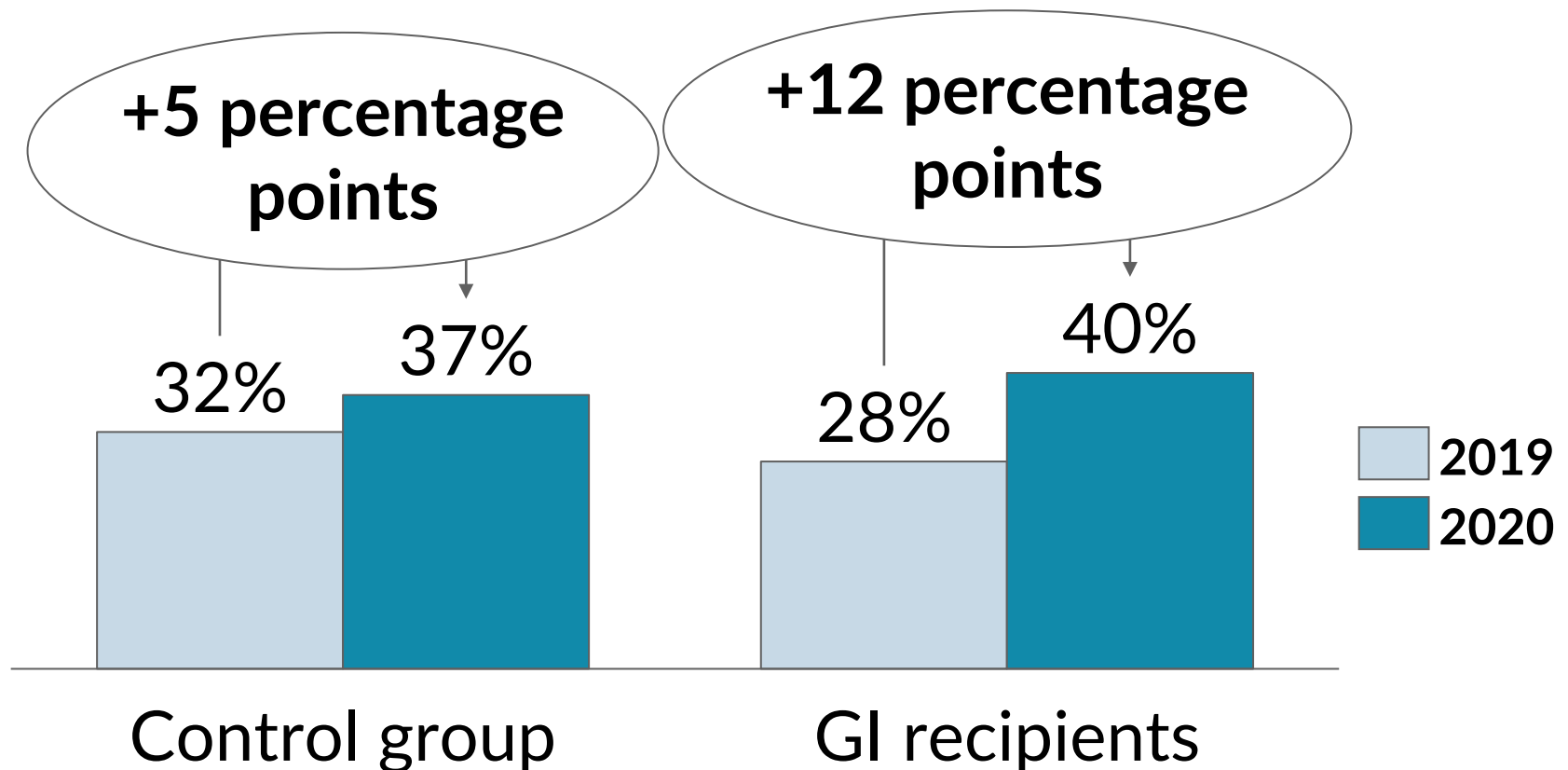
1 GBI pilot by Destination: Home⁵

GBI pilots have proven results (1 of 2)

- Higher probability of finding **full-time employment**¹
- Increased **housing stability**²
- Improved **physical and mental health**¹
- Reduction in **household income volatility**¹
- Increased **self-determination**¹

GBI pilots have proven results (2 of 2)

Percentage point increase in full-time employment,
*from Stockton Economic Empowerment
Demonstration¹*



Permanent Guaranteed Income

NON-EXHAUSTIVE

Current permanent UBI programs:

- **Alaska Permanent Fund¹**

GBI pilots committed to continue:

- **Cook County (Illinois) - Promise Guaranteed Income Pilot²**
- **New York City - The Bridge Project³**

Study Issue of GBI pilot

- **Benchmark of UBI programs**
- **Potential funding sources**
- **Pool size, application process, and amount**
- **Outreach process**
- **Administration requirements (e.g., metrics)**
- **Distribution process**

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We have interviewed 50+ stakeholders

✓ Stage 1

Engage community stakeholders and City staff

✓ Stage 2

Engage external experts and potential co-funders

Stage 3

Share initial findings with Council; hold community outreach & focus group meetings

Stage 4

Re-engage stakeholders as needed and share final findings

Four fundamental questions

Why?

What are the strategic objectives for the pilot?

Who?

Who is the pilot for?

What?

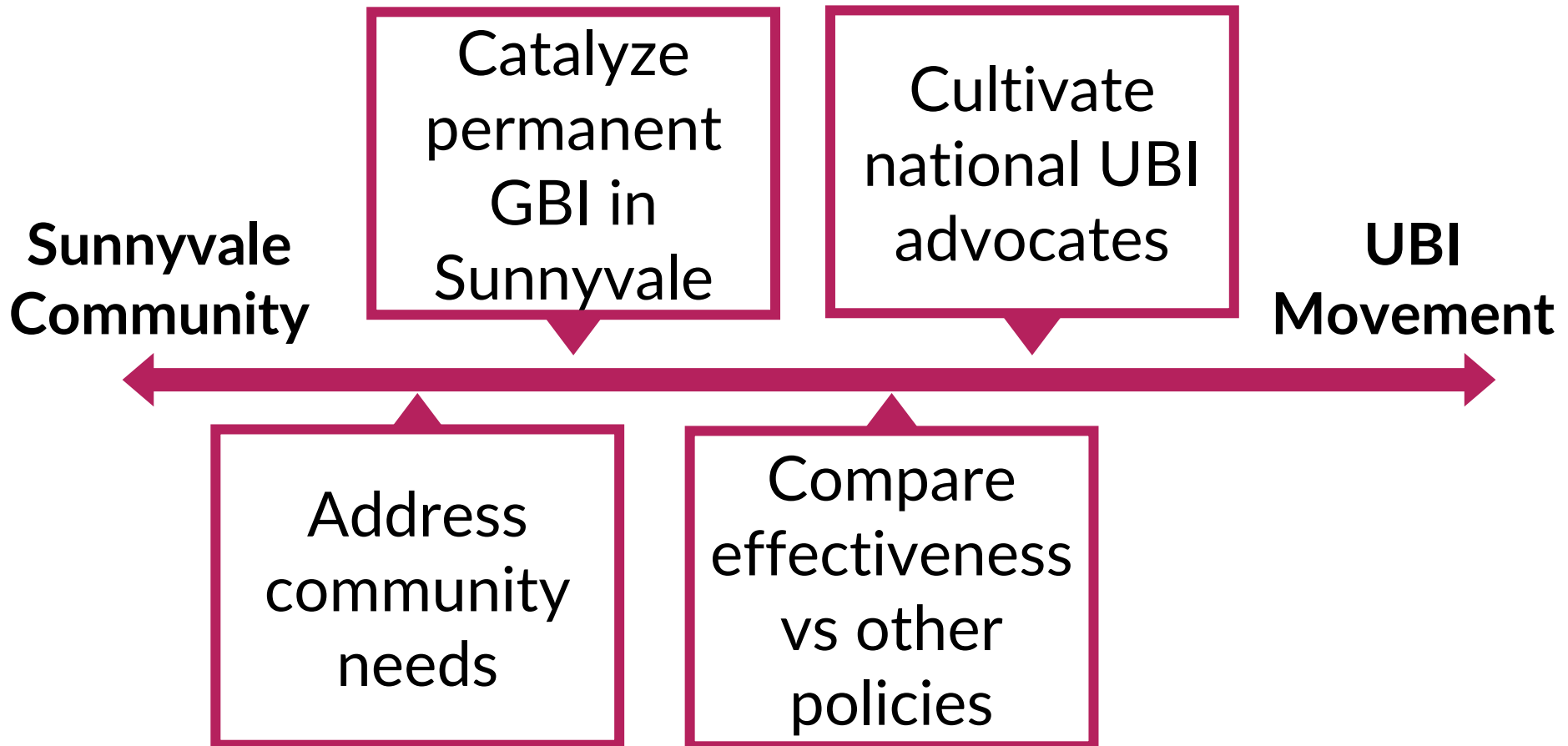
What is the pilot design (amount, frequency, duration, etc.)?

How?

How will the City fund and execute it?

Why fund GBI?

GBI pilots may serve various objectives:



Who is the pilot for? (1 of 2)

Eligibility criteria can vary:

Targeted

Broad



Example pilots

Saint Paul, MN

Artists in
specific
neighborhoods

Santa Clara Co.

Families
experiencing or
at risk of
homelessness

Mountain View

Parents with
income below
30% of AMI

Sources: [1] Dalberg Analysis; [2] The Stanford Basic Income Lab, [The Guaranteed Income Pilots Dashboard](#), 2023; [3] Mayors for a guaranteed income, [Resources](#), 2022; [4] Mayors for a guaranteed income, [End of Year Report](#), 2022.

Who is the pilot for? (2 of 2)

Most mentioned by interviewees

- Unhoused residents
- Residents at risk of becoming homeless or recently housed
- Low-income families with children
- Low-income community college students

Less mentioned by interviewees

- Residents with 30% of AMI
- Domestic violence survivors
- Low-income seniors
- Undocumented residents
- Foster youth
- BIPOC communities
- LGBTQ+ population

What are the typical characteristics?

- Participants: **100 - 325**
- Frequency: **Monthly or Hybrid** (lump sum + monthly)
- Amount: **\$500 - \$1,000**
- Duration: **1-2 Years**
- Administration costs: **~15%* of distribution**

**Up to 40%*

This implies min. total costs of \$700K - \$1.4M per year

Note: The ranges for number of participants and duration of pilot reflect the 20th to 80th percentile of the pilots reviewed. The frequency of payments, administration costs, and range for the amount of support provided is based on expert interviews and research.

Sources: [1] Stanford Basic Income Lab, [The Guaranteed Income Pilots Dashboard](#), 2023; [2] Mayors for a Guaranteed Income, [Resources](#), 2022; [3] Dalberg research.

How will the City fund program?

Potential sources of co-funding include:

County & State

- Appears unlikely to materialize

Major employers

- May be possible
- No known design requirements

Philanthropic funders

- Growing pilot fatigue
- Interest likely to be strongest in a pilot that contributes to broader UBI movement

How will the City execute program?

Important considerations include:

- Defining the **rigor of monitoring and evaluation** (e.g., randomized controlled trials vs tracking basic indicators through existing systems)
- Mitigating the **benefits cliff** issue
- Being thoughtful about the **governance structure and how to engage beneficiaries**

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Next steps



Discussion Questions:

“Why fund GBI?”

(i.e. what are the strategic objectives)

and

“Who is the pilot for?”

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Next steps:

Hold **outreach meetings**
(tentatively scheduled for
12/14, @ 12:30 p.m. & 6
p.m.)

Organize **focus groups**

Provide City Council with
recommendations for pilot
design and execution

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Discussion & Questions

Annex

COMMUNITY OUTREACH DETAILS

Outreach to date (1 of 2)

Education & Youth:

- Bill Wilson Center (Pilar Furlong)
- Foothill-De Anza Board of Trustees (Patrick Ahrens)
- Sunnyvale School District (Mike Gallagher, Jeremy Nishihara, Paul Slayton, Bridget Watson)

Housing & Homelessness:

- Benioff Homelessness and Housing Initiative (Celeste Enriquez, Oanh Nguyen)
- Destination: Home (Chad Bojorquez)
- Downtown Streets Team (Chris Richardson, Erika Laguna, Jocelyn Chavez)
- HomeFirst (Maggie Crowder, Kelcy Fleming)
- Livable Sunnyvale (Agnes Vieth)
- Mid-Pen Housing (Dominique Cohen, Brenda Castillo-Garza)

Community & Faith-Based Organizations:

- Our Daily Bread (Donna Beres)
- Sunnyvale Community Services (Marie Bernard, Catherine Farry, David Hernandez)
- Helping Hands (Alpana Agarwal, Pratima Gupta)
- Trinity Church of Sunnyvale (Ernie Morales)
- Sunnyvale Presbyterian Church (Hardy Kim)

Gender & Poverty

- YWCA (Cristal Olivas, Amie McClane)

Financial Services:

- Edward Jones (Shane Jacksteit)

Elected Officials and City Staff

- City Manager (Kent Steffens)
- Community Development Director
- Other City staff (e.g., Ryan Dyson)

Outreach to date (2 of 2)

National Experts:

- Jain Family Institute (Jack Landry)
- Mayors for Guaranteed Income (Cameron Burns, Kathrine Cagat)
- Miracle Messages (Madeline Mazzocchi, Nelly Stastny, Benjamin Henwood)
- My Path San Francisco (Margaret Libby)
- Policy Engine (Max Ghenis)
- Stanford Basic Income Lab (Sean Kline)
- The UBI Project (Jim Pugh)
- LA Community Investment for Families Department (Aaron Strauss)
- Mountain View (John Lang)

Public Sector Funders:

- Santa Clara County (Ky Le)
- California Department of Social Services (Katie Clarkin, Angela Vellos)

Philanthropic donors:

- Blue Shield of CA Foundation
- California Endowment*
- California Wellness Foundation
- eBay Foundation*
- Golden State Opportunity*
- Irvine Foundation
- Packard Foundation
- Rosenberg Foundation
- San Francisco Foundation
- SH Cowell Foundation*
- Silicon Valley Community Foundation
- Sobrato Philanthropies
- Tipping Point Community
- Y&H Soda Foundation

Major employers:

- Google (Javier González)
- Amazon (Kathy Duong) [Pending]

Note: (*) Engaged via email.