



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jacky Morales-Ferrand

SUBJECT: SEE BELOW

DATE: November 24, 2020

Approved

Date

12/4/20

SUBJECT: AWARD OF CONTRACTS FOR THE EMPLOYMENT DEVELOPMENT AND HOUSING STABILITY AND RAPID REHOUSING PROGRAMS

RECOMMENDATION

Adopt a resolution authorizing the Director of Housing to negotiate and execute the following grant agreements for the Employment Development and Housing Stability Program and the Rapid Rehousing Program:

1. Employment Development and Housing Stability Program grant agreements for 18-months with initial terms beginning on January 1, 2021 and operating through June 30, 2022 with three (3) one-year options to extend:
 - a. An agreement with JobTrain in the amount of \$500,000; and
 - b. An agreement with International Rescue Committee in the amount of \$192,000.
2. Rapid Rehousing Program grant agreements for 6-months with initial terms beginning on January 1, 2021 and operating through June 30, 2021 with three (3) one-year options to extend:
 - a. An agreement with Bill Wilson Center in the amount of \$800,000; and
 - b. An agreement with LifeMoves in the amount of \$1,000,000.
3. Rapid Rehousing Program grant agreement for 18-months with an initial term beginning on January 1, 2021 and operating through June 30, 2022 with two (2) one-year options to extend:
 - a. An agreement with HomeFirst Services of Santa Clara County in the amount of \$2,867,825.

OUTCOME

Approval of the grant agreements with JobTrain and International Rescue Committee will allow the organizations to provide employment training and employment placement for up to 100 low-income, homeless individuals and transition age youth (TAY).

Approval of the grant agreements with Bill Wilson Center, LifeMoves, and HomeFirst will allow the organizations to provide housing search, housing placement, case management, rental subsidies and other financial assistance for up to 300 low-income, homeless individuals, TAY, families and survivors of domestic violence.

BACKGROUND

The federal Department of Housing and Urban Development (HUD) recognizes Rapid Rehousing as an intervention, informed by a Housing First approach, that is a critical part of a community's effective homeless crisis response system¹. The Housing First approach to end homelessness is a nationally recognized best practice. Rapid Rehousing is a subset of this approach. Rapid Rehousing programs provide short-term rental assistance and supportive services. Services end once the household is able to maintain stable housing and the rental assistance terminates. Rapid Rehousing Programs target homeless households with moderate service needs that have the ability to earn sufficient income, but may have experienced events, such as the sudden loss of a job or unexpected medical costs, that have led to their homelessness. Service components of successful Rapid Rehousing programs include: 1) housing search and placement; 2) short term and decreasing rent subsidy 3) other temporary financial assistance; and 4) case management.

HUD has identified low/moderate job creation and retention (LMJ) as a national objective. Employment development activities, as defined by HUD, allow agencies to create permanent jobs for low/moderate income persons, to place persons into those jobs, and assist the persons in retaining the job. Job creation and retention is a powerful tool to ensure that low-income households have access to training and jobs, particularly as an important means to remain stably housed.

Policy and Plan Alignment

On August 11, 2020 the City Council approved the 2020-2025 Consolidated Plan, a strategic plan required by HUD, that outlines spending priorities for the City's federal funding. The most common housing problem in San José is severe cost burden. Severe cost burden means that a household is paying more than 50% of their income for rent. To address this, the Consolidated Plan prioritizes the following goals when implementing programs funded by federal grants:

¹ HUD Rapid Rehousing Brief: <https://files.hudexchange.info/resources/documents/Rapid-Re-Housing-Brief.pdf>

1. Prevent and Address Homelessness – Increase housing opportunities and self-sufficiency for homeless populations and assist in the prevention of homelessness for at-risk individuals and families.
2. Create and Preserve Affordable Housing – Create new affordable housing opportunities and preserve existing affordable housing.
3. Promote Fair Housing – Promote fair housing and lowered barriers to housing.
4. Strengthen and Stabilize Communities – Strengthen and stabilize communities' condition and help to improve residents' ability to increase their employment prospects and grow their assets.

Rapid Rehousing is cited in the Consolidated Plan as a strategy to help homeless persons make the transition from homelessness to permanent housing and independent living. Access to affordable and supportive housing through Rapid Rehousing programs is directly related to Strategies 1 in the Consolidated Plan. In addition, Employment Development is listed in the Plan as a strategy for reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs and directly relates to Strategy 4.

In August 2020, the City Council endorsed the 2020-2025 Santa Clara County Community Plan to End Homelessness. The plan contains three focus areas:

1. Address the root causes of homelessness through system and policy change;
2. Expand homelessness prevention and housing programs to meet the need; and
3. Improve quality of life for unsheltered individuals and create healthy neighborhoods for all.

Rapid Rehousing is cited under Strategy 2 to expand the supportive housing system to provide housing and services to help 20,000 unhoused people secure stable, permanent housing. The Plan's expansion specifically targets 10,000 people housed through Rapid Rehousing programs that provide short- and medium-term support. Employment Development is cited under Strategy 1 to ensure all residents who are able to work have access to living wage employment. Outcomes include partnering with corporations to create living wage job opportunities for people who are unhoused or at risk of homelessness and providing training, internships, and mentorships to help obtain access to living wage jobs.

Employment and Rapid Rehousing Program Background & Transition

Since 2016, the City has contracted with Downtown Streets Team for a job training program. Downtown Streets Team operated the Work Experience Program (WEP) that was threefold in purpose: 1) provide project participants with employment development services and job training; 2) place individuals into permanent jobs; and 3) remove trash and other debris in Downtown San José and other specified neighborhoods as needed.

Since 2017, the City has contracted with multiple agencies for a rapid rehousing program. The first contract, with The Health Trust, for rental subsidy administration entailed managing the provision of rental subsidies and other subsidies such as deposits, rental application feeds and

move-in assistance. The remaining contracts were with multiple agencies that included The Health Trust, Bill Wilson Center (consortium with Family Supportive Housing and Next Door Solutions to Domestic Violence), and PATH as the supportive service providers. Supportive services included individualized housing search, housing placement, case management, and employment services. Collectively, the agencies were serving a total of 200 households at any given time.

The Housing Department typically completes a competitive process for contracted services every three to five years. Both the Employment Development and Rapid Rehousing programs were due to be rebid.

ANALYSIS

According to a report published by the Heartland Alliance, integrating rapid rehousing and employment programs are key to truly achieving housing stability.² The report shows rapid rehousing is successful in helping people experiencing homelessness move out of shelter and into housing. However, large-scale evaluations show that rapid rehousing as currently implemented generally falls short on helping participants meet their stated employment needs and achieve longer-term housing security—both of which are key to truly ending homelessness. This is especially true in areas with high market rent and low-vacancy rates. Rapid re-housing participants need greater access to appropriate employment services—including robust employment, training, and barrier-mitigating supportive services—in order to increase earned income, succeed in work, and stabilize their housing following the end of their rapid re-housing subsidy period.

In San José's high-cost housing market, obtaining living wage employment is critical in ensuring housing stability for rapid re-housing clients exiting homelessness. Rapid Rehousing assistance aims to help people who are homeless move as quickly as possible into permanent housing and achieve stability in that housing through a combination of rental assistance and supportive services. The time-limited nature of the rental subsidies (between 6 – 24 months), make it challenging for many supportive housing service providers to help participants locate housing and to connect them with employment that will allow them to take over the rent after the subsidy ends. In response, the City of San José released an RFP for Employment Development and Housing Stability and Rapid Rehousing with intent for the two programs to work in collaboration.

Request for Proposals

The Housing Department released the Employment Development and Housing Stability and Rapid Rehousing Programs RFP on September 15, 2020 and made it available for four weeks,

² Heartland Alliance: Integrating Rapid Rehousing and Employment: https://melvilletrust.org/wp-content/uploads/2017/03/Integrating-Rapid-Re-Housing-and-Employment_Heartland-Alliance.pdf

closing on October 14, 2020. The RFP requested respondents apply for one or both of the programs. Ten applications were received.

An evaluation panel consisted of two Housing Department staff, one Office of Economic Development staff, and two external stakeholders, including a formerly homeless resident and Lived Experience Advisory Board member, and an employee from the County Office of Supportive Housing. On October 20, 2020, the panel reviewed and rated the ten proposals based on standard evaluation criteria. The criteria for rating and selecting proposers is listed below:

CRITERIA	POINTS
Program Description	Maximum 15 points
Program Specific Questions (Appendices)	Maximum 30 points
Organizational Capacity & Experience	Maximum 25 points
Goals & Outcomes	Maximum 15 points
Budget	Maximum 15 points
TOTAL POINTS: 100	
Current/Past Performance with City Contracts	Maximum 10 points deducted from score. Does not apply to organizations without City contracts.
Audit Review	Pass/Fail

The evaluation panel selected JobTrain and International Rescue Committee as the administrators of the Employment Development and Housing Stability Program. Bill Wilson Center, LifeMoves and HomeFirst were selected as the administrators of the Rapid Rehousing Program.

The Employment Development and Housing Stability and Rapid Rehousing Programs will work in partnership with each other. Employment Development and Housing Stability participants will be stably housed while obtaining employment. The Rapid Rehousing Program will refer participants who are seeking employment assistance to the Employment Development and Housing Stability grantees, creating a referral pipeline for those grantees. Both programs will work closely with the City’s interim housing operators to help residents increase income via the Employment Development and Housing Stability program and obtain housing via enrolling in the Rapid Rehousing Program.

The RFP noted that the preferred target population for the Employment Development & Housing Stability Program would be Rapid Rehousing participants, and that the preferred target population for the Rapid Rehousing Program would be Transition-Age Youth (ages 18 to 24) and single adults. This preference was determined in coordination with the County Office of Supportive Housing. Staff conducted an analysis of the current Rapid Rehousing portfolio to determine areas of greatest need. Of the 1,513 Rapid Rehousing units Countywide, 57% are for families with children and Veterans. The inflow of single adults entering the homeless system of care (HMIS) for the first time far exceeds the Countywide Rapid Rehousing program capacity levels for single adults. Homeless inflow is defined as an individual taking the VI-SDPAT

assessment for the first time. In FY 2019-20, the Countywide capacity for youth and young adults in Rapid Rehousing was 88. However, this did not meet the demand of inflow of 300 new youth and young adults who were eligible. Further, the single adult annual capacity of 304 Rapid Rehousing units did not meet the demand of 803 new single adults who were eligible for Rapid Rehousing. This data demonstrates the need for more programming for single individuals and youth and young adults within our Rapid Rehousing system. Additionally, the City proposes to use the redesigned Rapid Rehousing Program as an opportunity to better utilize and fill the interim housing sites, of which the majority are for single individuals.

Employment Development and Housing Stability Program

The proposed Employment Development and Housing Stability Program will provide job training and placement for low-income individuals enrolled in Rapid Rehousing programs and other housing assistance programs in San José. The Housing Department is proposing to fund the program with Community Development Block Grant (CDBG) funds from HUD. Therefore, it must meet the national objective of low/moderate job creation and retention. Activities must create or retain permanent jobs to be made available or held by low/moderate income persons. To be eligible for CDBG funding, the job training must be tied to permanent job placements. HUD defines the following as CDBG-eligible economic development activities:

- Individual employment development support
- Employment readiness training
- Soft-skills training
- Short-term or long-term classroom training
- Work experience opportunities
- Job Placement
- Supportive Services (transportation, clothing, licensing fees)
- Occupational Assessments (determining client skillsets)
- Retention Support (supportive services that are accessible when the client is successfully placed or graduates)

JobTrain

Over the last 55 years, JobTrain has grown from being an organization providing one typing class in East Palo Alto, into a premier workforce agency that delivers a comprehensive array of services to youth and adults in both San Mateo County and Santa Clara County. Today, they have an annual budget of more than \$7 million and a dedicated staff of 56. JobTrain has employment grants throughout the Bay Area, including a grant with Santa Clara County to provide Rapid Employment services and Culinary Arts Career Training to low-income CalFresh recipients. In 2019, 1,000 low-income men and women benefited from JobTrain's intensive services, with 400 taking advantage of their full-time career pathway education. Of those, 85% successfully completed their training and 81% of graduates obtained jobs at an average of \$22

per hour. Further, 87% of those who obtain a job are still working 12 months after placement and many have been promoted.

In San José, JobTrain will provide 72 homeless, or formerly homeless clients, with employment and career training options. They will offer the most relevant services depending on each client's needs, skills, and background. The types of services include employment services, career training, job placement, and supportive services. For example, JobTrain's proposal cites short-term classroom training including: GED Preparation, Computer Literacy, Digital Literacy Skills, ESL, and additional Job Readiness Workshops. JobTrain will also provide in-house long-term classroom training specifically for their Medical Assistant Career Training Program which includes partnering with local healthcare employer partners to place Medical Assistant students in virtual externships prior to full-time placements. The Medical Assistants career track has proven to be a high demand occupation during the pandemic.

The International Rescue Committee

The International Rescue Committee (IRC), founded in 1933, helps vulnerable families gain control of their future with an emphasis on empowerment, self-sufficiency and economic independence. After 40 years of operating in San José, the IRC has a solid track record of providing services and support to homeless individuals and families. s\IRC provides a range of services including, case management, youth mentorship, job placement assistance and immigration services. IRC San Jose has a robust existing employment and career development programs, serving 200 diverse low-income individuals per year.

The scope of services for IRC includes the following services for 30 participants: 1) orientation and assessment; 2) case management and connection to housing services; 3) vocational ESL classes (as needed); 4) job readiness training; 5) sector specific vocational training (as needed); 6) employment development and placement; and 7) employment placement follow up and retention support. IRC recognizes that virtually 100% of their clients are English language learners and have taken pride in shaping their comprehensive vocational ESL classes to include learnings such as managing expectations and finding and obtaining a living wage job in the U.S, as well as American workplace expectations. IRC partners with local career-specific training and adult schools, the partners include Nurse Builders Academy, San Jose City College, the Bay Area Medical Academy, Portnov Academy, JobTrain, and the Center for Employment Training. IRC also has over 100 employer partners many of which target specific career pathways such as Healthcare (Amberwood Gardens, Nurse Builders Academy, and Valley Medical Center); Information/Communications Technology (LinkedIn, Google, eBay, Airbnb, and others); Advanced Manufacturing (Manufacture: San Jose); Hospitality (the Hilton Hotels chain).

Moreover, this grant will allow the City to leverage IRC's "Immanuel House", a short-term housing solution for 12 single adults who find it difficult to afford housing during their training and job placement period. While residing at Immanuel House, individuals have access to education on renting; experience in financial management, budgeting and paying rent. The City will also be able to leverage IRC's partnership with Airbnb to offer short term (two-week)

housing credits to low income clients who are in urgent need of temporary housing while they work with IRC.

All trainings and services have been modified to virtual and hybrid formats in response to the pandemic and shelter-in-place requirements

Rapid Rehousing Program

The proposed Rapid Rehousing Program will serve homeless populations in San José who are identified through Santa Clara County's coordinated assessment system as needing rapid rehousing services, as well as through the City's interim housing programs, including but not limited to Bridge Housing Communities, Plaza Hotel and Emergency Interim Housing, with the goal of attaining and sustaining permanent housing. Services will continue after subsidy graduation to prevent returns to homelessness. The success of the Rapid Rehousing Program will be measured by the percentage of participants who exit to permanent housing and increase their household income, among a myriad of other Rapid Rehousing-specific benchmarks, generated by the Santa Clara County Continuum of Care.

Bill Wilson Center

Established in 1973, Bill Wilson Center (BWC) is a 501(c)3 organization in Santa Clara County working toward ending youth and family homelessness. The agency has an annual budget of \$28 million that employs 170 fulltime, part-time, and relief employees and has 130 volunteers. Bill Wilson Center applied in partnership with Next Door Solutions to Domestic Violence. Both organizations offer an array of services to TAY and victims of domestic violence, including both organizations offering their own temporary shelter solutions. The two agencies proposed a partnership to provide housing search, housing placement, rental subsidies, tenant advocacy, housing inspections, and supportive services for 75 households. They will target homeless TAY, young families, and survivors of domestic violence. Together, Bill Wilson Center and Next Door have more than 95 years of experience with a credible record of serving homeless and at-risk populations in San José.

As the lead in a consortium, Bill Wilson Center currently administers one of the City's Rapid Rehousing contracts, specializing in case management and job development. Serving up to 70 households at any given time, Bill Wilson Center, Family Supportive Housing, and Next Door Solutions have assisted 689 unduplicated participants since August 2017. In total, 208 families were served and 15 survivors of domestic violence.

LifeMoves

LifeMoves has successfully operated shelters and supportive services in Santa Clara County for more than 30 years. In addition, LifeMoves operates a broad range of non-site-based programs, including emergency financial assistance, rapid rehousing, motel vouchers, safe parking, and homeless outreach programs. Last year, LifeMoves had 250 employees, more than 12,000 volunteers, and an annual budget of approximately \$30M. They helped 86% of families and 67%

of all individuals, who engaged with their programming, return to stable housing. Since 2005, LifeMoves has administered rental assistance and rapid re-housing programs with HUD funds and Veterans Administration funding for veterans and veteran families. LifeMoves has proposed providing 105 individuals and TAY with housing search, housing placement, rental subsidies, tenant advocacy, housing inspections, supportive services, and their own in-house employment specialists better assist clients with increasing income.

HomeFirst

HomeFirst has a long history of operating housing programs dating back to 2003, when HomeFirst was one of the first agencies in Santa Clara County to implement a Housing First program. HomeFirst manages a \$36 million service budget with 55% of that allocated to housing programs and 26% specific to rapid rehousing and financial assistance administration. For example, HomeFirst's Veterans Rapid Re-Housing Program, funded by the County of Santa Clara, serves veterans who are ineligible for Supportive Services for Veteran Families (SSVF), including those with dishonorable discharges. In fiscal year 2018-19 the program successfully placed 82% of its clients into permanent housing. In fiscal year 2019-20, the average length of time into housing was 60 days.

HomeFirst also has a considerable amount of experience as a grantee with the City, previously offering a Tenant Based Rental Assistance Program, and currently serving as the operator of the City's emergency shelters as well as operating as one of the City's contracted homeless outreach teams. HomeFirst is proposing to provide 120 individuals with housing search, housing placement, rental subsidies, supportive services, with a unique ability to leverage their position as the City's operator of the BHC sites and two of the EIH sites and work closely with the City's interim housing population to increase income and transition to permanent housing.

Contract Management

The Housing Department generally solicits proposals for each set of services through a competitive request for proposals every three to five years. This best practice provides agencies with consistent funding to hire and maintain appropriate program staff, build expertise, and continually improve efficient and effective service delivery. The Housing Department is recommending multi-year contracts this cycle to fund the two Employment Development and Housing Stability agencies and the three Rapid Rehousing agencies to ensure continuity, limit annual funding delays, and reduce the administrative burden on City Staff.

Each agency is required to provide quarterly performance reports to the Housing Department. The Housing Department will monitor agency performance to ensure they continue to perform as required in each agreement. Agencies that are performing will continue to receive funding in the subsequent year. Should an agency fall short of performance goals, the Department will work with underperforming agencies to develop a six-month corrective action plan to improve performance to meet expected goals. Agreements with agencies that continue to underperform will be terminated.

The Housing Department is recommending initial contract agreements of 6-month terms for both Bill Wilson Center and LifeMoves. This is primarily due to timing of funding availability, as well as anticipated program ramp up. In FY 2021-22, the Housing Department plans to allocate additional funding to these contracts through amendments to bring the total of the 18-month awards of \$2,430,346 to Bill Wilson Center and \$3,000,000 to LifeMoves. The Housing Department is recommending that the initial contract term for HomeFirst be executed for the full 18-months without a contract amendment needed prior to July 1, 2022.

CONCLUSION

Previously, the City's Rapid Rehousing and Employment Development programs operated separately without coordination. The proposed restructuring provides rapid re-housing participants with greater access to appropriate employment services—including robust employment, training, and barrier-mitigating supportive services—in order to increase earned income, succeed in work, and stabilize in housing following the end of their rapid re-housing subsidy period. The actions recommended in this memorandum will provide rental subsidies, employment training and placement and individualized care, all with the goal of income and housing stability, to more than 300 homeless households at any given time.

EVALUATION AND FOLLOW-UP

Updates on the Programs will be provided in the Housing Department's annual report on homeless programs. Additionally, since the program includes federal CDBG and ESG funds, outcomes will be included in the Consolidated Annual Performance Evaluation Report (CAPER), which is presented to the City Council for approval in September of each year.

CLIMATE SMART SAN JOSE

The recommendation in this memo has no effect on Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

This item has been posted on the City's website for approval by the City Council on December 15, 2020.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office.

COMMISSION RECOMMENDATION/INPUT

On March 12, 2020, Housing Department staff presented the 2020-25 Consolidated Plan funding strategies to the Housing and Community Development Commission (Commission). The strategies included prioritizing Rapid Rehousing and Employment Development programs. The Commission supported the Consolidated Plan priorities.

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION:

International Rescue Committee	\$192,000
JobTrain	\$500,000
Bill Wilson Center	\$800,000
LifeMoves	\$1,000,000
HomeFirst Services of Santa Clara County	\$2,867,825
TOTAL PROJECT COSTS	<u>\$5,359,825</u>

2. COST ELEMENTS:

Employment Development and Housing Stability Program	\$692,000
Rapid Rehousing Program	\$4,667,825
TOTAL PROJECT COSTS	<u>\$5,359,825</u>

3. FISCAL IMPACT: The actions in this memorandum will provide funding for five agreements to support homeless programs. There is no ongoing impact to the General Fund as a result of these actions.

4. SOURCE OF FUNDING: General Fund (001); Community Development Block Grant Fund (441); Multi-Source Housing Fund (448); Multi-Source Housing Fund / Housing Authority Litigation Award Memo Fund (484).

BUDGET REFERENCE

The table below identifies the fund and appropriations proposed to fund the actions recommended as part of this memorandum.

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	2020-2021 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
001	2062	Homeless Rapid Rehousing	\$2,400,000	\$1,000,000	IX - 24	10/20/2020 Ord. No. 30494
441	2070	Job Readiness Training	\$950,000	\$692,000	X-19	8/11/2020 Ord. No. 30456
448	2062	Homeless Rapid Rehousing	\$4,925,000	\$1,367,825	X-76	6/23/2020 Ord. No. 30437
448/484	213B	Housing Shelter	\$22,264,018	\$2,300,000	N/A	8/11/2020 Ord. No. 30458

CEQA

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) for services that involve no physical changes to the environment.

/s/

JACKY MORALES-FERRAND
Director, Housing Department

For questions, please contact Kelly Hemphill, Homelessness Response Manager, at kelly.hemphill@sanjoseca.gov.