


CITY COUNCIL ACTION REQUEST			
DEPARTMENT(S): Housing	CEQA: Not a Project, File No. PP17-006, Grant Application with no commitment or obligation to enter into an agreement at the time of application.	COORDINATION: City Attorney's Office and City Manager's Budget Office	Director Approval: <div style="text-align: center;">/s/ Erik L. Soliván</div>
COUNCIL DISTRICT(S): Citywide			CMO Approval: <div style="text-align: center;">  4/18/25 </div>
SUBJECT: Grant Application for Funding to Pilot the Local Implementation of CalAIM Reimbursements at Interim Housing Sites			
RECOMMENDATION			
<p>Adopt a resolution authorizing the Housing Director or his designee to:</p> <ul style="list-style-type: none"> (a) Apply for a California Advancing and Innovating Medi-Cal grant application for Providing Access and Transforming Health Capacity and Infrastructure Transition, Expansion and Development grant funding of up to \$3,000,000, to pilot the implementation of CalAIM eligible cost reimbursements for social, mental, and physical health services at interim housing locations and outreach programs, and; (b) Negotiate and execute all related grant documents and agreements to accept grant funding, if awarded, to implement grant funding. 			
BASIS FOR RECOMMENDATION			
<p>The California Advancing and Innovating Medi-Cal (CalAIM) grant program represents a key opportunity to leverage State funding to strengthen local health-focused housing strategies. The CalAIM program is a state-led enhancement to the Medi-Cal program, approved under a federal waiver in December 2021¹. CalAIM created two new benefit programs designed to improve health outcomes: Enhanced Care Management and Community Supports. Under these programs, cities, counties, community-based organizations, and other eligible organizations can contract to provide reimbursable services that help address health-related social needs, enabling them to live healthier lives and avoid higher, more costly levels of care. Services for these programs include comprehensive care management, support to secure and maintain housing, access to medically tailored meals to support short-term recovery, and a variety of other community-based services.</p> <p>Many of the services and activities, reimbursable under CalAIM, are already being provided by the City through the Housing Department's Emergency Interim Housing and Street Outreach programs, among others. These program services effectively prepare unsheltered individuals, especially those with higher acuity needs, to successfully transition into emergency interim housing and ultimately permanent housing with improved health outcomes.</p> <p>To help implement CalAIM statewide, the California Department of Health Care Services created the Providing Access and Transforming Health, a five-year, \$1,850,000,000 initiative to build capacity and strengthen infrastructure for CalAIM on-the-ground service delivery partners. The Providing Access and Transforming Health initiative includes a Technical Assistance Marketplace, a regional Collaborative Planning Initiative, and the Capacity and Infrastructure, Transition, Expansion, and Development grant program, which is currently accepting applications for its fourth and final round of grant funding.</p>			

¹ Source Link: <https://www.cms.gov/newsroom/press-releases/cms-announces-extensions-calaim-support-greater-health-equity-across-communities>

If awarded, the \$3,000,000 grant would support the development of a CalAIM pilot program at three of the City's Emergency Interim Housing program sites and across the City's outreach programs. The City is pursuing a "hub" model in which the City contracts with managed Ccre plans (i.e., Medi-Cal insurance providers) and subcontracts with community-based organizations to deliver services. The hub model approach aligns with the City's current structure for managing Emergency Interim Housing program sites and would centralize CalAIM administration, billing, and coordination with healthcare providers, community organizations, and internal teams.

Grant funds would support up to three time-limited full-time equivalent staff in the Housing Department's Homelessness Response Division to establish a local CalAIM reimbursement program. Staff would develop protocols for CalAIM program administration, ensure eligible services training for contracted supportive service providers, and manage the reimbursement process to receive funds for eligible services under the CalAIM program. The grant would also support hiring and augmenting community health workers and case management staff to provide direct services using a trauma-informed care model. This pilot would allow the City to design and test the staffing, infrastructure, and systems needed to expand CalAIM implementation across its shelter and housing portfolio and execute reimbursements. If successful, and if directed by City Council to scale the program, additional staffing costs may be covered through CalAIM service delivery reimbursements.

The staff recommendation in this memorandum aligns with prior direction from the Mayor and City Council, including the Fiscal Year 2022-2023, 2024-2025, and 2025-2026 Mayor's March Budget Messages,² and the Fiscal Year 2023-2024 Emergency Interim Housing Report prepared by Homebase.³ If awarded, staff would return to City Council with a plan for program administration and award decisions will be communicated to all applicants in fall 2025.

COMMISSION RECOMMENDATION AND INPUT

There is no commission recommendation or input.

COST AND FUNDING SOURCE

Submitting the grant application has no direct costs aside from staff time. If awarded, the Housing Department would receive up to \$3,000,000 in grant funding from the California Department of Health Care Services. The Housing Department would return to City Council as part of the City's future budget processes to appropriate the revenues awarded and to request approvals to add three time-limited positions until December 2026.

FOR QUESTIONS CONTACT: Cupid Alexander, Deputy Director, Housing Department, at cupid.alexander@sanjoseca.gov.

² Mayor's March Budget Message for Fiscal Years 2022-2023, 2024-2025, and 2025-2026, Web Link: <https://www.sanjoseca.gov/your-government/departments-offices/office-of-the-city-manager/budget/budget-documents>

³ Item 8.2, File #: 23-1390, Meeting Date: October 17, 2023, Title: Interim Housing Financial Stability – Study of City Interim Housing and Actions Related to Interim Housing Grant Agreements, Web Link: <https://sanjose.legistar.com/LegislationDetail.aspx?ID=6370302&GUID=05612C45-EEAA-4DCF-97A0-161E6B5C4D54>