



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jacky Morales-Ferrand

SUBJECT: HOPE VILLAGE UPDATE

DATE: March 15, 2019

Approved

D. P. S. L.

Date

3/15/19

COUNCIL DISTRICT: 6

RECOMMENDATION

- (a) Accept the staff report on the status of Hope Village; and
- (b) Direct staff to return to the City Council with an implementation plan and timeline for a City of San José and County of Santa Clara funded development of a new Hope Village.

OUTCOME

City Council approval of the recommended action will result in City staff working in partnership with County of Santa Clara staff to establish a new Hope Village, named Compassion Village, providing interim housing for up to 40 persons on a Santa Clara Valley Water District owned site located in the City of San José. Compassion Village will provide improved physical conditions and additional support services for the residents through January 1, 2021. This action is in alignment with Council Policy Priority #18, Sanctioned Encampments, since the interim housing at Compassion Village will be similar to the Bridge Housing Communities Council approved in December 2018.

BACKGROUND

Hope Village is a tent community for homeless people originally established by Casa de Clara Catholic Workers (Casa de Clara) on September 8, 2018 on a California Employment Development parking lot located on Ruff Drive in San José. On September 17, 2018, faced with an order from the State of California to vacate the site, Hope Village moved temporarily to an adjacent parking lot owned by the Services Employees International Union.

At the time, the Council direction was that staff work with the County to identify County- and City-owned land for future organized homeless encampments. Additionally, that staff work with the County to jointly to assess whether the Hope Village model is effective and whether the

March 15, 2019

Subject: Hope Village Update

Page 2

model can be replicated, under the collective benchmarks set by the local Continuum of Care's (CoC) strategic plan.

Staff from both the County of Santa Clara (County) and City worked together to identify a temporary City owned site on Ruff Drive in order to assist Casa de Clara while working to identify a longer-term site option. On September 21, 2018, the City entered into a short-term lease with the County to use a portion of the City owned Ruff Drive site for six months for \$1. Concurrently, the County entered into an agreement with Casa de Clara for use of the property (Use Agreement), which included operating requirements for the duration of the lease. Under the agreement, Casa de Clara is allowed up to 14 residents per night to occupy Hope Village. The lease expires on March 30, 2019.

To prepare the County leased portion of the Ruff Drive property for Hope Village, the County removed debris and vegetation, graded the site, and fenced off the leased portion of the site for security of the Hope Village residents. There were approximately 15 homeless people camping on the City owned property before the County leased the site from the City. The County provided motel stays, as well as supplies, for the campers during the site preparation work.

Hope Village successfully moved on the County leased site on Ruff Drive on September 28, 2018. Currently, the vast majority of operating funds and oversight of Hope Village is provided by volunteers. There are fourteen 8x8 foot tents on wooden platforms and lockable bins for additional storage for personal items. Volunteers and donors provided ground covering and rock to mitigate the dust on the site. In the center of the site, there is a large canopy tent with folding tables functioning as common space for eating and meetings. A solar powered battery charging station provides electricity for charging phones and canopy lighting for the common space. An electric generator provides auxiliary power which is needed during cloudy weather. Additional shared amenities include a camping stove, medium size camping coolers for limited food storage, shelving, and garbage cans. There are no utilities available on the site. A shower trailer and a portable toilet provide sanitary services. Water must be brought onto the site regularly by volunteers.

County of Santa Clara Actions

On November 6, 2018 the County requested two modifications to the lease. First, the County requested that the City extend the lease term by 11 months through February 29, 2020. Second, the County requested to increase the number of persons allowed to reside on the site from 14 to 30. On January 11, 2019, the City responded that it could not amend the lease because the proposed amendments would make use of the site inconsistent with conditions of grants obtained by the Federal Aviation Administration (FAA). On January 24th, 2019, the Office of Supportive Housing (OSH) notified Casa de Clara of the City's response and indicated that the organizers should prepare to vacate the property on March 30, 2019.

On February 26, 2019, the Board of Supervisors directed OSH to work in partnership with the City to develop a new Hope Village, Compassion Village, on a Santa Clara Valley Water District (Water District) owned-site. The Board of Supervisors approved the following:

March 15, 2019

Subject: Hope Village Update

Page 3

- Delegated authority to the OSH to work with the Water District and the City to re-locate the current residents of Hope Village to a Water District site;
- Continue discussions on other sites in County District 3 including in Milpitas;
- Request an agreement to lease a Water District site;
- Request that the City pay half of the costs for any site located in the City;
- Required that future residents of Compassion Village would need to agree to comply with the community rules however acceptance of supportive services would not be required;
- Design of the site would be low cost and replicable;
- Sites would be secured from impingement of illegal encampments; and
- The name of Hope Village would not be used on any future site developed by the County.

The OSH is scheduled to return to the Board of Supervisors on March 19 to obtain funding to establish and operate Compassion Village. Approval of the action will enable the County to 1) fund a service agreement with the Gilroy Compassion Center to establish and operate Compassion Village through January 1, 2021; 2) purchase the living and communal structures; and 3) fund one-time site improvements necessary to establish the community.

ANALYSIS

The Ruff Drive site was purchased with a combination of FAA grants for runway approach protection purposes. On February 19, 2019, the FAA issued a letter informing the City that Hope Village may be in violation of the FAA grant and it could jeopardize future funding for airport projects. The FAA is requiring a Corrective Action Plan to remove Hope Village. As a result, the City cannot extend the County lease past March 30, 2019. Given the FAA's response, City and County staff have been working together to locate a suitable site based on the lessons learned from Hope Village.

Lessons Learned from Hope Village

Per Council direction, the City worked collaboratively with the County to evaluate the effectiveness of the Hope Village model. Hope Village has been operating for approximately six months. The encampment is serving primarily senior women, who are experiencing homelessness, to meet their immediate shelter needs. As of February 8, 2019, Hope Village has served 20 unduplicated adults in a safer community environment. One participant was able to move into permanent housing because she was enrolled in the countywide coordinated system of permanent supportive housing programs. Two individuals were asked to leave for not complying with rules. One person left without notifying Casa de Clara volunteers. Currently, there are 16 individuals residing in Hope Village in violation of their Use Agreement and the City Lease which limits the participants to 14 at any time. The OSH has recently requested that Casa de Clara submit a plan to cure the violation. Casa de Clara reports that they receive frequent requests from homeless individuals to move into Hope Village.

The goal of Hope Village was to demonstrate that there is a low-cost interim housing solution that can provide a safe, secure, and dignified alternative to living on the street. Hope Village is organized and well maintained. It does not operate under a self-management model but rather it operates under a set of rules and policies created by the volunteers. The encampment is managed primarily by one Casa de Clara volunteer who has dedicated an enormous amount of time to support the village. As of February 26, 2019, Casa de Clara reports that \$18,000 has been spent over 180 days to provide shelter and services to Hope Village residents. While Hope Village has experienced some success, it has faced some challenges as outlined below.

Site is Difficult to Maintain - When Hope Village moved on the County leased site, the site was prepped, and vegetation was removed. However, the site was a dirt lot that was presenting challenges with dust in the September heat and mud in the winter months. Hope Village volunteers laid chip/mulch material to mitigate these challenges. Even with the chip/mulch material, the conditions are dry and dusty and become muddy when it rains, making it difficult to maintain the site. A new site could be properly graded and paved, significantly reducing dust and mud. The site could be fenced and screened to control access and protect the privacy of the residents.

Tents Offer Limited Comfort - Tents have proven to be difficult to maintain and they degrade over time. In the short time Hope Village has been operating, the tents have experienced significant wear and tear, and some have been replaced. Tents provide little to no protection from inclement weather and are hot in the warm months. The County is proposing an alternative structure for the new site, which may include a sleeping cabin or a Microhouse on Wheels. The County helped to finance a Microhouse on Wheels prototype as part of the Morgan Hill safe parking program. These structures would last longer than tents, provide more protection from the elements, be more comfortable, allow for more privacy, and provide participants with more room to store and secure belongings. The County has indicated it will select structures that reduce cost and time.

Increased Services and Management - Hope Village has been managed and supported by a dedicated group of volunteers. According to Casa de Clara, this has proven to be an overwhelming task. There are limited resources, operational capacity, and administrative infrastructure to keep Hope Village operating under the current volunteer structure. Casa de Clara has expressed an interest in establishing a new nonprofit organization to oversee the development of these types of villages. However, it is unlikely a new nonprofit can be created and established in sufficient time to take over the management of Compassion Village.

The County is proposing that a contract be initiated with an established nonprofit that can assume the responsibilities of operating Compassion Village. The County has initiated a contract with the Gilroy Compassion Center to operate the site and to assist the current residents to relocate their tents to a new site. Casa de Clara volunteers would be encouraged to continue to volunteer and/or could seek employment with the contracted nonprofit. Casa de Clara supports the selection of the Gilroy Compassion Center.

Currently, residents of Hope Village are provided a safe place to stay but there is not a housing plan for each resident. One of the more important changes being proposed by the County is that Compassion Village residents would be incorporated into the supportive housing system. Residents of Compassion Village would either be enrolled in a supportive housing program – thus having a path to permanent housing – or would be assessed through the Coordinated Assessment System to determine the type of assistance needed to resolve their homelessness. This change is significant in that it provides an immediate crisis interventions while reducing our homeless population by providing a long term housing solution. However, Casa de Clara is concerned that this would fundamentally change the model of housing they hoped to provide.

Growth of Illegal Encampment Surrounding Hope Village - An encampment, surrounding Hope Village, grew larger during the initial months Hope Village operated at the County-leased Ruff Drive site. This increase could be due to several reasons. One, an existing encampment was already located on the site and the residents of the encampment returned after their hotel stays were no longer provided. Second, a number of community volunteers brought donations and food to support Hope Village. Casa de Clara discouraged and did not accept these donations. However, community members continued to bring donated items and food, and those donations went to the nearby homeless encampment instead of Hope Village residents. Finally, the residents of the nearby encampment also sought to use the services provided to the residents of Hope Village, particularly the portable restroom and showers, creating a challenging environment and some conflict between the two communities. A future site will need to have enforcement to ensure it does not draw illegal encampments.

Additional Considerations

The County has indicated that its new site will not have access to utilities to reduce costs and to save time. The County is committed to provide a new site with sufficient power and sanitation services to maximize the amenities of the living structures. If necessary, the County has stated that some amenities such as cooking facilities, showers, and laundry could be provided using pre-manufactured buildings or by renting support service trailers.

Potential Site Identified in Milpitas

The County reviewed its inventory of county-owned sites to select a site that might best meet the needs of the residents of Hope Village. The County considered a 6.46-acre property on Thompson Drive, near the Elmwood Correctional Facility in Milpitas. The site is large and vacant but may need site improvements. Casa de Clara did not support the selection of this site due to its distance to San José. As noted earlier, the County will continue to explore options in County District 3.

Santa Clara Valley Water District Site

The City reached out to the Water District to forward the County's request for a temporary lease of a site located at Willow Street where it crosses the Guadalupe River near Lelong Street for the establishment of Compassion Village. See **Attachment A** for a map. The Water District has indicated a willingness to consider a formal proposal and has requested specific information be included in a written proposal for their staff to evaluate and they will make a recommendation to the District's Board of Directors. The Water District has informed staff that the site is needed by

March 1, 2019, to begin a flood protection project. The City and County staff are working in partnership to submit a proposal to Water District staff for their review. On March 18, 2019, the Water District's Ad Hoc Committee on Homelessness will include a discussion of the County proposal to use the Water District site.

The County is proposing that the Water District site be a joint project between the City and the County. The County has agreed to 1) lease the property, 2) establish and contract with the Gilroy Compassion Center to assume the operations of Compassion Village effective March 30, 2019, and 3) develop the site. The County is requesting that the City pay half of the cost for Compassion Village through January 1, 2021 when the authorizing legislation, Assembly Bill 932 (Ting) sunsets. Currently the City is not authorized by AB932 which allows alternative structures like tents. However, the Housing Department is working with the City's Manager's Office of Policy and Intergovernmental Relations on authorizing legislation. Also, staff is proposing that a Compassion Village Advisory Committee be established to address neighborhood concerns. Finally, Casa de Clara supports the selection of this site.

Compassion Village would be Developed in Two Phases

Phase 1: Relocation of the existing residents in tents with portable utilities as soon as possible.

The site is large enough for the tents to occupy one portion of the site while the County establishes Compassion Village on another portion of the site. Phase 1 is expected to last 3-6 months.

Phase 2: Once the site has been prepared, structures have been moved onto the site, and the final utility plan established, the existing residents would be moved to their final location on the site. New residents would begin to move onto the site until the maximum occupancy is achieved. Phase 2 is expected to open in June/September and will end on January 1, 2021.

Cost Estimate

Compassion Village would consist of up to 30 interim housing structures, housing up to 40 individuals, with a centralized building for laundry, services, dining, meal preparation and food storage. The County estimates that the total development and operating costs would be \$3,105,000. The City would need to fund \$1,552,500 for half of the costs. A summary of the estimated costs is as follows:

Design and construct the site and acquire the structures:	\$2,040,000
Operating and Services Costs for 16 months of operations:	\$1,065,000
Total	\$3,105,000

The County based these estimates on the costs of the City's Bridge Housing Communities (BHC) program. Housing Department staff would work with OSH to further refine these estimates and would return to the City Council with a more detailed proposal.

In addition, residents of the current Hope Village would be offered interim hotels stays with an estimated cost of \$100,000 for 60 days. While the County has requested that the City pay for half

HONORABLE MAYOR AND CITY COUNCIL

March 15, 2019

Subject: Hope Village Update

Page 7

of these funds, the Housing Department has communicated to the County that the proposed City funded Motel Voucher Program will not be funded until after the 60 days has expired.

EVALUATION AND FOLLOW-UP

If the City Council supports the staff recommendation, the Housing Department will return to the City Council with a funding request to support the County in its effort to establish and operate Compassion Village.

PUBLIC OUTREACH

The Housing Department held a public meeting to discuss the establishment of Compassion Village on the Water District site on March 18 and March 20, 2019. Staff will summarize all public comments at the City Council meeting on March 26, 2019. This memorandum will be posted on the City Council's Agenda website for the March 26, 2019 Council meeting.

COORDINATION

Preparation of this report has been coordinated with the City Manager's Budget Office, the Office of the City Attorney, and the Department of Aviation.

COMMISSION RECOMMENDATION/INPUT

There is no commission recommendation/input associated with this action.

COST SUMMARY/IMPLICATIONS

The County is requesting that the City contribute \$1,552,500 to fund the development and operation of a new Hope Village. Once the City Council has provided direction, staff will work with the County to further refine the options and finalize the budget. To fund this project, the Housing Department would need to redirect housing development funds that would have been used to fund the construction of affordable housing.

HONORABLE MAYOR AND CITY COUNCIL

March 15, 2019

Subject: Hope Village Update

Page 8

CEQA

Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action.

/s/

JACKY MORALES-FERRAND

Director of Housing

For questions, please contact Ragan Henninger, Deputy Director at (408) 535-3854.

Attachment Index:

- Attachment A – Santa Clara Valley Water District Site

Attachment A - Proposed Site



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community, Esri, HERE, DeLorme, MapmyIndia, © OpenStreetMap contributors, and the GIS user community