



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Ragan Henninger
Jim Shannon

SUBJECT: SEE BELOW

DATE: June 15, 2022

Approved

Date

06/16/22

SUBJECT: ACTIONS RELATED TO THE GRANT AGREEMENTS FOR MULTIPLE HOMELESSNESS PROGRAMS FOR FISCAL YEAR 2022-2023

RECOMMENDATION

(a) Adopt a resolution authorizing the Director of Housing or designee to negotiate and execute agreements and amendments beginning in Fiscal Year 2022-2023 with three one-year options to extend, subject to the appropriation of funds, for the following priorities serving individuals and families experiencing homelessness. The priorities are categorized by service type, each of which includes one or more agreements:

(1) Basic Needs Services

a. SOAR Program:

- i. HomeFirst in the amount of \$2,000,000 from July 1, 2022 – December 31, 2023
- ii. PATH in the amount of \$0 (no-cost extension) from July 1, 2022 – June 30, 2023

b. SOAR Expansion Program

- i. HomeFirst in the amount of \$2,300,000 from July 1, 2022 – June 30, 2023

c. Safe Parking Programs

- i. Amigos de Guadalupe in the amount of \$500,000 from July 1, 2022 – June 30, 2023
- ii. LifeMoves in the amount of \$1,520,000 from July 1, 2022 – June 30, 2023

d. Mobile Hygiene and Rest Stop

- i. WeHope in the amount of \$1,000,000 from July 1, 2022 – June 30, 2023

e. Employment Initiative

- i. Destination: Home in the amount of \$125,000 from July 1, 2022 – June 30, 2023

f. Meals Without Borders

- i. Opening Doors in the amount of \$200,000 from July 1, 2022 – June 2023

- g. Community Access to Resources and Education Program
 - i. West Valley Community Services in the amount of \$50,000 from July 1, 2022 – June 30, 2023
 - h. UPLIFT Transit Pass Program
 - i. County of Santa Clara in the amount of \$100,000 from July 1, 2022 – June 30, 2023
 - i. 2023 Homeless Census and Survey
 - i. County of Santa Clara in the amount of \$100,000 from July 1, 2022 – June 30, 2023
- (2) Housing and Shelter Opportunities
- a. Emergency Interim Housing Programs
 - i. HomeFirst in the amount of \$7,400,000 from July 1, 2022 – June 30, 2023
 - ii. HomeFirst in the amount of \$68,630 from July 1, 2021 – June 30, 2022
 - iii. PATH in the amount of \$2,880,000 from July 1, 2022 – June 30, 2023
 - iv. LifeMoves in the amount of \$3,500,000 from July 1, 2022 – June 30, 2023
 - b. Bridge Housing Communities
 - i. HomeFirst in the amount of \$4,011,000 from July 1, 2022 – June 30, 2023
 - c. Non-Congregate Motel Sheltering Programs
 - i. Abode in the amount of \$423,000 from July 1, 2022 – September 30, 2022
 - ii. Abode in the amount of \$1,250,000 from July 1, 2022 – June 30, 2023
 - d. Scattered-Site Motel Sheltering Programs
 - i. YWCA in the amount of \$250,000 from July 1, 2022 – June 30, 2023
 - ii. LifeMoves in the amount of \$3,950,000 retroactive from April 1, 2022 – June 30, 2023
 - e. Rapid Rehousing Programs
 - i. HomeFirst in the amount of \$2,000,000 from July 1, 2022 – June 30, 2023
 - ii. LifeMoves in the amount of \$1,250,000 from July 1, 2022 – June 30, 2023
 - iii. Bill Wilson Center in the amount of \$1,250,000 from July 1, 2022 – June 30, 2023
 - f. Employment Development Programs
 - i. JobTrain in the amount of \$450,000 from July 1, 2022 – June 30, 2023
 - ii. International Rescue Committee in the amount of \$450,000 from July 1, 2022 – June 30, 2023
- (b) Adopt the following Fiscal Year 2022-2023 Appropriation Ordinance Amendments in the Housing Authority Litigation Award Fund:
- (1) Decrease Unrestricted Ending Fund Balance by \$900,000; and
 - (2) Establish a Job Readiness Training Project appropriation to the Housing Department in the amount of \$900,000.
- (c) Adopt the following Fiscal Year 2022-2023 Appropriation Ordinance Amendments in the Homeless Housing, Assistance, and Prevention Fund:
- (1) Decrease Unrestricted Ending Fund Balance by \$2,000,000; and
 - (2) Increase the Homelessness Prevention System appropriation to the Housing Department by \$2,000,000.

OUTCOME

The delegation of authority to the Director of Housing or designee to negotiate and execute agreements as described in this memorandum will allow the Housing Department to enter into contracts expeditiously to serve San José's most vulnerable residents who are experiencing homelessness by providing basic-needs services and housing and shelter opportunities.

EXECUTIVE SUMMARY

This memorandum requests authority for the Director of Housing, or designee to negotiate and execute five new, and 19 existing, agreements that support individuals and families experiencing homelessness in San José. The proposed Fiscal Year 2022-2023 agreements are currently being drafted. This report contains brief summaries for each agreement that include scopes of service, proposed grantees, funding amounts and sources, and the term for each of the agreements. In total, the Housing Department proposes to award 24 contracts with 14 partners using 12 sources of funding, including local and state funds, as well as some limited federal funding from the Coronavirus Aid, Relief, and Economic Security Act and the American Rescue Plan Act (ARP).

BACKGROUND

The February 2022 homeless census and survey counted 6,739 persons experiencing homelessness in San José, of whom 5,031 were unsheltered. This means that 75% of San José's homeless population sleeps outdoors on the street, in parks, tents, encampments, vehicles, abandoned properties, and/or transit stations. The full report of the 2022 homeless census and survey is anticipated to be released later this summer.

An end to homelessness means that every community will have a systemic response in place that ensures homelessness is prevented whenever possible or is otherwise a rare, brief, and non-recurring experience. The five-year Community Plan to End Homelessness, endorsed by the City Council in August 2020, is a countywide roadmap guiding government, private sector, nonprofit organizations, and other community members as they make decisions about funding, priorities, and needs. The framework for the Community Plan to End Homelessness includes three strategies:



The City of San José (City) is committed to implementing these strategies and aligning its funding and grants with the strategies. The Housing Department seeks to enter into and amend, agreements with partners to provide access to supportive housing programs and permanent housing, as well as respond to the basic needs of unsheltered individuals, which align with strategies two and three, respectively, of the Community Plan to End Homelessness.

ANALYSIS

City Council approval of this item will allow staff to move forward on providing up to \$37,659,000 in local, state, and federal funds to nonprofit partners serving San José's most vulnerable residents who are experiencing homelessness by providing basic-needs services and housing opportunities. The agreements discussed in this memorandum fall into two primary categories: addressing basic needs and stable housing. Prioritizing basic-needs services for unsheltered individuals and households in San José directly advances the goals outlined in strategy three of the Community Plan to End Homelessness by improving the quality of life of unsheltered individuals. Focusing on housing opportunities expands housing programs to meet the need, which will advance the goals outlined in strategy two of the Community Plan to End Homelessness. Further, while thousands of households have been permanently housed each year throughout Santa Clara County, there are still resource gaps in the system. Each year, over 3,000 individuals enter our system who are experiencing homelessness for the first time. Some of the primary gaps and unmet needs systemwide include¹:

- There are 6,425 households in the Countywide Homeless Management Information System (HMIS) seeking housing assistance.
- There are 466 households in the queue for minimal intervention, called Housing Problem Solving, which is one-time financial assistance and case management;
- There are 2,440 people in the queue in need of a rapid rehousing referral. Countywide rapid rehousing programs have a capacity to serve approximately 1,776 households annually and therefore more rapid rehousing funding needs to be provided or capacity will become available when existing participants exit the program;

¹ Data as of May 3, 2022

- There are 3,519 people in the queue in need of a permanent supportive housing referral. Countywide permanent supportive housing programs have a capacity to serve 3,728 households; therefore, more permanent supportive housing needs to be constructed or the capacity to serve those in the queue will be based on the level of turnover of residents exiting the sites, and
- There are 1,393 individuals (2% being individuals in families) currently waiting for a shelter referral after having called the countywide centralized shelter hotline.

The Housing Department will coordinate with the City Attorney's Office and the City Manager's Office to develop and approve all agreements. The Housing Department recently began drafting new agreements and amending existing agreements. The descriptions below reflect program overviews with projections. Negotiations with partners on the number of participants who will be served, as well as performance outcomes, are in the beginning stages and are not included in the summaries of the agreements described in this memorandum.

Basic Needs Services

Summary²

<u>Service</u>	<u>Agency</u>	<u>Program</u>	<u>Target Population</u>	<u>Funding Source(s)</u>	<u>Award</u>
Outreach	HomeFirst	SOAR	Individuals	HHAP3	\$2,000,000
	PATH	SOAR	Individuals	N/A	\$0
	HomeFirst	SOAR Expansion	Individuals	ARP	\$2,300,000
Safe Parking	Amigos de Guadalupe	Safe Parking for Cars	Families	HTF	\$500,000
				LifeMoves	Safe Parking for RVs
		HTF	\$20,000		
				HHAP2	\$500,000
Mobile Hygiene and Rest Stop	WeHOPE	Dignity on Wheels	Individuals and Families	HTF	\$500,000
				HHAP3	\$500,000
Employment	Destination: Home	Employment Initiative	Individuals and Families	HTF	\$125,000
Meals	Opening Doors	Meals Without Borders	Individuals and Families	HTF	\$200,000
Food and Case Management	West Valley Community Service	CARE	Individuals and Families	HTF	\$50,000

² A glossary of common funding sources can be found in Attachment A.

Transit Passes	County of Santa Clara	UPLIFT	Individuals	HTF	\$100,000
Systems Support	County of Santa Clara	2023 Homeless Census and Survey	N/A	HTF	\$100,000
				Total	\$8,595,000

Homeless Services Outreach Assistance and Resources (SOAR) Outreach Programs

The Housing Department requests contract authority for the Director to negotiate and execute two agreements with [HomeFirst Services](#) for the SOAR program. Additionally, the Housing Department requests contract authority for the Director to negotiate and execute a no-cost extension agreement with PATH for the SOAR Program. SOAR offers dedicated homeless outreach, street-based case management and clinical services, and permanent housing placement and retention activities for residents of targeted encampments across San José. SOAR also provides basic needs services to encampment residents by providing portable toilets and hand washing stations at targeted encampments along with regular trash service by BeautifySJ. The Housing Department intends to release a request for proposal (RFP) soliciting one or more community-based organizations to operate a comprehensive homeless outreach program beginning in FY 2023-24.

An 18-month extension to an existing agreement with HomeFirst will continue providing services to high-needs homeless individuals residing in ten large encampments identified as SOAR sites. Using \$2,000,000 from the initial disbursement of the third round of state HHAP funds, the program will continue to provide enhanced services in encampments as initially implemented in response to COVID-19. PATH will continue services in six SOAR sites through a one-year no-cost extension contract. As reported in the last Homelessness Annual Report brought to City Council on March 29, 2022³, the SOAR program under HomeFirst and PATH served a total of 417 unduplicated individuals; a total of 241 new assessments for housing were completed; and 67 individuals exited the encampments to temporary or permanent housing. The SOAR program was approved by City Council on September 22, 2020.⁴

As directed by City Council,⁵ a new one-year agreement with HomeFirst will expand the SOAR program, providing services in up to 10 additional targeted encampments (SOAR Expansion Program). Using \$2,300,000 in the Sheltering and Enhanced Encampment Services appropriation in the ARP Fund, the program will provide additional services in new encampments, offering proactive street outreach and an outreach team with staff who have lived experience of homelessness. The support services also include case management and behavioral health clinicians, as well as necessary supplies such as tents, fire extinguishers, and meals for people living in encampments.

³ [Homelessness Annual Report](#)

⁴ [Substantial Technical Amendments to the FY 2015-2020 Consolidated Plan and FY 2019-20 Annual Action Plan](#)

⁵ [COVID-19 Pandemic Response and Community and Economic Recovery Budget Adjustments](#)

Safe Parking Programs

The Housing Department requests contract authority for the Director to negotiate and execute new agreements to launch two comprehensive Safe Parking⁶ programs. Both Safe Parking programs will offer basic needs services and individualized case management with the goal to transition participants into temporary or permanent housing options.

A new one-year agreement with [Amigos de Guadalupe Center for Justice and Empowerment](#) will provide a safe place to park with services to families who live in their cars. The Housing Department released an RFP on March 26, 2021 soliciting community-based organizations to operate two programs at two undetermined locations: one would serve households living in recreation vehicles (RVs) and one would serve households living in cars. Amigos de Guadalupe Center for Justice and Empowerment was the sole respondent with experience serving families living in cars. The award will be in the amount of \$500,000 from the HTF. A location to operate the program is yet to be finalized, but the scope of work for this agreement will center on the development of individualized goal plans to assist households through the process of searching for and securing permanent housing. Additional supportive services will include employment development, rental assistance, education navigation, legal services, English as second language and/or citizenship classes, and referrals to other community-based organizations that provide basic needs services.

A new one-year agreement with [LifeMoves](#) will provide services to individuals and couples who use RVs as their primary residences. The Housing Department released a second RFP on November 1, 2021 soliciting community-based organizations to operate a program that served households living in RVs, primarily in targeted homeless encampments. LifeMoves was the sole respondent. The award will use a multitude of funding sources, including \$500,000 from Round 2 of HHAP, \$1,000,000 from the ARP Fund and \$20,000 from the HTF. The Safe Parking Program for RVs will serve households residing in close proximity to the identified site, but will also prioritize residents in targeted encampments, such as Guadalupe Gardens, as directed by City Council⁷. The HTF funding will specifically be used to assist participants with RV repairs, such as engine or maintenance repairs, to improve the operability of the RV.

Mobile Hygiene and Rest Stop

The Housing Department requests contract authority for the Director to negotiate and execute an extension to an existing agreement with [WeHOPE](#) to continue the Dignity on Wheels Program in San José. The program consists of two mobile shower and laundry trailers, and the one mobile rest stop trailer, known as the Hope Health Mobile, that operate six days per week at different locations throughout the City. The Hope Health Mobile offers WiFi, phone charging stations, case management, and virtual access to doctors. The one-year \$1,000,000 award will use

⁶ “Safe parking,” funded by the City, is a parking program, operated on property located outside of the public right-of-way and typically managed by a social service provider that provides individuals and families with vehicles a temporary place to park overnight while working towards a transition to permanent housing. Other services may include restrooms, shower facilities, security and controlled access for entry and exit.

⁷ [COVID-19 Pandemic Response and Community and Economic Recovery Budget Adjustments](#)

\$500,000 from the HTF and \$500,000 from the initial disbursement of Round 3 of HHAP. City Council last approved an amendment to this agreement on August 31, 2021.⁸ As reported in the last Homelessness Annual Report brought to City Council on March 29, 2022⁹, Dignity on Wheels assisted 1,944 unduplicated individuals with 14,978 showers and 4,220 loads of laundry. The funds will enhance Dignity on Wheels' programming, which may include case management and direct connections to housing, additional trailer purchase, and increased service locations. The Housing Department intends to release an RFP soliciting one or more community-based organizations to operate a hygiene (shower and laundry) program beginning in FY 2023-24.

Meals Without Borders

The Housing Department requests authority to provide funding to the Department of Parks, Recreation and Neighborhood Services to administer an extension to the grant with [Opening Doors 2020](#) to continue the Meals Without Borders program. Meals Without Borders provides nutritious hot meals three days a week for homeless individuals in a location adjacent to St. James Park. The program conducts homeless outreach, engages nearby neighborhoods and community serving organizations, and encourages community participation in its meal service to maximize community-wide involvement and support. The one-year \$200,000 award from the HTF will enhance the operations of the program, including outreach and meals to targeted encampments. In FY 2020-21, Opening Doors 2020 mobilized 216 volunteers to provide a total of 9,989 meals to individuals experiencing homelessness. The Parks, Recreation, and Neighborhood Services Department will continue to manage the contract.

Employment Initiative

The Housing Department requests contract authority for the Director's designee to negotiate and execute an extension to an existing agreement with [Destination: Home](#) continuing the implementation of Destination: Work, an employment initiative. The initiative creates living wage job pathways that help formerly homeless individuals secure income necessary to remain stably housed and become economically self-sufficient. The program focuses on placing participants in countywide Rapid Rehousing Programs into full-time living wage jobs. The one-year \$125,000 award from the HTF supports personnel costs at Destination: Home to administer the system. City Council last approved this agreement on August 31, 2021.¹⁰ This will be the final year of funding for the employment initiative.

Community Access to Resources and Education (CARE) Program

The Housing Department requests contract authority for the Director to negotiate and execute an extension to an existing contract with [West Valley Community Services](#) for the CARE program. CARE offers basic needs such as meals through the food pantry, case management to further

⁸ [Authorization to Negotiate and Execute Grant Agreements and Grant Amendments for Multiple Homeless Programs in Fiscal Year 2021-2022](#)

⁹ [Homelessness Annual Report](#)

¹⁰ [Authorization to Negotiate and Execute Grant Agreements and Grant Amendments for Multiple Homeless Programs in Fiscal Year 2021-2022](#)

financial literacy, and resource referrals for housing and other needs to people experiencing homelessness in West San José. The one-year \$50,000 award from the HTF supports personnel costs at West Valley Community Services to administer the program. In FY 2020-21, CARE served 185 unduplicated individuals with food and case management services. The action was directed through City Council's approval of the Mayor's June Budget Message for FY 2022-2023.¹¹

UPLIFT Transit Pass Program

The Housing Department requests contract authority for the Director to negotiate and execute an extension to an existing agreement with [the County of Santa Clara Office of Supportive Housing](#) continuing the United Pass for Life Improvement from Transportation (UPLIFT) transit pass program. UPLIFT provides free transportation to case-managed adults experiencing homelessness on any standard Santa Clara Valley Transportation Authority bus and light rail line. Participants must meet with their case manager at least once per month and be working towards attaining specified goals to receive the monthly pass. The one-year \$100,000 award from the HTF supports the cost of transit passes for participants located in San José. In FY 2020-21, 7,777 individuals received UPLIFT transit passes for transportation needs in Santa Clara County. The City Council last approved an amendment to this agreement on August 31, 2021.¹²

2023 Homeless Census and Survey

The Housing Department requests contract authority for the Director to negotiate and execute an extension to an existing agreement with the [County of Santa Clara Office of Supportive Housing](#) to support the upcoming 2023 Homeless Census and Survey. Every two years, during the month of January, communities across the country conduct comprehensive counts of their homeless populations to measure the prevalence of homelessness in their communities. Communities collect information on individuals and families sleeping in emergency shelters and transitional housing, as well as people sleeping on the streets, in cars, in abandoned properties, or in other places not meant for human habitation. The one-year \$100,000 award from the HTF will fund a subcontractor to develop a comprehensive report on the results of the effort. The region recently administered the 2022 Homeless Census and Survey, which was originally scheduled for 2021 but was rescheduled due to COVID-19. The County will lead another census in 2023 to get the region back on a biennial track. While we expect the final report of the 2022 homeless census and survey to be published in summer 2022, the preliminary numbers show an increase of 11%, for a total of 6,739 individuals experiencing homelessness in San José. At the same time, San José saw a 2% decrease in homeless individuals living outdoors. This trend coincided with an increase in sheltered individuals in both San José and countywide, as jurisdictions across the community have expanded interim housing and temporary shelter options by 25% in the last three years.

¹¹ [Mayor's June Budget Message for Fiscal Year 2022-2023](#)

¹² [Authorization to Negotiate and Execute Grant Agreements and Grant Amendments for Multiple Homeless Programs in Fiscal Year 2021-2022](#)

Housing and Shelter Opportunities

Summary

<u>Service</u>	<u>Agency</u>	<u>Program</u>	<u>Target Population</u>	<u>Funding Source</u>	<u>Award</u>
Emergency Interim Housing	HomeFirst	Monterey/Bernal & Rue Ferrari	Individuals, Couples	CDBG-CV	\$788,171
				General Fund	\$6,611,829
	PATH	Evans Lane	Families	HHAP1	\$2,500,000
				HHAP2	\$380,000
	LifeMoves	Guadalupe	Individuals	ARP	\$3,200,000
General Fund				\$300,000	
Bridge Housing Communities	HomeFirst	Mabury & Felipe	Individuals	PLHA	\$4,011,000
Non-Congregate Motel Sheltering	Abode	SureStay	Individuals	HHAP2	\$423,000
	Abode	Plaza	Individuals	HHAP2	\$1,250,000
Scattered-site Motel Sheltering	YWCA	Women in Supported Housing	Families, Survivors of Violence	LMI	\$250,000
	LifeMoves	Temporary Housing Access Program	SJ Bridge Participants, Encampment Residents	ARP	\$3,950,000
Rapid Rehousing	HomeFirst	Rapid Rehousing	Individuals, Families	General Fund	\$1,000,000
				HALA	\$1,000,000
	LifeMoves	Rapid Rehousing	Individuals, Youth, Families	General Fund	\$1,250,000
	Bill Wilson Center	Rapid Rehousing	Individuals, Youth, Families	General Fund	\$1,250,000
Employment Development	JobTrain	Employment Development	Individuals, Youth, Families	HALA	\$450,000
	International Rescue Committee	Employment Development	Individuals, Youth, Families	HALA	\$450,000
				Total	\$29,064,000

Emergency Interim Housing Programs

The Housing Department requests contract authority for the Director to negotiate and execute extensions to existing agreements with HomeFirst Services and [PATH](#), as well as a new agreement with LifeMoves, to operate non-congregate emergency interim housing (EIH) programs. EIH programs were initially developed and implemented in response to the COVID-19 pandemic to quickly provide private and secure non-congregate shelter for vulnerable individuals and families. These initial sites, on Monterey Road, Rue Ferrari, and Evans Lane, provide modular sleeping units (a combined 317 beds) with individual showers and restroom facilities within each participant room; shared kitchen and laundry; office space for staff to provide services; a perimeter fence; onsite security; pet accommodations; communal gardens; onsite parking; full Americans with Disabilities Act Standards for Accessible Design accommodations, and are close to public transportation. All EIHs will continue to operate as non-congregate shelters and prioritize referrals from the following sources: those participating in a City-funded a program such as SJ Bridge or rapid rehousing; priority encampments (currently, the program is targeting individuals from the Guadalupe Gardens encampment); and those who reside outdoors in close proximity of the respective site. In all cases, individuals are referred by City-funded outreach and engagement teams. Once exhausted, referrals will then come from the countywide centralized shelter hotline.

A one-year extension to an agreement with HomeFirst in the amount of \$7,400,000 will provide onsite operations and services for two EIHs; one on Monterey Road, which serves individuals, and one on Rue Ferrari, which serves individuals and couples. HomeFirst performs day-to-day operations and property maintenance as well as programs and supportive services. The one-year award will use \$788,171 from CDBG-CV and \$6,611,829 from the General Fund. In addition, the Housing Department requests authority for the Director of Housing to negotiate and execute an amendment to the current contract with HomeFirst adding \$68,630 from the interest earned on the state's COVID-19 award (Senate Bill 89) in order to exhaust the award by the deadline of June 30, 2022. The EIH contract with HomeFirst was last approved by City Council on September 22, 2020.¹³ From program inception through May 15, 2022, HomeFirst served 177 individuals at the Monterey Road EIH and 38 individuals exited the program to permanent housing. From program inception through May 15, 2022, HomeFirst served 167 individuals at the Rue Ferrari EIH and 46 individuals exited the program to permanent housing.

A one-year extension to the agreement with PATH in the amount of \$2,880,000 will provide onsite operations and services for the EIH on Evans Lane, which serves families with children. PATH operates programs and supportive services and subcontracts with Abode to perform day-to-day property maintenance. The agreement will use \$2,500,00 from Round 1 of HHAP and \$380,000 from Round 2 of HHAP. The EIH contract with PATH was last approved by City Council on September 22, 2020.¹⁴ From program inception through May 15, 2022, PATH served 186 individuals in families at the Evans Lane EIH and 57 individuals in families exited the program to permanent housing.

¹³ [Substantial Technical Amendments to the FY 2015-2020 Consolidated Plan and FY 2019-20 Annual Action Plan](#)

¹⁴ [Ibid](#)

A fourth EIH is currently under construction on Guadalupe at Taylor Street (on a portion of Police E-Lot) in downtown San José, scheduled for complete in late summer or early fall. A new one-year agreement with LifeMoves in the amount of \$3,500,000 will provide onsite operations and services for the EIH on Guadalupe, which will serve individuals. As directed by City Council,¹⁵ the agreement in the amount of \$3,200,000 will be funded in the ARP Fund. An additional \$300,000 from Measure E funds will be awarded to work with Comcast to set up necessary infrastructure for the operations at the EIH. This new EIH will provide an additional 76 beds when completed in the fall of 2022.

This table is a summary of the three implemented EIHs, as well as the one EIH currently under construction.

Emergency Interim Housing Program	Operator	Address	Council District	Units	Beds
Monterey at Bernal	HomeFirst	6066 Monterey Rd	2	78	78
Rue Ferrari	HomeFirst	5898 Rue Ferrari	2	82	118
Evans Lane	PATH	2078 Evans Lane	6	49	121
Guadalupe at Taylor	LifeMoves	702 Guadalupe	3	76	76
TOTAL				285	393

Bridge Housing Communities

The Housing Department requests contract authority for the Director to negotiate and execute extensions to an existing agreement with [HomeFirst](#) to operate two Bridge Housing Communities (BHCs); one on Mabury Road and one on Felipe Avenue. HomeFirst was initially selected through a competitive request for qualification process. BHC programs are the City’s version of tiny homes or emergency sleeping cabins. There are a combined 80 sleeping cabins at two sites, and each site features modular buildings for site amenities such as a kitchen, computer lab, administrative offices, showers, and restroom facilities. Private case management units are available onsite, as well as a perimeter fence, security, pet accommodations, parking, and full Americans with Disabilities Act accommodations. At both sites, HomeFirst performs day-to-day operations and property maintenance, as well as the provision of programs and supportive services. The BHCs will continue to operate as non-congregate shelter and prioritize referrals from the following sources: those participating in a City-funded programs such as SJ Bridge or rapid rehousing; priority encampments (currently, the program is targeting individuals from the Guadalupe Gardens encampment); and those who reside outdoors in close proximity of the respective site. In all cases, individuals are referred by City-funded outreach and engagement teams. Once exhausted, referrals will then come from the countywide centralized shelter hotline.

A one-year extension to the agreement with HomeFirst in the amount of \$4,011,000 will provide onsite operations and services for the two BHCs, both of which serve individuals. The agreement will use PLHA funding. The EIH contract with HomeFirst was last approved by City Council on

¹⁵ [COVID-19 Pandemic Response and Community and Economic Recovery Budget Adjustments](#)

September 22, 2020.¹⁶ From program inception through May 15, 2022, HomeFirst served 212 individuals at the Mabury BHC and 109 individuals exited the program to permanent housing. From program inception through May 15, 2022, HomeFirst served 145 individuals at the Felipe BHC and 45 individuals exited the program to permanent housing.

The table below provides a summary of the two BHCs.

Bridge Housing Community	Operator	Address	Council District	Units	Beds
Mabury	HomeFirst	1410 Mabury Road	3	40	40
Felipe	HomeFirst	928 Felipe Avenue	7	40	40
TOTAL				80	80

In response to City Council direction to evaluate the operating model and reduce annual costs for the City’s EIHS and BHCs, the Housing Department is partnering with San Francisco Foundation on this evaluation. The San Francisco Foundation has retained HomeBase, a nonprofit dedicated to building community capacity to prevent and end homelessness. For over 30 years, HomeBase has helped local partners identify and analyze the root causes of homelessness and develop effective systems and solutions. Over the next six months, the Housing Department will work with HomeBase to identify national best practices and potential new or modified operating models and make a recommendation to reduce costs. The HomeBase report will be shared with City Council in winter 2023 and the Housing Department will release a new RFP that implement the new operating models for the EIHS and BHCs. We anticipate new contracts with new service providers and new operating models will be in place for FY 2023-24.

Non-Congregate Motel Sheltering

The Housing Department requests contract authority for the Director to negotiate and execute amendments to two existing agreements with [Abode Services](#) to continue operating two City-owned motels as a non-congregate shelter.

The one-year extension to the agreement with Abode for SureStay will continue to serve individuals and couples vulnerable to COVID-19 by providing safe and secure non-congregate shelter. Each of the 72 units has its own bathroom with a shower, microwave, refrigerator, access to WiFi, parking, and capacity for up to two people. The program provides onsite security 24/7. The Housing Department issued an RFP inviting qualified housing developers to work with the City to identify a developer to assume the responsibility to provide property management and services onsite. A finalist has been identified for the SureStay, which may lead to a change in the service provider/property manager mid-year. The Housing Department identified funding to cover services and operations with Abode prior to the transition of operators. The three-month extension to the agreement will be funded in the amount of \$423,000 from Round 2 of HHAP. As reported in the last Homelessness Annual Report brought to City Council on March 29,

¹⁶ [Substantial Technical Amendments to the FY 2015-2020 Consolidated Plan and FY 2019-20 Annual Action Plan](#)

2022,¹⁷ 134 individuals were served at SureStay and 32 individuals successfully exited to permanent housing.

The one-year extension to the agreement with Abode for the Plaza Hotel will continue to serve individuals vulnerable to COVID-19 by providing safe and secure non-congregate shelter. The Plaza Hotel has 42 single-room occupancy units that are approximately 85-100 square feet and furnished with a refrigerator, microwave, bed, table, shelves, and television. Common facilities include a community room, a coin-operated laundry room, and shared restrooms with showers. The program is secured with a locked entry system, video surveillance, and onsite security 24/7. The agreement will be funded using \$1,250,000 from Round 2 of HHAP. As reported in the last Homelessness Annual Report brought to City Council on March 29, 2022,¹⁸ 52 individuals were served at the Plaza and six individuals exited to permanent or other temporary destinations.

City Council last approved contracts with Abode to operate both motels on August 31, 2021.¹⁹

The table below provides a summary of the site-based, non-congregate motel sheltering programs.

Motels	Operator	Address	Council District	Units
SureStay Motel	Abode	1488 N. 1 st Street	6	72
Plaza Hotel	Abode	96 S. Almaden Avenue	3	42
			TOTAL	114

Scattered-Site Motel Sheltering

The Housing Department requests contract authority for the Director to negotiate and execute an extension to an existing agreement with [YWCA](#), as well as a new agreement with [LifeMoves](#), to operate non-congregate sheltering in scattered-site motels.

The one-year extension to the agreement with YWCA will continue to provide motel stays to survivors of gender-based violence and their families through the Women in Supported Housing (WISH) program. The goal is to transition the households to safe, affordable housing through the provision of supportive services and financial support. A small portion of the award will be used to support stabilization housing services, in which they will house participants in market-rate units for up to six months before moving them into permanent housing. The agreement will be funded using \$250,000 from LMI funds. As reported in the last Homelessness Annual Report brought to City Council on March 29, 2022²⁰, WISH served 117 households with emergency

¹⁷ [Homelessness Annual Report](#)

¹⁸ Ibid

¹⁹ [Authorization to Negotiate and Execute Grant Agreements and Grant Amendments for Multiple Homeless Programs in Fiscal Year 2021-2022](#)

²⁰ [Homelessness Annual Report](#)

motel stays, housing search, rental assistance, and individualized case management. The City Council previously approved an extension to the agreement with on August 31, 2021.²¹

The Housing Department requests contract authority for the Director to negotiate and execute a new one-year agreement with LifeMoves, establishing the Temporary Housing Access program. This program will provide motel stays for individuals enrolled in the San José Bridge program, as well as households residing in targeted encampments, such as Guadalupe Gardens. This new program was directed by City Council.²² The Housing Department proposes a retroactive agreement from April 1, 2022, through June 30, 2023, because the San José Bridge program began serving individuals in February and participants needed access to temporary shelter. The total amount in this new agreement is \$3,950,000 from the ARP Fund. Of this total, \$1,950,000 will be used to leverage the provision of housing assistance for San José Bridge participants at the Guadalupe EIH. This new program will offer temporary motel stays for those participants that cannot be housed at the Guadalupe EIH. Referrals to existing Rapid Rehousing programs will also be available to San José Bridge participants, however, Rapid Rehousing programs provide rental subsidies for private market housing, so often times temporary or interim housing is needed while participants search for a private market unit.

The Temporary Housing Access program will also serve residents who live in San José encampments that are being demobilized. Currently, Guadalupe Gardens is set to be abated and cleaned by the fall of 2022. Those residing in the encampment will be offered motel stays through the Temporary Housing Access program with the goal of developing individualized housing plans to eventually secure stable housing. LifeMoves has preliminarily proposed to accommodate up to 50 motel rooms at any given time. The City Council previously discussed this new program during the November 30, 2021, City Council meeting in regard to COVID-19 Pandemic Response and Community and Economic Recovery Budget Adjustments.²³

Rapid Rehousing Programs

The Housing Department requests contract authority for the Director to negotiate and execute extensions to existing agreements with [HomeFirst Services](#), [LifeMoves](#) and [Bill Wilson Center](#) to provide time-limited rental assistance and supportive services through the Rapid Rehousing program. The City's Rapid Rehousing program targets homeless individuals, families, and youth with moderate service needs who 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 led to their becoming homeless. Service components of the Rapid Rehousing program include 1) housing search and placement; 2) time-limited decreasing rent subsidy; 3) other temporary financial assistance; and 4) time-limited individualized case management. The three organizations will assist with rent subsidies and case management until the households are able to independently maintain stable housing. In coordination with the County of Santa Clara Office of Supportive

²¹ [Authorization to Negotiate and Execute Grant Agreements and Grant Amendments for Multiple Homeless Programs in Fiscal Year 2021-2022](#)

²² [COVID-19 Pandemic Response and Community and Economic Recovery Budget Adjustments](#)

²³ [COVID-19 Pandemic Response and Community and Economic Recovery Budget Adjustments](#)

Housing, all three organizations are currently prioritizing residents at the Guadalupe Gardens encampment for enrollment.

A one-year extension to the agreement with HomeFirst in the amount of \$2,000,000 will continue to assist individuals and families with rental subsidies and support to remain stably housed. The agreement will use two sources, \$1,000,000 from the General Fund Rapid Rehousing allocation and \$1,000,000 from HALA. Between January 1, 2021 and December 31, 2021, HomeFirst enrolled 118 individuals in the program and 23 of the 37 individuals who exited the program went into permanent housing. City Council last approved the HomeFirst Rapid Rehousing agreement on December 15, 2020.²⁴

A one-year extension to the agreement with LifeMoves in the amount of \$1,250,000 will continue to assist individuals, families, and youth with rental subsidies and support to remain stably housed. The agreement will be funded by the General Fund Rapid Rehousing allocation. Between January 1, 2021 and December 31, 2021, LifeMoves enrolled 74 individuals in the program and 18 of the 31 individuals who exited the program went into permanent housing. LifeMoves faced staffing challenges during this timeframe, which resulted in lower numbers, but have since hired a full team. The City Council last approved the LifeMoves Rapid Rehousing agreement on August 31, 2021.²⁵

A one-year extension to the agreement with Bill Wilson Center in the amount of \$1,250,000 will continue to assist individuals, families, and youth with rental subsidies and support to remain stably housed. The agreement will be funded by the General Fund Rapid Rehousing allocation. Between January 1, 2021 and December 31, 2021, Bill Wilson Center enrolled 115 individuals in the program and 46 of the 48 individuals who exited the program went into permanent housing. The City Council last approved the Bill Wilson Center Rapid Rehousing agreement on August 31, 2021.²⁶

All the Rapid Rehousing providers will continue to coordinate with the Employment Development programs listed below and serve mutual participants in order to provide greater access to appropriate employment services and increase the likelihood of remaining stably housed.

Employment Development

The Housing Department requests contract authority for the Director to negotiate and execute extensions to existing agreements with [JobTrain](#) and [International Rescue Committee](#) to provide robust employment training, barrier-mitigating supportive services, and job placement in order to increase earned income and success in job retention. The City's Rapid Rehousing Program

²⁴ [Award of Contracts for the Employment Development and Housing Stability and Rapid Rehousing Programs](#)

²⁵ [Authorization to Negotiate and Execute Grant Agreements and Grant Amendments for Multiple Homeless Programs in Fiscal Year 2021-2022](#)

²⁶ Ibid.

and Employment Development collaborative share the coordinated goal of housing and income stability.

A one-year extension to the agreement with JobTrain in the amount of \$450,000 will continue to provide employment and career training options for Rapid Rehousing participants. Offering the most relevant services focused on each participant's needs, skills, and background, the purpose is to provide a vast array of supportive career training opportunities that result in long-term job stability. As mentioned in the last Homelessness Annual Report,²⁷ JobTrain served 10 individuals in its first six months of operation and did not meet the goal that 65% of participants would secure at-or-above living-wage jobs. JobTrain spent the first six months concentrating on infrastructure, program procedures, design, recruiting staff, and working through COVID-19 challenges, such as a reduction in class sizes to allow for social distancing. JobTrain has been committed to increasing enrollments over the last fiscal year. In fact, after the Housing Department engaged in an improvement plan to increase enrollments, by mid-April 2022, JobTrain had enrolled 81 individuals in its employment development program. The improvement plan included hiring two new case managers, increasing outreach efforts, and semi-automating communication strategy between the agency and clients with the goal of improving engagement, awareness, and understanding of programs and services. Data quality improvement was also a part of the improvement plan and discussed during bi-weekly check in meetings with the Housing Department. The agreement will be funded using HALA.

A one-year extension to the agreement with International Rescue Committee in the amount of \$450,000 will continue to provide employment and career training options for Rapid Rehousing participants. Offering the most relevant services focused on each participant's needs, skills, and background, the purpose is to provide a vast array of supportive career training opportunities that result in long-term job stability. The large majority of participants in the International Rescue Committee Employment Program are English-language learners, so comprehensive vocational English as a second language classes are critical and will focus on finding and obtaining a living wage job, as well as American workplace expectations. While the International Rescue Committee faced similar challenges as JobTrain with meeting enrollment and outcomes, the City did not place them on an improvement plan but supported them to increase enrollments. By mid-April 2022, International Rescue Committee had enrolled 47 individuals in its program, meeting its target goal. The agreement will be funded using HALA.

Proposed funding for the Employment Development programs shifted from federal to local sources. This will allow for greater alignment with the County of Santa Clara and Destination: Home on their employment activities and performance outcomes. City Council last approved Employment Development program agreements on December 15, 2020.²⁸ Unless a new funding source is identified, this will be the final year of funding for job training programs.

²⁷ [Homelessness Annual Report for Fiscal Year 2020-2021](#)

²⁸ [Award of Contracts for the Employment Development and Housing Stability and Rapid Rehousing Programs](#)

Conflict of Interest

Jacky Morales-Ferrand, Director of the Housing Department, serves as an uncompensated member of the board of directors for Destination: Home SV, a California nonprofit corporation. She has not participated in the selection of Destination: Home for the additional funding and will not participate in the making of any amended contract or grant agreement.

CONCLUSION

The actions recommended in this memorandum will continue basic-needs support services and housing and shelter opportunities for the city's most vulnerable residents.

As a result of actions taken by the City Council to delegate authority to the Housing Director or designee to negotiate and execute agreements, the Housing Department will more efficiently focus its time and efforts on developing and finalizing the projects in this memorandum and the agreements to implement such projects.

EVALUATION AND FOLLOW-UP

Updates on the programs will be provided in the Housing Department's Annual Report on Homeless Programs that will be scheduled to be heard by the City Council in spring 2023.

CLIMATE SMART SAN JOSE

The recommendation in this memorandum furthers the goals of Climate Smart San José by facilitating the creation of low-income housing close to jobs and transit, which would reduce vehicle miles traveled and greenhouse gas emissions. The EIH and BHC sites are located within walking distance from a bus or light rail station, providing access to transit for all residents living at the sites.

PUBLIC OUTREACH

This item has been posted on the City's agenda website for approval by the City Council at the June 28, 2022 meeting.

COORDINATION

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

COMMISSION RECOMMENDATION/INPUT

At the April 14, 2022, Housing and Community Development Commission meeting, the commissioners unanimously passed (10-0) the Housing Trust Fund Expenditure Plan for Fiscal Year 2022-23, which included funding allocations for all of the programs funded by the Housing Trust Fund. No commission recommendation or input is associated with any other funding sources or contracts in this action.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION:

Basic Needs Services	\$8,595,000
Housing Opportunities	<u>\$29,064,000</u>
TOTAL PROJECT COSTS	\$37,659,000

2. SOURCE OF FUNDING: American Rescue Plan (402) \$11,150,000; General Fund (001) \$10,411,829; Homeless Housing, Assistance, and Prevention Fund (454) \$7,553,000; Building Homes and Jobs Act Fund (456) \$4,011,000; Multi-Source Housing Fund (448) \$1,900,000; Housing Trust Fund (440) \$1,595,000; Community Development Block Grant Fund (441) \$788,171; and Low and Moderate Income Housing Asset Fund (346) \$250,000.

3. FISCAL IMPACT: The actions recommended in this memorandum will enable the Housing Department to negotiate and execute 24 agreements in Fiscal Year 2022-2023 that support individuals and families experiencing homelessness in San José. There is no ongoing fiscal impact to the General Fund as a result of this action.

June 15, 2022

Subject: Actions Related to the Grant Agreements for Multiple Homelessness Programs for Fiscal Year 2022-2023

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BUDGET REFERENCE

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

Fund #	Appn #	Appn Name	Proposed 2022-2023 Total Appn	Rec. Budget Action	Amt for Contract	2022-2023 Proposed Operating Budget Page*	Last Budget Action (Date, Ord. No.)
001	2062	Homeless Rapid Rehousing	\$4,000,000		\$3,500,000	795	N/A
001	New	Emergency Interim Housing Construction and Operation	\$21,500,000		\$6,911,829	795	N/A
346	3050	Homeless Services	\$250,000		\$250,000	896	N/A
402	217O	Emergency Housing - Sheltering and Enhanced Encampment Services	\$3,000,000	-	\$3,000,000	839	N/A
402	217P	Emergency Housing - Emergency Housing Construction and Operation	\$18,500,000		\$7,150,000	839	N/A
402	219L	Housing Stabilization - South Hall Demobilization + Housing Assistance Center	\$1,949,857		\$1,000,000	840	N/A
440	205X	Employment Initiative Program	\$125,000		\$125,000	890	N/A
440	2453	Housing and Homeless Projects	\$2,440,000		\$1,470,000	890	N/A
441	214Z	Community Development Block Grant CV3	\$2,872,294		\$788,171	855	N/A
454	205W	Homelessness Prevention System	\$7,000,000	\$2,000,000	\$7,553,000	889	N/A
454	8999	Unrestricted Ending Fund Balance	\$4,428,622	(\$2,000,000)	\$0	889	N/A
456	213B	Housing Shelter	\$4,248,646		\$4,011,000	850	N/A
448	2062	Homeless Rapid Rehousing	\$4,660,355		\$1,000,000	912	N/A
448	2070	Job Readiness Training Project	\$0	\$900,000	\$900,000	N/A	N/A
448	8999	Unrestricted Ending Fund Balance	\$15,017,403	(\$900,000)	\$0	912	N/A

*The 2022-2023 Proposed Operating Budget is scheduled for approval on June 14, 2022 and adoption on June 21, 2022 by the City Council

HONORABLE MAYOR AND CITY COUNCIL

June 15, 2022

Subject: Actions Related to the Grant Agreements for Multiple Homelessness Programs for Fiscal Year 2022-2023

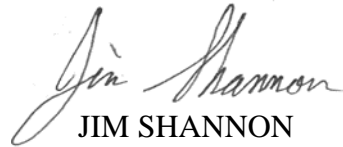
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CEQA

Not a Project, File No. PP17-009, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment; and File No. PP17-004, Government Funding Mechanism or Fiscal Activity with no commitment to a specific project which may result in a potentially significant physical impact on the environment.

/s/

RAGAN HENNINGER
Deputy Director, Housing Department


JIM SHANNON
Budget Director

The principal author of this memorandum is Kelly Hemphill, Homelessness Response Manager. For questions, please contact kelly.hemphill@sanjoseca.gov.

Attachment A: Housing Department Funding Sources

Attachment A

Housing Department Funding Sources

Acronym	Funding Source	Funding Source Type
ARP	American Rescue Plan Act of 2021	Federal one-time COVID-19 Stimulus Package funding allocated to the City of San José
CDBG-CV	Community Development Block Grant -Coronavirus Aid, Relief, and Economic Security Act	Federal one-time funds to mitigate the spread of COVID-19
HALA	Housing Authority Litigation Award	Local one-time \$36.3 million litigation award from 2016
HHAP (HHAP1, HHAP2, HHAP3)	Homeless Housing and Assistance Program	State of California Interagency Council on Homelessness one-time grants; three rounds of funds thus far
HTF	Housing Trust Fund	Local annual tax and revenue fund
LMI	Low- and Moderate-Income Housing Asset Fund	Local annual loan repayment fund
Measure E	Real Property Transfer Tax - Measure E	Local annual tax received in the General Fund, but allocated for affordable housing production, and homelessness prevention and support programs.
PLHA	Permanent Local Housing Allocation Senate Bill 2	State of California Housing and Community Development annual fund
SB89	COVID-19 Emergency Homeless Funding - Senate Bill 89	State of California one-time funds to mitigate the spread of COVID-19