

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE: (A) TO ACCEPT THE HOMELESS HOUSING ASSISTANCE AND PREVENTION GRANT AWARD OF \$23,832,510.94 FROM THE STATE OF CALIFORNIA TO FUND EMERGENCY AND CRISIS INTERVENTION SERVICES FOR THE HOMELESS AND NEGOTIATE AND EXECUTE RELATED DOCUMENTS TO ACCEPT THESE GRANT FUNDS WITHOUT CITY COUNCIL ACTION; (B) TO NEGOTIATE AND EXECUTED A SECOND AMENDMENT TO THE GRANT AGREEMENT WITH HABITAT FOR HUMANITY DATED JUNE 3, 2019 TO INCREASE THE GRANT AMOUNT BY UP TO AN ADDITIONAL \$6,000,000 FOR A TOTAL AMOUNT OF \$11,100,600 TO DEVELOP AND CONSTRUCT AN ADDITIONAL SITE LOCATED AT MONTEREY AND BERNAL ROADS FOR EMERGENCY BRIDGE HOUSING OR EMERGENCY SHELTERS; (C) TO NEGOTIATE AND EXECUTE A THIRD AMENDMENT TO THE GRANT AGREEMENT THAT WAS TRANSFERRED TO DESTINATION: HOME SV BY AN ASSET TRANSFER AGREEMENT DATED NOVEMBER 28, 2017, TO INCREASE THE GRANT AMOUNT BY \$3,000,000 FOR A TOTAL OF \$5,179,129 TO CONTINUE IMPLEMENTING THE EMPLOYMENT INITIATIVE AND HOMELESSNESS PREVENTION SYSTEM FOR HOMELESS INDIVIDUALS AND FAMILIES THROUGH JUNE 30, 2021; AND (D) TO NEGOTIATE AND EXECUTE A THIRD AMENDMENT TO THE GRANT AGREEMENT WITH BILL WILSON CENTER DATED AUGUST 15, 2017, INCREASING THE MAXIMUM AMOUNT OF COMPENSATIONS BY \$2,000,000 FROM \$2,179,129 TO \$4,179,129 TO PROVIDE HOUSING AND SUPPORTIVE SERVICES TO HOMELESS YOUTH AGES 18 TO 25 THROUGH THEIR TRANSITION IN PLACE PROGRAM THROUGH JUNE 30, 2020

WHEREAS, on July 31, 2019, Governor Newsom signed Assembly Bill 101 (AB 101) into law, establishing a one-time source of funds called Homeless Housing, Assistance and Prevention Program ("HHAP"), a \$650 million block grant program; and

WHEREAS, HHAP funding provides jurisdictions with flexibility to use funds to meet their emergency needs with a focus on evidence-based practices and regional coordination, as well as services specific to the needs of homeless youth; and

WHEREAS, the City of San José's ("City") allocation is \$23,832,510, and on February 11, 2020, City Council approved a proposed expenditure plan for the City's HHAP award, which allocated \$13 million for the development and three years of operation of a navigation center, \$3 million for homeless prevention, \$2 million for homeless youth services and housing, and \$4.2 million for innovative solutions that included a motel voucher program for families, overnight warming locations and safe parking program; and

WHEREAS, on March 30, 2020, the City was notified that it was awarded a HHAP Grant in the amount of \$23,832,510.94 from the State's Business, Consumer Services and Housing Agency; and

WHEREAS, on March 6, 2020, the Office of Emergency Services of the City of San José issued a Proclamation of Local Emergency, pursuant to his powers under Chapter 8.08 of the City's Municipal Code, finding that the existence and threat of COVID-19 in the community give rise to conditions of extreme peril to the safety and health of persons within the City, and this proclamations was quickly followed by the County of Santa Clara ("County"), which on March 16, 2020 issued a shelter in place order directing all individuals to shelter in their place of residence unless they must obtain or perform essential services; and

WHEREAS, on March 20, 2020, the Director of Emergency Services of the City of San José issued a Declaration of Shelter Crisis, consistent with the provisions of the Shelter Crisis Act, under his powers in Chapter 8.08 of the City's Municipal Code; and

WHEREAS, most recently, the County issued a second, more restrictive, shelter in place order on March 31, 2020, superseding its initial order as total confirmed cases increased by over 1,800 in just a two week period, this order became effective on March 31, 2020 and will remain in place until 11:59 p.m. on May 3, 2020, or until it is extended, superseded, or amended; and

WHEREAS, unsheltered populations are especially vulnerable without a place to shelter, quarantine, or self-isolated, and in the most recent County Public Health Order individuals experiencing homelessness are strongly urged to obtain shelter, and “governmental and other entities are urged to, as soon as possible make such shelter available”; and

WHEREAS, the Homelessness Prevention System (“Program”) provides financial assistance and support to households at risk of homelessness, which may include rental assistance, move-in costs or rental arrears, housing search, employment and benefits assistance, landlord mediation/dispute resolution, and information regarding tenant rights; and

WHEREAS, the Program works in conjunction with and/or enhances existing County homeless prevention programs, including the Emergency Assistance Network (EAN), and the goal of Program is to expand households’ ability to become quickly connected to prevention services with multiple points of entry, streamline and standardize service delivery, and measure the collective impact of homelessness prevention; and

WHEREAS, in February, City Council approved the \$3 million allocation to Destination: Home SV to continue the Program through 2019-2020 and 2020-2021. One hundred percent of these City funds will be used to assist families with minor children who are at risk of becoming homeless; and

WHEREAS, the City Council further provided direction to the Administration to specifically allocate the \$2 million funding to the Bill Wilson Center, serving homeless youth and families, to provide housing and supportive services to homeless youth ages 18 to 25 through their Transition in Place program; and

WHEREAS, concurrent to ratifying and adopting the Shelter Crisis Declaration on April 7, 2020, the City Council redirected \$17,232,510 of HHAP funds towards purchase and/or construction of emergency housing, including prefabricated modular units, during the declared shelter crisis for individuals impacted by the COVID-19 pandemic; and

WHEREAS, the City Council directed the Administration to “move aggressively” to build emergency housing, the Administration has since, diligently pursued options to expeditiously site and build on-congregate shelter/interim housing opportunities; and

WHEREAS, staff has assessed multiple temporary housing types including a variety of individual sleeping cabins, workforce housing, and prefabricated modular units, and ultimately, staff determined that the most expedient option is to expand the City’s Bridge Housing Communities (“BHC”) inventory; and

WHEREAS, by using the HHAP funding for expanding BHC’s, the City will benefit from the temporary relief from certain requirements under the Governor’s Executive Order (N-32-20) and the flexibility authorized under Assembly Bill 2176, ensuring speedy project delivery as well as the ability to successfully operate beyond the current COVID-19 Crisis; and

WHEREAS, after identifying the City owned site at Monterey and Bernal Roads to develop the first of several new BHC’s, staff immediately began work on the site engineering and design, and to expedite the design process, the Administration is utilizing several existing contractual design services; and

WHEREAS, staff also began developing an expedited competitive procurement for a contractor to purchase the modular sleeping units and develop the new BHC, and while the expedited contractor procurement will significantly reduce the traditional contractor selection timeline, a contractor will not be selected for several weeks, delaying site development; and

WHEREAS, the City's current BHC developer, Habitat for Humanity, was selected through a competitive Request for Qualification process in 2018 to construct the first two BHC's; and

WHEREAS, after weighing all viable options, the Administration has decided that the swiftest course of action is to use the construction services of the non-profit contractor, Habitat for Humanity East Bay/Silicon Valley, Inc., ("Habitat for Humanity") to develop the Bernal/Monterey BHC; and

WHEREAS, Staff has negotiated the amended terms to the existing agreement with Habitat and anticipates an amended agreement will be executed immediately, should City Council approve the concurrent recommended resolution regarding Charter exception recommendations to waive the City's procurement and bidding requirements under Section 1217(e) (5) of the City Charter; and

WHEREAS, in February, the City Council approved the Housing Department's proposal to set aside \$2 million for youth services, specifically rental subsidies and supportive services; and

WHEREAS, on April 7, 2020, the City Council ratified the Office of Emergency Services Declaration of Shelter Crisis, and along with that action, the City Council further directed the Administration to reallocate \$17,232,510 of the HHAP funds towards the lease, purchase, and/or construction of emergency housing, including prefabricated modular

units, during the declared shelter Crisis for individual impacted by the COVID-19 pandemic; and

WHEREAS, staff recommends that City Council accept (a) a \$23,832,511 HHAP grant from the State of California and appropriate funds for Emergency Shelters in the amount of \$17,232,511, in which Homelessness Prevention (\$3,000,000), Homeless Youth (\$2,000,000) and Grant Administration (\$1,600,000); (b) funding for a grant agreement with Habitat for Humanity to increase by \$6,000,000 to construct an emergency bridge housing project located at Monterey and Bernal from the new Emergency Shelter appropriation; (b) funding for the grant agreement with Destination: Home SV to increase by \$3,000,000 to continue implementation of the Employment Initiative and Homelessness Prevention System projects from the Homelessness Prevention System appropriation; and (c) funding for the grant agreement with Bill Wilson Center to increase by \$2,000,000 to provide housing and supportive services to homeless youth ages 18 to 25 through their Transition in Place program; and

WHEREAS, the City Council desires to accept the HHAP grant from the State of California and authorize the negotiation and execution of related agreements and amendments to allow the City to immediately begin work on critically needed homeless programs, specifically emergency bridge housing during the COVID-19 health crisis, homeless prevention and homeless youth services;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

The City Manager or his designee is hereby authorized:

- a. to accept the Homeless Housing, Assistance and Prevention (HHAP) grant award of \$23,832,510.94 from the State of California to fund emergency and

crisis intervention services for the homeless and negotiate and execute related documents to accept these grant funds without further City Council action;

- b. to negotiate and executed a second amendment to the grant agreement with Habitat for Humanity East Bay/Silicon Valley, Inc dated June 3, 2019 to increase the grant amount by up to an additional \$6,000,000 for a total amount of \$11,100,600 to develop and construct at additional site located on Monterey and Bernal for emergency bridge housing or emergency shelters;
- c. to negotiate and execute a third amendment to the grant agreement that was transferred to Destination Home SV by an Asset Transfer Agreement dated November 28, 2017, to increase the grant amount by \$3,000,000 for a total of 5,179,129, to continue implementing the Employment Initiative and Homelessness Prevention System for homeless individuals and families through June 30, 2021; and
- d. to negotiate and execute a third amendment to the grant agreement with Bill Wilson Center dated August 15, 2017, increasing the maximum amount of compensations by \$2,000,000 from \$2,179,129 to \$4,179,129 to provide housing and supportive services to homeless youth ages 18 to 25 through their transition in Place program through June 30, 2020.

ADOPTED this _____ day of _____, 2020, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk