

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Erik L. Soliván

SUBJECT: See Below

DATE: August 4, 2025

Approved



Date:

8/13/25

COUNCIL DISTRICTS: 3, 6

SUBJECT: Actions Related to Grant Agreements for Two Emergency Interim Housing Program Sites

RECOMMENDATION

Adopt a resolution authorizing the Housing Director, or his designee, to negotiate and execute amendments to extend existing Emergency Interim Housing program grant agreements with the following nonprofit service providers:

- (a) LifeMoves (Emergency Interim Housing site: Guadalupe) in an amount not to exceed \$1,269,651, retroactive from September 1, 2025, through December 31, 2025; and
- (b) PATH (Emergency Interim Housing site: Evans Lane) in an amount not to exceed \$1,409,480, retroactive from September 1, 2025, through December 31, 2025.

SUMMARY AND OUTCOME

The Housing Department recommends extending two existing Emergency Interim Housing (EIH) agreements, totaling \$2,679,131 of state funds, to maintain continuity of site operations at two EIH sites from September 1, 2025, through December 31, 2025. The Housing Department seeks retroactivity for these service agreement extensions to minimize payment disruptions and allow sufficient time for the continuation of service delivery and budget analysis.

The extension of current grant agreements provides the Housing Department with flexibility to assess and centralize key services, including meal provisions, site security, and property maintenance. After the comprehensive service and budget analysis is complete, all existing EIH agreements will remove specific expenditures for key services, allowing for administrative alignment under a centralized approach. This

transition supports greater operational consistency, improved performance monitoring, and cost efficiency across the EIH portfolio. The Housing Department will return to City Council in December 2025 to provide updates on the progress of this transition and any recommended next steps.

BACKGROUND

On December 17, 2024, City Council approved the extension of two existing EIH grant agreements for the term January 1, 2025 to June 30, 2025; one with PATH for the Evans Lane EIH site and the other with LifeMoves for the Guadalupe EIH site, and City Council also accepted the Housing Department's recommendation to conduct a comprehensive service and budget analysis of the entire interim housing portfolio.¹

Based on this analysis, the Housing Department is prioritizing improvements to core operational services at all EIH sites by standardizing operations and reducing costs. Key efforts include implementing site-wide standards, developing a robust performance tracking system, and incorporating asset management plans into future EIH grant agreements. The Housing Department is currently capturing metrics requested by the City Council in the June 2024 memorandum through an addendum to existing operating agreements.² Beginning in 2026, new operating agreements will require these metrics to be part of standard reporting requirements for site operators. Additionally, the Housing Department has included some of the metrics in a data dashboard that is available to the public.³

ANALYSIS

In June 2025, two no-cost extensions were executed for the Guadalupe EIH site and Evans Lane EIH site through its Delegation of Authority, as granted under Section 4.04.55b of the San José Municipal Code.

The Housing Department is now recommending an extension for the period of September 1, 2025, through December 31, 2025, to centralize core service management across the interim housing portfolio and will ensure continuity of operations at the EIH sites while those efforts are finalized. This action includes a

¹ Item: 2.22, File 24-2348, Meeting Date: 12/17/24, Item Title: Actions Related to Grant Agreements for Multiple Emergency Interim Housing Program Sites, Web Link:

<https://sanjose.legistar.com/View.ashx?M=F&ID=13608298&GUID=43FD491E-D7FC-4ABC-A88E-B6B07FBD1C43>

² Item: 2.23, File 24-147329, Meeting Date: 6/18/24, Item Title: Actions Related to Grant Agreements for Multiple Programs Serving Households Experiencing Homelessness for Fiscal Year 2023-2024, Web Link: <https://sanjoseca.primgov.com/Portal/viewer?id=0&type=7&uid=0c883cee-03ea-4899-b159-418d0e68e806>

³ San José Housing Department, Data and Key Performance Indicators webpage:

<https://app.powerbigov.us/view?r=eyJrIjoiaUxM2ZiMjAtNmE5Zi00ZTJlLWI4YjQtYTU3NjdiY2Q5OTBkliwidCI6IjBmZTtMzYmUwLTyxNDItNGY5Ni05YjhlLTc4MTdkNWMyNjEzOSJ9&pageName=fc2a0a27f1654d314199%22>

retroactive term start date of September 1, 2025, to minimize any service disruptions. Retroactivity is necessary to allow execution of the grant amendment after the September 1, 2025, start date.

The Housing Department will continue efforts to standardize meal provisions, site security, and property maintenance contracting in order to leverage the economies of scale for cost efficiency and consistency of operational services. By centralizing these core operational functions, service providers can focus on their core strengths, delivering high-quality, supportive services to clients across the interim housing portfolio.

The following EIH site operating agreements will be extended through December 2025 to allow the Housing Department to complete its analysis and consolidate core service contracts under centralized management.

Guadalupe EIH Site

LifeMoves operates the Guadalupe EIH site, which provides 96 non-congregate interim shelter units (96 beds). The recommended grant amendment would authorize \$1,269,651 to continue operations at the Guadalupe EIH site through December 31, 2025. During Fiscal Year 2024-2025, the Guadalupe EIH site served 134 households, achieving a 96.4% utilization rate and a 20.51% program participant exit rate to permanent housing. Since the Guadalupe EIH site had a smaller proportion of participants exiting the program, this contributed to the lower overall permanent housing placement percentage compared to other EIH sites. The Guadalupe EIH site is also experiencing a longer participant length of stay in the program, resulting in fewer exits overall when compared to other EIH sites.

Evans Lane EIH Site

PATH operates the Evans Lane EIH site, which provides 48 units interim shelter units (142 beds) for families with minor children experiencing homelessness. The recommended grant amendment would authorize \$1,409,480 to continue operations through December 31, 2025. During Fiscal Year 2024-2025, the Evans Lane EIH site served 61 households, achieving an 85.2% utilization rate and a 55.6% program participant exit rate to permanent housing. Since December 2024, when the Evans Lane EIH site was at a 67.5% utilization rate, we have seen a significant increase, currently reaching an eighty-percentile rate. This improvement is a direct result of our continued collaboration with the Evans Lane EIH site, working closely to address and resolve ongoing maintenance issues. As a result, their operational efficiency has steadily improved, leading to this notable increase in their utilization rates.

The Table below provides an overview of performance in key areas as identified by the Housing Department.

Table – EIH Key Performance Indicators

EIH Site	Persons Served*	Permanent Housing Placements* (Individuals)	Average Length of Stay*	Fiscal Year 2024-2025 Utilization Rate
Guadalupe	206	32	229 days	96.4%
Evans Lane	551	298	271 days	85.2%**

*Metrics are totaled since the EIH site's inception date through July 7, 2025.

** The lower utilization rate (<95%) is due to infrastructural challenges with the units onsite. The City's Public Works Department's maintenance vendors are consistently required to service the units, which delays unit turnover times.

EVALUATION AND FOLLOW-UP

Over the next four months, the Housing Department will work closely with City partners to centralize core services such as meal provision, site security, and property maintenance across all EIH sites. These centralized services and standardized procedures are intended to reduce service gaps, streamline communication, and provide more consistent support for both program participants and staff at EIH sites. In parallel, the Housing Department will continue implementing standardized policies and procedures to ensure consistency in operations and enhanced property and asset management practices across the interim housing portfolio.

The Housing Department will return to City Council in December 2025 to provide an update on the transition and present recommendations for continued progress and further implementation.

COST SUMMARY/IMPLICATIONS

- TOTAL COST OF CONTRACT/AGREEMENT**
 LifeMoves (EIH site: Guadalupe): \$1,269,651.00
 PATH (EIH site: Evans Lane): \$1,409,480.00
Total Costs **\$2,679,131.00**
- SOURCE OF FUNDING:** Homeless Housing, Assistance, and Prevention Fund (HHAP)
- FISCAL IMPACT:** The actions recommended in this memorandum will enable the Housing Department to negotiate and execute amendments to extend

existing EIH program grant agreements in Fiscal Year 2025-2026 that support individuals and families experiencing homelessness in San José.

BUDGET REFERENCE

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

Fund #	Appn. #	Appropriation Name	Total Appropriation	Amount for Contract	2025-2026 Proposed Operating Budget Page*	Last Budget Action (Date, Ord. No.)
454	209X	Emergency Shelters	\$13,749,388	\$2,679,131	899	06/17/2025 31230

**The 2025-2026 Adopted Operating Budget was approved on June 10, 2025, and adopted on June 17, 2025, by the City Council*

COORDINATION

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

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the August 26, 2025 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

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

HONORABLE MAYOR AND CITY COUNCIL

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PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

Erik L. Soliván
Housing Director

The principal author of this memorandum is Pamay Bui, Development Officer, Housing Department. For questions, please contact Cupid Alexander, Deputy Director, Housing Department at cupid.alexander@sanjoseca.gov or (669) 314-3884.