



Memorandum

TO: CITY COUNCIL

FROM: Mayor Matt Mahan
Councilmember Sergio Jimenez
Councilmember David Cohen
Councilmember Pam Foley

SUBJECT: SEE BELOW

DATE: October 20, 2023

APPROVED:

Matt Mahan Sergio Jimenez David Cohen Pam Foley

SUBJECT: INTERIM HOUSING FINANCIAL STABILITY – STUDY OF CITY INTERIM HOUSING AND ACTIONS RELATED TO INTERIM HOUSING GRANT AGREEMENTS

RECOMMENDATIONS

Accept staff's recommendations with the following additions:

1. In collaboration with service providers, develop and include key performance indicators when returning to Council with an update within one year of the start of implementation, such as:
 - a. Number of residents served and exits to temporary or permanent housing;
 - b. Average length of stay and daily utilization rates; and
 - c. Cost per participant served at each site.
2. Produce an information memo by February 2024 with an analysis of the SJ Bridge program at Guadalupe EIH, including any potential recommendations to scale the model to other communities and key performance indicators:
 - a. Number of residents from Guadalupe enrolled in the program;
 - b. Number of participants connected to permanent or living wage jobs; and
 - c. Number of participants transitioned to permanent housing.
3. Return to Council within one year with further analysis of opportunities to restructure program design to fund operations, including but not limited to:
 - a. Leveraging the State's CalAIM initiative;
 - b. Charging nominal rent on a case-by-case basis; and
 - c. Expanding partnership opportunities with the Housing Authority to leverage federal dollars at additional sites.

4. Renegotiate the City's lease agreement with Caltrans to remove the requirement to limit a participant's stay to six months at the Felipe Bridge Housing Community.
5. Ensure the level of security agreed upon by the VTA Board, staff and union representation is provided at the Cerone EIH.
6. Evaluate the need for 24/7 security at each future site with the option to reduce security on a case-by-case basis if deemed appropriate by onsite EIH staff and residents.
7. Provide flexibility to ensure serving specific subpopulations does not conflict with local preference or lead to underutilization of beds across sites.
8. Prioritize the staff recommendation to develop standardized CAC roles and responsibilities for each interim housing site, with a composition that includes a seat for a person with lived experience.

BACKGROUND

We thank the San Francisco Foundation for funding this important work, HomeBase for their thorough report and recommendations, our service providers and clients for engaging in this study, and City staff for their thoughtful guidance integrating the recommendations into our emergency interim housing (EIH) program design. We deeply respect and appreciate the passion and professional skill of our service providers whose person-centered care and support are essential to the success of our EIH communities.

Balancing operations costs and participant outcomes necessitates a delicate approach to ensure that the residents we serve are adequately supported during their transition. Our EIH communities have already demonstrated remarkable success, with 70% of participants remaining stably housed after exiting. This impressive statistic is a testament to the efficacy of our program and underscores the importance of the resources we invest in it. Our operators provide robust services at each community, creating an environment that fosters stability, hope, and ultimately, successful transitions to permanent housing. We should aim to strike the right balance between fiscal responsibility and achieving positive outcomes for those we serve. Our recommendations seek more specificity in subsequent updates to include additional analysis of opportunities to offset costs while ensuring program adjustments do not inadvertently jeopardize the outcomes for EIH participants.

DISCUSSION

Summary Recommendation #4

Unsurprisingly, the HomeBase study confirmed that private security is a major line item in our EIH operation budgets. We appreciate staff's thoughtful approach to scaling back or preserving security to reflect the needs of each community, and we understand that security budgets for future communities will be determined on a case-by-case basis. However, for the Cerone site specifically, the promise to VTA leadership and union representation to address their security concerns is non-negotiable, and we must follow through on the private security agreed to. We also want to utilize an approach of evaluating the need for 24/7 security at future sites. If 24/7 security is necessary initially, then we should continue to evaluate on a case-by-case basis to

determine whether a reduction in security is appropriate based on feedback from operators, residents, and community advisory councils.

Summary Recommendation #5

We applaud and thank the County and Housing Authority for their willingness to partner with us to replicate the successful Willow Glen Studios model at one of our sites. In parallel, we should continue to pursue partnerships and opportunities to restructure program design to fund operations, such as collaborating with the County on implementing CalAIM and working with the Housing Authority to leverage federal dollars at more sites for EIH participants who hold vouchers. Certainly, many EIH participants will not have the means to pay rent, but for a subset of participants who are employed or receiving financial assistance, paying a nominal rent they can comfortably afford and sustain can help build their self-sufficiency and may offset operations costs. As an additional note, the City must first ensure that it is legally feasible to leverage these dollars from the state and federal government.

Summary Recommendation #6

Considering the feedback from EIH participants regarding the need to clarify or extend lengths of stay in our EIH program, it's time we revisit our lease agreement with Caltrans for Felipe, using our agreement with them for Rue Ferrari as a template. Removing the 6-month limit on a participant's stay is essential to provide participants with the time and stability they need to rebuild their lives.

Summary Recommendation #8

We appreciate and agree with staff's response to the recommendation to provide support toward securing living wage employment, as we know many of our unhoused neighbors desire opportunities to rejoin the workforce and earn an income. Staff should include in their evaluation of the SJ Bridge model at Guadalupe EIH key performance indicators that will provide us with the insights necessary to make a thoughtful decision on whether to scale the program to other communities ahead of the FY 24-25 budget process.

CONCLUSION

We remain committed to providing the support and resources needed for unhoused residents to successfully transition to permanent housing. Our continued dedication to evaluating and adapting our program will be instrumental in achieving this goal.