



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Erik L. Soliván
Jim Shannon

SUBJECT: See Below

DATE: December 17, 2024

Approved

Date:

12/19/24

COUNCIL DISTRICT: 4

SUBJECT: Authority to Negotiate and Execute a Grant Agreement with a Supportive Parking for Recreational Vehicles Program Site Operator at 1300 Berryessa Road

RECOMMENDATION

- (a) Adopt a resolution authorizing the Housing Director or his designee to negotiate and execute a grant agreement with WeHOPE in an amount not to exceed \$2,804,142 for the Supportive Parking for Recreational Vehicles Program site operator at 1300 Berryessa Road, retroactive from January 1, 2025 to December 31, 2025.
- (b) Adopt the following Fiscal Year 2024-2025 Appropriation Ordinance amendments in the Homeless Housing, Assistance, and Prevention Fund:
 - (1) Decrease the Homelessness Prevention System appropriation to the Housing Department by \$2,804,142; and
 - (2) Increase the Emergency Shelters appropriation to the Housing Department by \$2,804,142.

SUMMARY AND OUTCOME

The Housing Department recommends authorization to negotiate and execute a grant agreement in an amount not to exceed \$2,804,142 in funding from the Homeless Housing, Assistance, and Prevention Fund with WeHOPE, a nonprofit service provider, to operate the Supportive Parking for Recreational Vehicles Program at 1300 Berryessa Road, retroactive from January 1, 2025 to December 31, 2025. This action would allow the City to expand on initiatives to address unsheltered homelessness and reduce the number of recreational vehicles (RVs) parked on City streets while connecting program participants to critical services.

BACKGROUND

Supportive parking programs provide designated and secure locations for vehicle dwellers to park their vehicles and address the immediate needs of program participants by providing 24 hours a day access to basic needs services (e.g., restrooms, black and grey water disposal services, trash receptacles, showers, and laundry) in addition to on-site support services. On May 25, 2024, City Council approved the Manager's Budget Addendum #16¹ which included the Oversized Vehicle Regulation Pilot Program to address oversized and lived-in vehicles. Currently, there are over 900 oversized lived-in vehicles within city limits, according to the most recent data² provided by the City's Department of Transportation. On July 24, 2024, the Housing Department released a request for proposals to procure a site operator for the Supportive Parking for RVs Program at 1300 Berryessa Road. The submission period for proposals ended on October 4, 2024. Two organizations responded to the City's request for proposals, and after scoring and ranking proposals, WeHOPE was selected as the awardee for the Supportive Parking for RVs Program site at 1300 Berryessa Road.

ANALYSIS

The Housing Department recommends a grant agreement to operate a 24/7 Supportive Parking for RVs Program site at 1300 Berryessa Road. The site is scheduled to open in January 2025 and will provide 86 RV spaces. The selected site operator, WeHOPE, will be responsible for managing the site and providing on-site supportive services, including case management, waste services, site security, meal provisions, and vehicle repair support. In addition, WeHOPE will be expected to adhere to the County of Santa Clara Office of Supportive Housing's Continuum of Care System Performance Measures for Outreach Programs³.

The proposed program site at 1300 Berryessa Road will include the aforementioned basic needs and support services while also removing additional barriers to entry for program participants. Supportive parking programs generally require that program participants have a vehicle registration, proof of ownership, insurance, and an operable vehicle. These program requirements ultimately limit access to essential resources for those who need them the most and disproportionately affect those without the financial means to maintain up-to-date documentation and vehicle operability. In alignment with

¹ Manager's Budget Addendum #16, Date: May 25, 2024, Title: Oversized Vehicle Regulation Pilot Program Web link:

<https://www.sanjoseca.gov/home/showpublisheddocument/112302/638522459606300000>

² City of San José, Department of Transportation oversized and lived-in vehicle enforcement web page | Web link: <https://www.sanjoseca.gov/your-government/departments-offices/transportation/parking/vehicle-abatement/oversized-and-lived-in-vehicle-enforcement>

³ County of Santa Clara Office of Supportive Housing's Continuum of Care System Performance Measures for Outreach Programs, Web link: <https://osh.santaclaracounty.gov/reports-library/system-performance-how-are-we-doing>

City Council direction⁴, WeHOPE will lift these program requirements in order to increase program participant access and ensure full utilization of the program site. Removing these requirements will result in greater alignment with Housing First guidelines, enabling some of the most vulnerable individuals to access supportive parking programs through a low-barrier program model.

Admission to the Supportive Parking for RVs Program will be on a referral basis, a best practice and strategy used across City homelessness response programs that prevents queues from forming outside of the program and an inflow of new RVs into the neighborhood. The Housing Department's alignment with the Department of Transportation's efforts, along with a proactive outreach strategy, will preemptively identify those already residing within a 1.5-mile radius of the program site and create a pool of interested program participants that will be prioritized for referrals into the program. For the first 30 days after opening, referrals will continue to be prioritized for individuals residing within a 1.5-mile radius of 1300 Berryessa Road, as directed by the City Council and in consultation with City Council district-elected leaders and the Department of Transportation. Targeted outreach by City-funded teams from HomeFirst Services of Santa Clara County will focus exclusively within this radius, thus ensuring the program benefits the impacted City Council district by locally reducing RV encampments. After the initial 30 days, outreach prioritization will expand to address RV encampments citywide.

EVALUATION AND FOLLOW-UP

The staff recommendation in this memorandum will authorize the Housing Director or his designee to negotiate and execute a new grant agreement with WeHOPE to operate the Supportive Parking for RVs Program site at 1300 Berryessa Road. The Housing Department's Grant Management team monitors and reviews grant agreement outcomes and performance metrics on a quarterly basis. Therefore, the program recommended in this memorandum will be monitored and reviewed in adherence to the Grant Management team's grant agreement monitoring and review protocols. Additionally, updates on homelessness program outcomes will be provided in the City's Consolidated Homelessness Annual Report scheduled to be heard annually in the fall at a Neighborhood Services and Education Committee meeting.

⁴ Rules Committee, Item: C.1, Date: September 6, 2023, Title: Safe Parking Program Requirements, Web link: <https://sanjose.legistar.com/View.ashx?M=F&ID=12258870&GUID=1FB518E5-F671-4DD4-8977-11AD4A100B15>

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COST SUMMARY/IMPLICATIONS

The Supportive Parking for RVs Program site at 1300 Berryessa Road's estimated annual onsite service costs are approximately \$2,800,000, from January 1, 2025 to December 31, 2025, to be funded by the Homeless Housing, Assistance and Prevention Fund. It is anticipated that approximately 50% of RVs enrolled in the program will have two individuals residing in each RV (an estimated 130 persons served) based on data from program operations at the Supportive Parking for RVs Program site at the Santa Teresa Valley Transportation Authority (VTA) Light Rail Station. The budget in this memorandum was calculated with this assumption in mind. Cost breakdown categories include fixed, variable, and indirect costs.

Table 1 describes the cost breakdown for the operations of the Supportive Parking for RVs Program site at 1300 Berryessa Road.

Table 1: Supportive Parking for RVs Program Site at 1300 Berryessa Road – Operations Services and Costs

	Item	Total Cost (Annual)	Description
Fixed Costs	Equipment and Furniture	\$47,450	Security cameras, internet, phone service, commercial refrigerator, food warming cabinet, and furniture for administrative staff.
	Security Vendor*	\$240,000	Two guards overnight, seven days a week.
	TOTAL	\$287,450	
	Item	Total Cost (Annual)	Description
Variable Costs	Personnel and Fringe Benefits	\$654,922	Approximately seven full-time staff comprised of management staff (operation officer, site director, site manager), site monitors, security guards (employed by WeHOPE), and facilities technicians working two shifts (day and evening shifts).
	Site Maintenance*	\$276,576	Garbage services, pest control, landscaping, repairs, janitorial, and property and asset management.
	Client Assistance	\$667,500	Four case managers and direct client expenses for vehicle repairs, registration assistance, towing, and removing barriers to employment and housing.
	Other Direct Operating Expenses*	\$640,500	Meal provisions (two meals daily for each program participant, estimated 130 program participants), meal delivery, program supplies, and grey and black water waste disposal.
	TOTAL	\$2,239,498	
	Service	Total Cost (Annual)	Description
Indirect Costs	Indirect Costs	\$254,194	Nonprofit administration and overhead costs.
	Insurance**	\$23,000	General liability insurance
	TOTAL	\$277,194	
	SUBTOTAL	\$2,804,142***	

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*The Housing Department is currently examining cost reduction opportunities through universal contracting for security, property and asset management, and meal provisions. The Housing Department will provide more information on potential cost efficiencies in future department updates.

**This amount has been vetted by WeHOPE’s legal counsel.

***Ongoing costs are projected to be \$2,723,892 annually and exclude one-time start-up costs.

Table 2 provides the cost breakdown by RV space and program participants.

Table 2: Cost Breakdown by RV Space and Program Participant

Cost Breakdown	12 Months	Monthly
Cost per RV Space	\$32,606	\$2,717
Cost per Program Participant (130 estimate)	\$21,570	\$1,797

Table 3 compares the costs at the current City-funded Supportive Parking for RVs Program site at the Santa Teresa VTA Light Rail Station to the projected costs at the Supportive Parking for RVs Program at 1300 Berryessa Road. The City currently has a no-cost lease agreement with VTA for the Supportive Parking for RVs Program site at the Santa Teresa VTA Light Rail Station location. The City is leasing the 1300 Berryessa Road site from a private owner and the annual rent for Fiscal Year 2024-2025 is approximately \$1,700,000, increasing 3.5% each year⁵.

Table 3: Comparative Costs Across City Supportive Parking for RVs Program Sites

Site Name	Total RV Parking Spaces	Annual Operations Costs	Cost Per RV Space
Existing Supportive Parking for RVs Program Site at Santa Teresa VTA Light Rail Station	42	\$1,500,000	\$35,714
New Supportive Parking for RVs Program Site at 1300 Berryessa Road	86	\$2,804,142	\$32,606

⁵ Item #: 8.4, File #: 23-842, Date: June 6, 2023, Title: City Initiatives Roadmap – Recreational Vehicles Communities Supportive Parking and Emergency Interim Housing, Web Link: <https://sanjose.legistar.com/View.ashx?M=F&ID=12027346&GUID=EB20DE44-947B-42E9-8C5C-D644326BA24B>

1. TOTAL COST OF CONTRACT/AGREEMENT
 Contract/Agreement Amount \$2,804,142

TOTAL CONTRACT/AGREEMENT AMOUNT \$2,804,142

2. SOURCE OF FUNDING: Homeless Housing, Assistance and Prevention Fund

3. FISCAL IMPACT: The actions recommended in this memorandum reallocates resources from the Homelessness Prevention System appropriation to the Emergency Shelters appropriation within the Homeless Housing, Assistance and Prevention Fund. As existing funding within the General Fund and the Real Property Transfer Tax Fund is sufficient to fund programmed homelessness prevention expenditures in 2024-2025, resources within the Homeless Housing, Assistance, and Prevention Fund can be redeployed for the WeHOPE contract. The annual ongoing costs for this site will continue to be included in the City’s Interim Housing model, which will be incorporated into the General Fund Five-Year Forecast scheduled to be released at the end of February 2025. The City’s commitment to the prevention system remains is fully funded from separate sources.

BUDGET REFERENCE

The table below identifies the fund and appropriation names to fund the grant agreement recommended as part of this memorandum.

Fund No.	Appn No.	Appropriation Name	Total Appropriation	Rec. Budget Action	Amount for Contract	2024-2025 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
454	205W	Homelessness Prevention System	\$2,931,096	(\$2,804,142)	\$0	973	6/18/2024 Ord. No. 31102
454	209X	Emergency Shelters	\$17,043,733	\$2,804,142	\$2,804,142	973	10/22/2024 Ord. No. 31130

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COORDINATION

This memorandum has been coordinated with the City Attorney's Office and Public Works Department.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the January 14, 2025 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

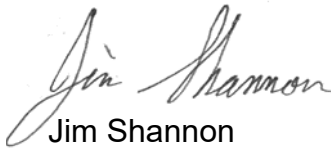
Addendum to the Incidental Safe Parking Use Municipal Code Amendments Negative Declaration (Resolution No. 78990) File No. ER22-220.

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



Jim Shannon
Budget Director

The principal author of this memorandum is Stephanie Jimenez, Development Officer, Housing Department. For questions, please contact Cupid Alexander, Deputy Director, Housing Department, at cupid.alexander@sanjoseca.gov.