



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Jacky Morales-Ferrand  
Jim Shannon

**SUBJECT:** SEE BELOW

**DATE:** March 1, 2023

Approved

Date

3/2/23

**COUNCIL DISTRICT: 2**

**SUBJECT: ACTIONS RELATED TO TEMPORARY SHELTERING OPERATIONS  
AND SERVICES FOR 2023 WINTER STORM RESPONSE AND  
APPROPRIATION AMENDMENTS**

## **RECOMMENDATION**

- (a) Adopt a resolution authorizing the City Manager or designee to negotiate and execute an agreement with HomeFirst Services of Santa Clara County in an amount not to exceed \$1,900,000 to operate emergency Evacuee Transition Facilities (ETFs), providing additional temporary sheltering and support services necessary for winter emergency response, retroactive to January 1, 2023 until June 30, 2023.
- (b) Adopt the following 2022-2023 Appropriation Ordinance amendments in the General Fund:
  - (1) Decrease the Measure E – 15% Homeless Support Programs Reserve by \$1,400,000; and
  - (2) Increase the Measure E – Storm Evacuee Transition Facilities (15% HSP) appropriation by \$1,400,000.

## **SUMMARY AND OUTCOME**

Approval of the agreement with HomeFirst Services of Santa Clara County (HomeFirst) will provide funding for the agency to operate ETFs serving as temporary shelter for vulnerable persons impacted by winter storms and the emergency evacuation orders for those living unsheltered along waterways.

## **BACKGROUND**

On January 3, 2023, the City issued a Proclamation of Local Emergency finding that the atmospheric rivers gave rise to conditions of extreme peril to the safety and health of persons within the City.<sup>1</sup> On January 4, 2023, the Governor of California proclaimed a State of Emergency throughout California to support the ongoing response to winter storms.<sup>2</sup> On January 8, 2023, the President of the United States declared that an emergency exists in the State of California and ordered federal assistance to supplement state, tribal, and local response efforts due to the emergency conditions resulting from successive and severe winter storms. In the month of December 2022, San José received 50% more rainfall than normal. Further, the atmospheric rivers that reached the City in January produced significant rainfall and the existing conditions of saturated soils and significant runoff contributed to increased water in waterways throughout the City, including but not limited to the Ross, Los Gatos, Fisher, Coyote, and Penitencia Creeks and the Guadalupe River. The primary impact from the storms was to vulnerable residents experiencing homelessness who were living and sheltering along the rivers and creeks. The City's local emergency included evacuation orders within the boundary of creeks and rivers to protect their lives. Importantly, the Local Emergency remains in place and unsheltered individuals are to remain out of the rivers and creeks until further notice.

## **ANALYSIS**

In response to the winter storms, the Emergency Operations Center (EOC) quickly established a primary priority of protecting the lives of the most vulnerable, especially the unhoused residents living in and near the waterways. With an evacuation order in place, increasing shelter options was necessary. In partnership with American Red Cross, two 24-hour evacuation centers were established at Seven Trees and Camden Community Centers creating a total capacity of 200 shelter beds. The evacuation centers offered safety, meals, showers, and access to mental health services for individuals impacted by evacuation orders.

While the evacuation centers offered immediate shelter and safety, the EOC teams quickly began to plan for the transition from emergency to recovery and assisting individuals to places of safety rather than return to the creeks. The ETFs were developed as an immediate option to support individuals while they work with social service staff towards housing stability. The ETFs were established within the perimeter fencing at three existing Emergency Interim Housing and Bridge Housing communities:

- Rue Ferrari Emergency Interim Housing (up to 60 people)
- Mabury Bridge Housing (up to 22 people)
- Monterey Bernal Emergency Interim Housing (up to 11 people)

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<sup>1</sup> Proclamation of Local Emergency: <https://sanjose.legistar.com/View.ashx?M=F&ID=11560656&GUID=639FC7E6-4094-4FD2-BC45-FE2FB3634CDB>

<sup>2</sup> State Proclamation of Emergency: <https://www.gov.ca.gov/wp-content/uploads/2023/01/1.4.23-SOE.pdf?emrc=e53f34>

HomeFirst is the current operator at each of the sites and therefore the natural partner to operate the ETFs being placed within them. HomeFirst is the largest provider of homeless services in San José. It has served as the operator of these interim housing programs since opening, providing onsite management and supportive services. The proposed contract will provide HomeFirst the ability to increase staff and supportive services to meet the needs of the new ETF residents who are impacted by the storms.

The ETFs offer evacuated individuals an opportunity to move into a safe and stable environment where their basic needs are met, and they receive support services. To participate in the program, ETF residents must agree to follow the existing interim housing site's basic community guidelines to maintain the comfort, safety, and well-being of everyone onsite. The ETFs are equipped with portable bathroom facilities and handwashing stations and shower and laundry facilities. Communal amenities include indoor warming space, outdoor tables, chairs, non-slip walkways, and nighttime lighting. HomeFirst is providing daily breakfast, lunch, dinner, snacks, water and hot drinks. BeautifySJ has also increased regular service along Bernal Road and Rue Ferrari to respond to quality of life concerns in the immediate neighborhood including, but not limited to, illegal dumping, graffiti, and encampment management services.

Each individual or couple residing at the ETF is provided shelter in a waterproof, fire resistant tent fastened to a wooden platform for stability and protection against rain and cold. Each tent is equipped with a fire extinguisher and an outdoor storage bin with a lock to safely stow personal belongings. On arrival, care kits were offered to each person, which included sleeping bags, sleeping mats, tarps, blankets, winter hats, gloves, scarves, socks, towels, lights, and hand warmers. Care kit items are available to ETF residents on an ongoing basis. On February 7, 2023, \$500 gift cards were given to individuals in the ETF program and those who had successfully transitioned to more permanent housing. The funds will help ETF residents replace any items lost during the storm.

Individuals staying at ETFs have priority for housing resources including placement in the City's interim housing as units become available. The proposed contract allows HomeFirst to provide robust onsite support services, including clinicians for behavioral health support and case management. Case management provides ETF residents with direct support to increase self-sufficiency, including help accessing housing, health care, benefits, and financial and employment assistance. The HomeFirst contract also includes the cost of additional onsite security, 24 hours a day, seven days a week.

HomeFirst also assisted the City with the demobilization of the emergency evacuation centers. The cost of these efforts is also included in the proposed contract. In January, HomeFirst worked with evacuees at the Seven Trees and Camden evacuation centers, conducting program intakes for those interested in moving to the ETFs. They also worked with the Housing Department to plan evacuee placements at the ETFs and transported evacuees from the evacuation centers to the ETFs. The total cost for the HomeFirst contract is expected not to exceed \$1.9 million.

Excluding the HomeFirst costs previously described, \$1.5 million is the estimated cost to establish, maintain, and demobilize the ETFs over time through summer 2023. An estimated \$850,000 is for the initial site construction and set up and installation of essential services, including portable restrooms, showers and laundry facilities, handwashing stations, solar lighting fixtures, non-slip walkways, fire extinguishers, and the purchase of care kit items. The remaining \$650,000 is estimated to cover the operating costs to support ongoing site equipment, including daily servicing of the portable restrooms, showers and laundry facilities, handwashing stations, light rentals, and solid waste pickup through June 2023. The total estimated project cost for ETFs are summarized below:

| <b>ETF Cost Element</b>                          | <b>Amount</b>      |
|--|--------------------|
| Onsite support services<br>(HomeFirst Agreement) | \$1,900,000        |
| Site construction and setup                      | \$850,000          |
| Operating costs                                  | \$650,000          |
| <b>Total</b>                                     | <b>\$3,400,000</b> |

The ETFs opened on January 23, 2023. About 70 of the 93 tents at the ETFs were occupied or on hold at the start, and completely fulfilled the need for safe, temporary space for evacuees. Seventy-six individuals moved to the three sites from the evacuation centers, occupying approximately 65 tents. Five tents were put on hold for individuals who needed to transfer from the evacuation centers to a hospital or COVID isolation hotel before moving to an ETF. The ETF construction was designed in phases because the overall need was uncertain. In phase one, 93 tents were built across the three ETFs although the combined potential capacity was 133 tents. Additional phases were not necessary. Less tents were needed because the Housing Department and HomeFirst successfully transitioned approximately 50 evacuees, including four families, from the evacuation centers into options other than the ETFs.

The Mabury and Bernal ETFs were demobilized as of February 17, 2023. Tents and supplies that were in reusable condition were cleaned, sanitized, and bagged for reuse. All remaining participants are now at the Rue Ferrari location (58 people as of February 13, 2023). Consolidating sites allows for efficiencies of operation. Staff expect to transition the remaining ETF residents and demobilize Rue Ferrari by June 30, 2023.

### **EVALUATION AND FOLLOW-UP**

Upon closure of the ETF at Rue Ferrari, the Housing Department will provide an information memorandum to the City Council summarizing the housing placements for program participants and the final cost of the program. The report will also include any lessons learned from this new approach.

## **COST SUMMARY/IMPLICATIONS**

### **1. TOTAL COST OF CONTRACT/AGREEMENT:**

| <u>Proposed Uses</u>        | <u>Amount</u> |
|-----------------------------|---------------|
| ETF Onsite Support Services | \$1,900,000   |

### **2. SOURCE OF FUNDING:** General Fund (001) - Measure E – 15% Homeless Support Programs Reserve

As part of the 2022-2023 Mid-Year Budget Review approved by the City Council on February 14, 2023, the Measure E – Storm Evacuee Transition Facilities (15% HSP) appropriation was established in the amount of \$2.0 million, with a corresponding decrease from the Measure E – 15% Homeless Support Programs Reserve. The total estimated cost range in January 2023 was \$3.0 - \$5.0 million; however, only \$2.0 million was previously allocated for the ETF setup costs, sanitation, and security, with the remainder of the costs expected to be allocated alongside City Council approval of the HomeFirst contract for operating and supportive services.

Subsequently, staff has revised the cost range to be \$3.0 million to \$3.4 million. A total of \$500,000 of the \$2.0 million previously allocated can be used to offset the costs of the \$1.9 million agreement with HomeFirst. As a result, this memorandum recommends reallocating an additional \$1.4 million from the Measure E – 15% Homeless Support Programs Reserve to the Measure E – Storm Evacuee Transition Facilities (15% HSP) appropriation, increasing the total appropriated amount from \$2.0 million to \$3.4 million.

### **3. FISCAL IMPACT:** There should be no ongoing maintenance and operations costs expected to impact the General Fund beyond June 30, 2023.

### **BUDGET REFERENCE**

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

| Fund # | Appn. # | Appn. Name  | Total Appn.  | Rec. Budget Action | Amt. for Contract | 2022-2023 Adopted Operating Budget Page | Last Budget Action (Date, Ord. No.) |
|--------|---------|---|--------------|--------------------|-------------------|---|-------------------------------------|
| 001    | 8746    | Measure E - 15% Homeless Support Programs Reserve         | \$31,728,769 | (\$1,400,000)      |                   | 941                                     | 2/14/2023 Ord. No. 30883            |
| 001    | 226D    | Measure E - Storm Evacuee Transition Facilities (15% HSP) | \$2,000,000  | \$1,400,000        | \$1,900,000       | N/A                                     | 2/14/2023 Ord. No. 30883            |

### **COORDINATION**

The memorandum was coordinated with the City Attorney's Office.

### **PUBLIC OUTREACH**

This memorandum will be posted on the City's Council Agenda website for the March 14, 2023 City Council meeting.

### **COMMISSION RECOMMENDATION AND INPUT**

No commission recommendation or input is associated with this action.

### **CEQA**

Statutorily Exempt, File No. ER23-038, CEQA Guidelines Section 15269(c), Emergency Projects.

HONORABLE MAYOR AND CITY COUNCIL

February 17, 2023

**Subject: Temporary Sheltering Operations and Services for 2023 Winter Storm Response**

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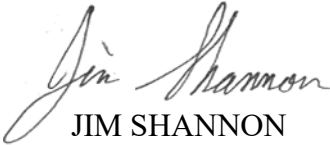
**PUBLIC SUBSIDY REPORTING**

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/

JACKY MORALES-FERRAND

Director, Housing Department

A handwritten signature in black ink, appearing to read "Jim Shannon".

JIM SHANNON

Budget Director

The principal author of this memorandum is Ragan Henninger, Deputy Director, Housing Department. For questions, please contact her at [ragan.henninger@sanjoseca.gov](mailto:ragan.henninger@sanjoseca.gov).