

Memorandum

TO: RULES AND OPEN
GOVERNMENT COMMITTEE

FROM: Councilmember Don Rocha,
District 9

SUBJECT: HOPE VILLAGE ENCAMPMENT

DATE: September 13, 2018

Approved Don Rocha ^{SH} Date 9/13/18

RECOMMENDATION

Direct City staff to pursue the following:

1. Explore the feasibility of assisting Hope Village in their current efforts.
2. Identify a City or otherwise publicly-owned lot similar to the San Jose EDD overflow lot for potential use. It is further recommended that this lot be a parking lot in a non-residential area which is underused in its intended purpose.
3. Provide potential obstacles to proceeding with the establishment of a lawful sanctioned encampment. These obstacles may include but are not limited to funding availability, land availability, environmental impact, and general process.
4. Deliniate the necessary requirements to operate a lawful sanctioned encampment.
5. Provide the City Council with a report on the findings of the above to be discussed on the October 23rd Council Meeting.

BACKGROUND

Recent events in San Jose suggest we ought to reconsider the idea of lawful sanctioned encampments and their possible implementation in concert with other ongoing efforts to address homelessness in San Jose and Santa Clara County.

On December 1st 2015, Councilmembers Chappie Jones, Magdalena Carrasco, Tam Nguyen and myself signed on to a memo with the subject 'Regional Responses and Local Coordination to Address Homelessness' (attached) whereby we asked staff to 'explore a pilot sanctioned encampment in San Jose or on county property'. At the following City Council meeting, staff promptly provided a corresponding report where they recommended City Council 'prioritize implementation of other temporary shelter options that would provide the homeless population with more immediate respite from inclement weather conditions'. In the end, City Council prioritized other methods such as amending a church shelter ordinance and declaring a shelter crisis for purposes of making public facilities available as shelter during inclement weather conditions.

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I acknowledge the idea of sanctioned encampments is one we have discussed multiple times since 2015. I also understand that after the multiple conversations City Council has had, the conclusion has been that sanctioned encampments were not quite the right solution for us at that moment. On a supplemental memo dated December 7 of 2015 with the subject 'Pilot Sanctioned Encampment Considerations' (attached), staff identified certain 'negatives' associated with this strategy which among them included: 1) The deferment of funds that could instead be use to develop supportive affordable housing 2) A study conclusion purporting that long-term outcomes from sanctioned encampment programs across the nation have rarely resulted in the placement of homeless individuals into permanent housing, ultimately serving to manage or prolong participants' homelessness and 3) The idea that 'the formation of encampments does not represent an end to homelessness,' but instead serves 'to distract communities from focusing on connecting people experiencing homelessness to safe, stable, permanent housing.

On Saturday, September 8th, a nonprofit organization by the name of 'Hope Village' took the bold step of setting up an organized and supervised encampment on the surface of an overflow parking lot on land corresponding to the State of California's Employment Development Department. Per the organizers of this encampment, this parking lot had gone unused for several years and made for a great location given its distance from residential areas and the resistance such residential areas would pose to this initiative. Nonetheless, Hope Village was recently served with a notice to vacate within 72 hours by the California Highway Patrol.

Elected officials at different levels of government, members of the media, individuals living in the encampment, and San Joseans in general seem to agree this was a well-organized and bold effort to provide a much needed alternative for unsheltered homeless individuals living along not only our highways and streets, but in our parks and creeks. This privately-funded effort is providing 7 individuals access to tents, common areas and hygienic facilities which can be crucial in allowing homeless residents to recapture a semblance of normalcy which can help get them back on their feet.

ANALYSIS

Also on December of 2015, City Council voted to declare an emergency shelter crisis in the City of San José which has been ongoing. Since that time, our efforts have been focused on finding long term solutions associated with increasing affordable housing stock to the tune of 10,000 units by 2022. To address this crisis in the short term, the City of San Jose has initiated several efforts to provide shelter mostly when weather conditions are extreme and life threatening to unsheltered residents. For example, the City has collaborated with organizations such as the Winter Faith Collaborative to run shelters in local churches throughout the winter months.

But the life threatening nature of homelessness extends beyond the winter months and weather conditions. Our homeless residents in San Jose face dangers unfamiliar to us even on a temperate

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September night. Homeless individuals but especially unsheltered women, children, elderly and/or mentally ill persons are susceptible to violence, rape, theft, drug dependence, vermin infestation, illness, and a variety of other life threatening challenges. A sanctioned encampment with proper supervision and facilities addresses these challenges making a terrible condition much more tolerable though never ideal.

It is important to realize what we have done between 2015 and today has not resulted in a decreased population of unsheltered homeless residents. Instead, between 2015 and 2017, the number of unsheltered homeless residents living in San Jose grew seven percentage points from 4,063 to 4,350 per the 2017 Santa Clara County Homeless Census & Survey. This crisis is getting worse, not better, and this fact demands we take bold action to find solutions.

The Hope Village at the EDD parking lot presents an opportunity for us to draw upon one more tool to address the unfortunate reality that is our current homelessness crisis. We owe the organizers and participants of this brave experiment more than sympathetic thoughts. Our constituents believe this is the moment for us to leverage the eagerness and investment made by Hope Village helping them establish a pilot sanctioned encampment three years in the making.

In conclusion, I am asking that my colleagues on the Rules and Open Government Committee direct staff to provide information on what our possibilities are to help in this situation. Specifically, it would be helpful to receive information from staff as it regards potential parking lots which may be City or County-owned and are surrounded by industrial areas. Staff should also provide potential barriers to this action as well as opportunities and next steps. In finishing we must endeavor to find and provide any possible additional information that can help Hope Village ensure this encampment is fully compliant with existing law.

Councilmember Don Rocha
District 9



Memorandum

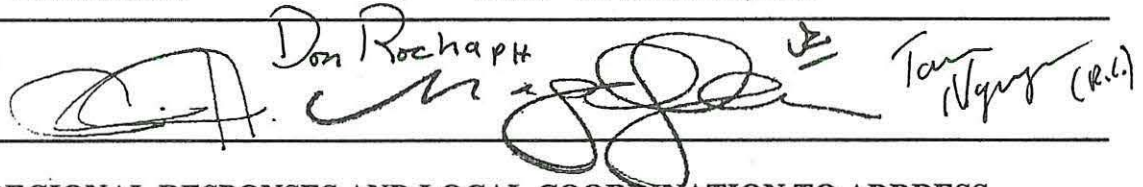
**To: HONORABLE MAYOR AND
CITY COUNCIL**

From: Councilmember Chappie Jones
Councilmember Magdalena Carrasco
Councilmember Tam Nguyen
Councilmember Don Rocha

Subject: SEE BELOW

Date: November 25, 2015

Approved:



**SUBJECT: REGIONAL RESPONSES AND LOCAL COORDINATION TO ADDRESS
HOMELESSNESS**

RECOMMENDATION

1. Accept the Housing Department's November 9, 2015 memorandum on regional responses and local coordination to address homelessness.
2. Direct the City Manager to explore a pilot sanctioned encampment in San Jose or on county property beginning in January, and report back to the City Council at its December 8th or December 15th meeting. Findings should include looking at the feasibility, site selection, cost, and options for implementing the pilot.

BACKGROUND

I appreciate the hard work of our Housing Department, and am very interested in seeing the outcome of the work of the County's Housing Task Force. I am glad that it is pursuing a sanctioned encampment option, but as we approach the winter and wet season in the city, it is important for our homeless population to have immediate options.

I am supportive of the September 15th letter from Councilman Rocha to the Santa Clara County Board of Supervisors requesting the county move forward quickly in approving and implementing a homeless encampment.

I understand that there are many potential hurdles and pitfalls to this approach, but given the needs of our homeless community, we must pursue these options quickly. Perhaps the most significant hurdle is finding a site where a sanctioned encampment could be successfully implemented. I look forward to hearing from staff about potential sites when they report back to Council. I believe our goal should be the establishment of a pilot program for a sanctioned encampment in San Jose by January.



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jacky Morales-Ferrand

SUBJECT: SEE BELOW

DATE: December 7, 2015

Approved

D. D. Syl

Date

12/7/15

SUPPLEMENTAL

SUBJECT: PILOT SANCTIONED ENCAMPMENT CONSIDERATIONS

REASON FOR SUPPLEMENTAL

On December 1, 2015, the City Council approved a memorandum from Councilmembers Jones, Rocha, T. Nguyen, and Carrasco directing staff to explore a pilot sanctioned encampment in San José beginning in January, and report back to the City Council at its December 8 or December 15 meeting. In response to this request, a memorandum was posted for the December 8 City Council agenda. This document provides the content specified in that memorandum.

RECOMMENDATION

Accept the report on Pilot Sanctioned Encampment Considerations and direct staff to prioritize implementation of other temporary shelter options that would provide the homeless population with more immediate respite from inclement weather conditions.

OUTCOME

The City Council's acceptance of this report provides the City Council with information on the feasibility, site selection, cost and timeline for implementing a sanctioned encampment. If the City Council approves this action, then the City staff will pursue development of a site-specific plan to implement a pilot sanctioned encampment for homeless individuals.

BACKGROUND

Over the past year, the Housing Department has been exploring a range of housing options to respond to the immediate need for housing the City's unsheltered homeless population. To date, six separate projects are in process which will result in at least 385 interim opportunities to house individuals living on the streets. These current options include:

- Purchasing a hotel;
- Developing a safe parking program;
- Implementing a hotel/motel lease program;
- Amending a church shelter ordinance;
- Developing a transitional housing community; and
- Declaring a shelter crisis to use public facilities for the purpose of inclement weather response.

On December 1, 2015, the City Council approved a memorandum from Councilmembers Jones, Rocha, T. Nguyen, and Carrasco directing staff to explore a pilot sanctioned encampment in San José beginning in January, and report back to the City Council at its December 8 or December 15 meeting. The action required staff to consider feasibility, site selection, cost, and options for implementing the pilot.

ANALYSIS

The United States Interagency Council on Homelessness states in its August 2015 paper – *Ending Homelessness for People Living in Encampments* – that “the formation of encampments does not represent an end to homelessness, and strategies that focus on making encampments an official part of the system for responding to homelessness can serve to distract communities from focusing on what is most important—connecting people experiencing homelessness to safe, stable, permanent housing.” The paper goes on to further point out that “authorizing encampments as an official part of the system for responding to homelessness creates costs to ensure the safety, security, and well-being of the people living within the encampments, which can prevent funding from being directed to supporting and creating permanent housing and service options for all who are unsheltered.”

Long-term outcomes from sanctioned encampment programs across the nation have rarely resulted in the placement of homeless individuals into permanent housing, ultimately serving to manage or prolong participants' homelessness, as opposed to ending it. As such, the best practice, evidence-based “housing-first” models of permanent supportive housing and rapid re-housing – moving people immediately off the streets and into homes – remains the City's primary approach to ending homelessness. Although staff acknowledges the need for short-term interventions while more permanent opportunities are being developed, the sanctioned encampment model represents one of the least effective options to meet the immediate needs of people living on the streets.

In addition to the lack of evidence documenting the effectiveness of the sanctioned encampment model, the time and resources required to design and implement such a program is considerable. As discussed below, staff must address a number of issues, including siting, regulatory barriers, funding, and programming before a sanctioned encampment could begin operations. With the focus on addressing the potential threats to our homeless population as a result of severe weather this winter, the organizational requirements to launch such a new pilot program is inconsistent with the City's goals to address homelessness.

As mentioned, the Housing Department is currently pursuing a number of strategies to provide interim housing options for unsheltered people in San José. The Department believes that these projects provide more viable short and long-term solutions than sanctioned encampments. If, however, Council directs staff to continue forward with a pilot sanctioned encampment program as a priority, the following considerations are integral to the success of the program.

Project Design, Cost, and Scale

Temporary sanctioned encampments are the most basic emergency shelter option, offering tents on public or private land that have been sanctioned for temporary residential use. One key means in which they differ from more permanent models such as transitional communities is that they have significantly lower development costs. This is because no improvements need to be made to the land and no housing structures or common buildings need to be constructed. The only development cost is the price of land. Units in temporary encampments refer to tents, which could house one or two people. A preliminary cost estimate for creation and operation of a temporary sanctioned encampment is provided below.

Estimated Sanctioned Encampment – Cost per 100 units			
Land Cost	Construction Cost	Operating Cost (annual)	Services Cost (annual)
\$4,356,000	\$0	\$278,500	\$550,000

In this scenario, the estimated square footage used was one acre for 100 units at an average cost of \$100 per square foot¹; however, more land may be needed depending on the amount of onsite parking required. This land cost is used only to provide a point of reference in terms of potential acquisition costs. All City-owned sites considered later in this document would have no land cost for the City.

The annual operating cost includes four portable toilets, six showers, and the cost of waste management. Tents, tarps or pallets under the tents, sleeping bags and blankets are also included in operating costs with the assumption that they will be replaced every six months. Operating costs also include security and minimal staffing to monitor the camp.

The annual services cost includes four case managers, services coordination, housing location, and overhead administrative expenses. The ratio of case managers to clients (1:20) is consistent

¹ Assumes residential zoning as rationale for cost per square foot estimate

with best-practice services standards. This level of services is necessary to help ensure that clients are connected with housing support, public benefits, and all other necessary connections to help clients transition from the site to permanent housing.

It should be noted that program structure and costs are also influenced by the intended outcomes, design elements, and/or targeted sub-populations of a project. For example, a pilot program for 100 seriously mentally ill individuals would cost more than an encampment for families who had become homeless in the last 30 days. Similarly, wooden A-frame units, as opposed to canvas tents, could be utilized but would add construction costs. Thus, the actual cost to develop and operate a specific individual project may vary significantly from the estimates.

Staff would need direction as to the size of encampment or encampments it should pursue and the number of homeless individuals that should be accommodated. In order to provide sanctioned encampments for San José's entire unsheltered homeless population of 2,800 individuals, the City would need to find 28 acres to use or acquire. Annual operation/services costs would be close to \$8.8 million per year.

Site Selection

Staff could conduct an assessment of available city-owned land that could be used for the purpose of a sanctioned encampment. This would effectively eliminate the land expenses for the program. In order to address City Council's desire to better understand constraints on locating an encampment on City property, staff has provided a list of potential sites that could be pursued.

Criteria for potential site selection included:

- proximity to supportive services and/or transit;
- availability of onsite public amenities such as restrooms, electricity, and potable water;
- accessibility for service providers and other supporting agencies; and
- location capacity and safety.

Each of the potential sites identified have challenges that would need to be addressed. An overarching constraint is that encampments are not allowed nor defined in the City's land use regulations. Additional issues to consider and that require further staff analysis include:

- Should sanctioned encampments be allowed in all zoning districts including residential, parks and industrial areas?
- Should sites be at least a certain distance from residential areas or schools?
- Should there be restrictions regarding locating an encampment near environmentally critical areas such as creeks, wetlands or other environmental factors?
- What is the maximum number of people who should be served at one site?
- Should sites be considered that have other development plans in the near-term?
- How long should the encampment be allowed to operate?
- Will the City provide any relocation benefit if the encampment needs to be closed?

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Subject: Pilot Sanctioned Encampment Considerations

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A list of sites that could be used for the sanctioned encampment pilot is provided below. All of the sites are a minimum of two acre in size. Additional properties could be considered if we searched for sites under one acre. It should be noted that each of the sites would have to be researched further to determine feasibility once the selection criteria has been established.

- Four parcels on Hellyer Avenue, Between Piercy and Tenant Ave, Vacant Surplus Land - Council District 2
- Monterey Hwy and Bernal Road near freeway off ramp, Vacant Surplus Land – Council District 2
- 72 Acres off Monterey, located in the Coyote Greenbelt between Monterey Hwy and Hwy 101 north of Burnett Avenue on the Morgan Hill boundary, PRNS site, Council District 2
- Story Road and Remillard Court, environmental issues, Council District 3
- Spring and Hedding, Vacant Land, Airport Approach Zone, Council District 3
- Agnes Site, Zanker Road and North First Street, bounded by Highway 237 and Highway 880, PRNS site and future school site, Council District 4
- Alviso Property, north side of Los Esteros & East of Grand Blvd, Vacant Surplus Land, Council District 4
- Hillview Library, vacant city-owned facility, Council District 5
- Evans Lane, 2090 Evans Lane, Vacant Land, Affordable Housing site, Council District 6
- Senter Rd at Needles Drive south of Phelan on Coyote Creek, PRNS site, Council District 7
- 1.42 acres on the corner of Almaden Expressway and Coleman Road, Affordable Housing site, Council District 10

It should be noted that sites acquired with housing or park funds have restrictions on the uses that are allowed on the site.

Regulatory Issues

Location of a sanctioned encampment would be governed, like all other land uses in the City, by the Envision San José 2040 General Plan, the Municipal Code, and the requirements of the California Environmental Quality Act (CEQA). Depending on the final site selection, these regulatory issues would need to be addressed before program implementation could commence.

Program Operator

Beyond site location and regulatory issues, selecting an operator will be vital to the success of any sanctioned encampment program because the long-term viability depends on the operator's ability to develop and implement a comprehensive program. The operator must be able to respond to all unexpected challenges, have excellent communication skills, and be adept at working with the surrounding neighbors to identify and address community concerns. No local nonprofit has experience managing a sanctioned encampment with demonstrated outcomes.

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If the City decides to fund the annual operating costs for an encampment, City procurement policies require a competitive process. Staff will need to write, release, score, and award a contract to one or more operators to implement and operate the proposed program. Over the past year, the Housing Department has released two Requests for Proposals (RFP) for the implementation of new homeless housing programs. No proposals were received in response to either RFP. It should be noted that a non-responsive solicitation would require additional staff outreach to find an organization willing and able to effectively operate the program. The Housing Department estimates the time needed to draft, release, score, and select a partner will take approximately four months to complete.

Additional issues to consider:

- Should encampment operators be limited to operators who have experience managing and operating shelters or low-income housing?
- What elements should be included in the management plan such as site management and maintenance, security plan and community amenities?
- Who determines the process for referrals?
- What health, safety and inspection requirements must be met?
- What parking requirements should be established?
- What level of community engagement and outreach should be required?
- What level of insurance should the operator be required to obtain?
- Should case management be required?

Available Funding for Capital and Operating Costs

The majority of dedicated housing funds cannot be used for sanctioned encampments. The Housing Trust Fund is the only special fund that could be used for this purpose. This source, however, is currently committed to support several other new homelessness response efforts and does not have the capacity to take on another annual obligation. As such, additional funding would need to be identified to support the ongoing administration, operations, and services for this program. At this time, the General Fund is the only other potential funding source. The Homeless Response Team and the Rapid Rehousing Program are budgeted in the General Fund with combined annual funding of \$3.5 million. These funds, however, have been allocated for other homeless services and programs.

Staffing

In order to complete the design and implementation of this project, the Department would need a full-time Senior Development Officer at a cost of approximately \$60,000 for six months. The Housing Department would also have to coordinate with other Departments to implement this project. Staff from Real Estate, PBCE, PRNS, and the City Attorney's Office, would have to be available in order to move this project forward. Therefore, should the City Council choose to move forward with a sanctioned encampment, this initiative should be prioritized through the City Council priority-setting process to determine what additional City resources may be needed and/or what other homeless initiatives should be postponed.

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Timeline

It is estimated that it will take a minimum of eight months to one year to resolve all the issues that have been outlined in this memorandum.

It has taken the City of Seattle approximately eight months to open their first sanctioned encampment from the time that the legislation was approved. On November 19, the first of three sanctioned encampments opened up in Seattle. It should be noted that Seattle already had an encampment program developed before it passed legislation allowing encampments on city-owned land. The Housing Department has not developed any program details needed to implement a sanctioned encampment. It should also be noted that there are no successful existing models of sanctioned encampments. Staff will need additional time to create such a model.

Next Steps

- Complete site evaluation based on Council approved criteria
- Complete an environmental clearance under CEQA
- Ensure that the General Plan/Zoning issues are resolved
- Conduct an RFP for a partner to operate the site OR the Council could direct the Department to select a partner without a competitive process
- Create a development and logistics plan for the site including site plan, common facilities plan and parking
- Complete scope of work and finalize contracts for all partners who will be developing the site and/or operating the site
- Developer operating and management plan for the site including resident selection process
- Address all fire and accessibility issues
- Finalize the budget
- Obtain all necessary approvals
- Conduct community outreach

EVALUATION AND FOLLOW-UP

The Housing Department will return to Council pending direction received from the Council. Staff will also report on the County's efforts to implement a sanctioned encampment.

POLICY ALTERNATIVES

To arrive at this proposal, staff considered the following options:

Alternative 1: **Direct staff to prioritize a sanctioned encampment strategy over other interim homeless housing solutions currently being pursued.**

Pros: The more immediate measures are not sufficient in quantity to provide respite from the entire unsheltered population.

Cons: Staff could devote its resources on utilizing existing City facilities and Churches as a more immediate means to provide the homeless with respite from impending, inclement weather concerns.

Reason for not recommending: The time required to implement a pilot sanctioned encampment would not address the immediate needs of the homeless population and would divert staffing and/or resources from the implementation of more practical, near-term solutions that could provide some relief this winter.

Alternative 2: **Forego pursuit of sanctioned encampments but modify the City's encampment abatement practice by limiting and/or scheduling periodic encampment abatements/sweeps in areas that have minimal neighborhood, health, safety, or environmental impacts.**

Pros: This option would provide the homeless population with information on when they would need to vacate encampments and conversely, how long they can remain at a site before the City abates an encampment.

Cons: This practice could generate dissatisfaction from neighborhood, business or environmental advocates as encampments that are known to not be scheduled for abatement could increase in size.

Reason for not recommending: The City could face financial repercussions if environmental advocates or other regulatory agencies interpret a lack of enforcement as tacit approval of encampments.

PUBLIC OUTREACH

This Memorandum will be posted on the City's Council Agenda website for the December 8, 2015 Council meeting.

COORDINATION

Preparation of this report was coordinated with the Office of the City Attorney.

COST SUMMARY/IMPLICATIONS

As discussed above, there are significant one-time and ongoing costs associated with the development of a sanctioned encampment. For 100 units, the one-time land costs are estimated at \$4.4 million and the operating costs are estimated at \$828,000. Currently, there are no funds identified to cover this additional cost.

Should the City Council direct the Administration to pursue siting and implementation of a sanctioned encampment, the Housing Department would seek the services of a Senior Development Officer for six months at an approximate cost of \$60,000.

CEQA

Not a Project, File No. PP10-069 (a), Staff Report.

/s/
JACKY MORALES-FERRAND
Director of Housing

For information contact Ray Bramson, Homelessness Response Manager, at (408) 535-8234.