



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Jacky Morales-Ferrand

SUBJECT: SEE BELOW

DATE: March 25, 2019

Approved

D. D. S. L.

Date

3/25/19

**SUBJECT: FUNDING AWARD FOR LIFEMOVES TO EXPAND THE SAFE
PARKING PILOT PROGRAM BY TWO CITY-OWNED SITES**

SUPPLEMENTAL

REASON FOR SUPPLEMENTAL

This supplemental memorandum provides an update on the budget for the Safe Parking Pilot Program. It was recently identified that LifeMoves would need an additional \$200,000 from the City of San José to operate the two new sites for two years. Therefore, staff will return for the second years' contract at a future date with a progress report and a request for additional funding from the Housing Trust Fund.

ANALYSIS

The assumed cost of \$100,000 to operate each site annually was insufficient to provide all the needed services and did not include LifeMoves administrative costs. The motion by the City Council did not direct staff to eliminate case management, however there were discussions during the meeting that included potential cost cuts to this area. While not a requirement, case management services with the goal of permanent housing placement has been identified as a priority for both sites by LifeMoves. The original budget prepared by staff underestimated the need and cost for case management services. The budget also did not include funds for flexible spending for car registration and repairs, administrative overhead, as well as other non-personnel operating costs. The flexible spending fund has proven to be an essential element in the Family Program. A total increase of \$200,000 would include the appropriate costs for case management, flexible spending, and administrative costs needed for LifeMoves to operate both sites annually. The annual cost of operating each site is \$200,000 per year for a total of \$400,000 each year. However, LifeMoves has agreed to leverage an additional \$100,000 from an outside funding source to ensure that each site has adequate funding to ensure client's needs are met. The Safe Pilot Program Expansion is still consistent with the City Council's directive to spend less than what was spent on the initial Pilot Program for Families.

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The contract with LifeMoves is proposed to be a multi-year contract with options to extend based on the budget. The amended Safe Parking Pilot Program contract with LifeMoves to add two expansion sites will authorize funding in its first year of operation. The Housing Department will return next fiscal year with the additional funds needed to operate at all three sites.

In summary, the following table outlines the revised cost estimate to operate the Safe Parking Pilot Program:

Safe Parking Pilot Program	FY 18/19	Funding Source	FY 19/20	Funding Source	FY 20/21	Funding Source
Seven Trees	\$250,000	HTF	\$250,000	HTF	\$250,000	HTF
Roosevelt	N/A	N/A	\$150,000	HEAP	\$150,000	HEAP/HTF
Southside	N/A	N/A	\$150,000	HEAP	\$150,000	HTF
			\$100,000	LifeMoves	\$100,000	LifeMoves

COORDINATION

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

/s/
JACKY MORALES-FERRAND
Director
Housing Department

For questions, please contact Kelly Hemphill, Homelessness Response Manager, at kelly.hemphill@sanjoseca.gov or (408) 975-4483.