



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jacky Morales-Ferrand
Jill Bourne
Jon Cicirelli

SUBJECT: SEE BELOW

DATE: September 3, 2019

Approved

D. D. SyL

Date

9/13/19

COUNCIL DISTRICT: 3, 6

SUBJECT: REVISE SHELTER CRISIS DECLARATION AND EXECUTE AN AMENDMENT TO AGREEMENT WITH HOMEFIRST SERVICES OF SANTA CLARA COUNTY TO USE HOMELESS EMERGENCY AID PROGRAM FUNDING FOR OVERNIGHT WARMING LOCATIONS DURING THE COLD WEATHER SEASON

RECOMMENDATION

- (a) Adopt a resolution declaring the continued existence of a shelter crisis in the City of San José pursuant to, and in accordance with, the provisions of California Government Code section 8698 *et seq.*, and designating the following two city-owned facilities to be occupied as Overnight Warming Locations by homeless individuals during the cold weather season:
- (1) Bascom Community Center and Library (Center), 1000 S. Bascom Avenue, San José, CA 95128; and
 - (2) Roosevelt Community Center (Center), 901 E. Santa Clara Street, San José, CA 95116.
- (b) Adopt a resolution authorizing the Director of Housing to negotiate and execute a First Amendment to the grant agreement with HomeFirst increasing the maximum total amount of compensation by \$800,000 from \$350,000 to \$1,150,000 to continue to implement the Overnight Warming Locations through June 30, 2020.

OUTCOME

The City Council's approval of this recommendation will provide 60 additional emergency shelter beds for homeless individuals each night during the cold weather season from October 2019 through April 2020.

BACKGROUND

San José's 2019 homeless census and survey found 6,097 persons experiencing homelessness in the City of San José, increasing 40% from the 2017 homeless census. Out of the 6,097 people counted, 5,117 (84%) were unsheltered. The City of San José currently has a total of 849 emergency shelter beds for homeless individuals. The main purpose of an Overnight Warming Location (OWL) is to prevent death or injury related to exposure to the elements, bringing people inside during the cold weather months. Given the increase in our homeless community and lack of available shelter beds, the Housing Department is proposing to operate OWLs at two City locations every night for six months during the cold weather season.

The San José City Council first declared a shelter crisis on December 8, 2015, under California Government Code Section 8698, allowing the City to use publicly-owned buildings for temporary shelter. The City Council has declared a continued shelter crisis each year with the last declaration proclaimed on November 27, 2018.

During the cold weather season, October through April, the City coordinates with the Santa Clara County Office of Supportive Housing to increase the number of emergency shelter beds. The City contracts with HomeFirst to operate OWLs in City buildings. The Office of Supportive Housing funds additional shelter beds and cold weather shelters throughout the County. Previously, the City funded OWLs were only open during periods of inclement weather offering brief emergency shelter overnight when temperatures or a combination of precipitation, including wind and temperature, become severe. Over the last three seasons, 3,794 individuals accessed shelter and services during the more than 80 days of OWL activation.

Increasing the nightly capacity of OWLs during this cold weather season will be funded by a recent one-time grant from the State of California ("State") called the Homeless Emergency Aid Program (HEAP). The grant provides an opportunity to fund crisis response strategies such as additional emergency shelter beds, homeless prevention, and essential services. On November 8, 2018, the Neighborhood Services and Education Committee discussed the HEAP grant and a preliminary expenditure plan. The Committee recommended that the City: 1) prioritize HEAP spending on essential services and temporary shelter opportunities; and 2) prioritize programs that could quickly accommodate the greatest number of participants to meet the urgent need of San José's unsheltered population. On November 27, 2018, the City Council approved the proposed expenditure plan for HEAP which included expanding the capacity of the OWL.

ANALYSIS

Shelter Crisis Revision

The Shelter Crisis Act, California Government Code Section 8698 et seq, allows a city to declare a state of emergency due to a shelter crisis, and such a declaration allows the City to suspend certain regulations and standards of housing, health or safety to the extent strict compliance would prevent, hinder, or delay mitigation of the shelter crisis. It also provides that any city may allow homeless persons to occupy designated public facilities for the duration of the state of the emergency. In order to declare a shelter emergency, a city must find that there is an existence of a situation in which a significant number of persons are without the ability to obtain shelter, resulting in a threat to their health and safety. On any given night, there are 849 shelter beds available Citywide, however, approximately 5,117 homeless people are unsheltered.

Given the lack of available shelter and housing to meet the needs of the existing homeless population, Housing Department staff is recommending that the City Council revise the shelter crisis declaration to operate OWL every night during the cold weather season from October 15, 2019, to April 15, 2020, at the locations listed above. Previously, the City funded OWLs were only open during periods of inclement weather offering brief emergency shelter overnight for a set period of time when temperatures or a combination of precipitation became severe. Activating the OWL only during inclement weather was inconsistent and, more importantly, difficult for homeless persons to know when they were open. It was also challenging for the Public Library (Library) and Parks Recreation and Neighborhood Services (PRNS) staff to plan and prepare when the OWLs were being activated because it was based on daily weather conditions.

OWL Site Selection

OWL locations are selected based on: 1) proximity of known concentrations of homeless populations living outdoors in potentially unsafe and exposed areas; 2) site accessibility and layout; 3) accessible restroom and/or shower facilities; and 4) access to additional nearby supportive services and public transportation. The Housing Department partnered with Library and PRNS staffs to evaluate the City-owned library and community center sites for the program expansion. The analysis concluded with a recommendation to operate at only two sites. This represents a change from previous cold weather seasons when the OWLs were only activated at four City locations during severe weather conditions. Activating two locations nightly will be a significant program change and a higher cost to operate. Staff will monitor the program's impact on the community centers and Library operations.

Based on high utilization and access to nearby services, staff determined that Roosevelt Community Center and Bascom Community Center and Library would be the best sites to provide nightly shelter during the cold weather season. Bascom and Roosevelt Community Centers were used last winter for OWLs during inclement weather and both sites operated at full capacity during each activation. Each Center has the capacity to serve up to 30 individuals per

night. The City's Homeless Outreach and Engagement Teams will also directly refer individuals to OWLs when they visit an encampment prior to an abatement.

OWL Coordination and Program Changes

The logistics of operating OWLs in City-owned buildings requires coordination and communication across multiple departments. The Housing Department collaborates with staff from the Library, PRNS, Planning, Building, and Code Enforcement, Fire, Police, and the City Attorney's Office to prepare buildings and manage the program. Discussions between the Library, PRNS, and Housing Department staff about moving the OWLs to nightly activation during the cold weather season raised several areas for increased coordination and clarifying roles and responsibilities. Based on those discussions and feedback from previous OWL seasons, a number of program changes and clarifications on department roles are being proposed for this winter. The primary modifications include:

- **Maintenance & Janitorial**: The staff identified which entity is responsible for additional costs of building maintenance, such as janitorial services, increased utility bills, and/or wear and tear on the buildings due to increased utilization. Staff determined:
 - Daily janitorial services will be added to the HomeFirst contract and budget to support daily sanitization of shared facilities utilized by OWL participants.
 - Perimeter checks will be conducted each morning by HomeFirst staff to remove any trash and personal belongings left behind.
 - General building maintenance will continue to be the responsibility of PRNS and Library staff.
- **Services**: Homeless residents already actively use both locations during the day. With the increased OWL programming, staff anticipates a need for daytime services for homeless residents, including case management, connection to services, and a professional trained in de-escalating conflict.
 - A HomeFirst case manager trained in de-escalation will be placed at both Centers during daytime hours to provide connections to services.
- **Program Code of Conduct**: City staff who work at the Centers expressed there was a lack of clarity on handling challenging behavior because PRNS, Library, and HomeFirst each had different codes of conduct and program rules. Staff determined it was important to address this issue prior to the start of OWL operations.
 - PRNS, Library, and HomeFirst staff will operate with the same codes of conduct, providing clarity for City staff about expectations and protocol when addressing any violations.

- Security: Staff determined additional security would be needed in anticipation of any increased loitering onsite or violations of code of conduct.
 - Nightly security services will be provided at both locations and will be funded in the HomeFirst contract.
 - PRNS staff added daytime security at each location.
- Storage: Center staff reported that during previous OWL operations, personal belongings were often left behind.
 - Staff from the Housing Department and HomeFirst will work with staff at both sites to address storage needs. Where space allows, HomeFirst will provide a storage container to store belongings for participants. Additionally, HomeFirst will be responsible for checking each Center every morning, both the interior and exterior, to collect any items left behind.

Operating OWLs nightly for six months with minimal or no impact to the regular services and programs conducted at these Centers will require ongoing and regular communication between staff from PRNS, Library, Housing Department, and HomeFirst. The OWL at both sites will generally operate from 9:00 p.m. to 8:00 a.m. when the facilities are typically closed to the public. Prior to the start of the OWL, Housing Department staff will provide trainings for staff at Bascom and Roosevelt Community Centers. The first training will provide a general overview and education on homelessness. The second training will cover OWL protocols, including following codes of conduct, security coordination, storage of belongings and addressing bio-waste. Once the OWLs begin, monthly meetings will be held with each site supervisor and their staff, the Housing Department, and HomeFirst to discuss daily operations, community concerns, and any other issues that may arise. Finally, site supervisors will have daily access to Housing Department staff to help address crucial issues that need immediate attention.

OWL Contract and Operations Agreement

The Housing Department is recommending an amendment to the current OWL agreement with HomeFirst without creating a new Request For Proposal (RFP) for a number of reasons. First, the NSE committee feedback was to prioritize HEAP spending on prevention, essential services, and increasing shelter opportunities. The Housing Department identified the OWL as an existing shelter program that could be modified with HEAP funding to accommodate a greater number of participants. The OWL program is a heavily used. This is an opportunity to provide nightly shelter services.

Second, the NSE Committee prioritized programming that does not require a procurement process to implement strategies quickly. By utilizing HEAP funding to execute an amendment to the OWL agreement with HomeFirst, the City will provide shelter to 60 individuals each evening through April 2020. The Housing Department recently completed a procurement process for these services. In September 2018, the Housing Department issued a RFP for a Crisis Response Program inviting nonprofit organizations to operate an OWL during inclement weather. The RFP process resulted in one proposal to operate the OWLs submitted by HomeFirst. The proposal was reviewed and successfully rated based on standard evaluation criteria including the strength of its

program description and design, organizational experience and capacity, budget, goals, and outcomes. On November 27, 2018, the City Council approved the request to fund HomeFirst to operate the OWLs with funding from the Housing Department's Housing Trust Fund in the amount of \$350,000 through the 2018-2019 cold weather season. The term of the initial agreement was December 1, 2018, through June 30, 2019, and covered 45 nights of shelter. Finally, while the frequency of services for the OWL requested in the RFP differs from what is being proposed in the amended agreement, HomeFirst is the most experienced organization to operate the program and was the sole respondent to the RFP. HomeFirst is the largest emergency shelter provider in Santa Clara County, operating both year-round and cold weather shelter programs. HomeFirst's Boccardo Reception Center has 250 nightly shelter beds, and the North County Shelter in Sunnyvale has 175 nightly shelter beds. To move as quickly as possible, extending the current OWLs agreement with HomeFirst is the preferred option over releasing another RFP which could most likely result in the same outcome. The Housing Department will release a new RFP for the OWL operations for the next fiscal year.

The proposed amended agreement with HomeFirst will look similar to the current agreement in place with the exception of the number of nights of operation, increasing from 45 nights to 184 nights. HomeFirst will be responsible for providing the following:

1. Access to restroom facilities and food.
2. Site set up, supervision, and clean up.
3. Security services to be provided by subcontract with a professional and established agency at each site.
4. Daytime case management services.
5. Janitorial services to be provided by subcontract to clean each site in the morning so that the sites are returned to regular programming without interruption or delay.
6. Any issue identified by Library or PRNS staff will be addressed within the same business day by HomeFirst or Housing Department staff.
7. Bus tokens and shuttle service transportation for the OWL participants to ensure no loitering occurs at the site.
8. Survey participants to ensure high quality of services and the customer satisfaction at each site.

EVALUATION AND FOLLOW-UP

Housing Department staff will work with staff from the partnering departments to evaluate the effectiveness, use, and impact of operating the OWLs nightly for six months. Coordination meetings will occur monthly.

The results of the program will be reported at the City's Neighborhood Services and Education Committee during a report on HEAP activities.

As a condition of receiving the State grant funds, the City is required to provide State reports regarding the number of families served, and the types of services they received until all funds

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have been expended by the June 30, 2021 deadline. These reports will be posted to the Housing Department's website.

PUBLIC OUTREACH

On August 15, 2019, the Housing Department, in collaboration with SJPd and PRNS, held an informational community meeting at Roosevelt Community Center. There were three people in attendance which voiced no opposition to the OWL program at Roosevelt. Additionally, Housing Department staff attended the Roosevelt Neighborhood Association meeting on August 20, 2019, and the feedback was focused on health and safety due to increased programming at the site, specifically around the need to secure protocol for "in and out" privileges during OWL overnight hours. Finally, on August 22, 2019, the Housing Department, in collaboration with SJPd, PRNS and Library staff, held an informational community meeting at the Bascom Community Center where 11 people were in attendance. There were questions and feedback about the OWL impact on operations, revenue for PRNS and Library, the need for more homeless services, and public safety concerns. See Attachment A for a summary of this meeting. The Housing Department is coordinating a follow-up community meeting at Bascom Community Center to address feedback from the meeting in August.

This memorandum will be posted on the City's Council Agenda website for the September 24, 2019 City Council Meeting.

COORDINATION

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

COMMISSION RECOMMENDATION/INPUT

The Homeless Emergency Aid Program funding opportunity was presented to the Housing and Community Development Commission on October 11, 2018. The Commission supported the use of funding on the primary categories of: 1) temporary and interim housing operations; 2) temporary and interim housing capital needs; 3) essential services and basic needs; and 4) prevention and shelter diversion.

COST SUMMARY/IMPLICATIONS

All costs described in this memorandum will be funded by a \$11,389,987 Homeless Emergency Aid Program (HEAP) block grant received from the State of California to enable local governments to respond to homelessness. By June 30, 2021, HEAP funds must be fully expended.

BUDGET REFERENCE

The table below identifies fund and appropriation proposed to fund the actions recommended as part of this memorandum.

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	2019-2020 Proposed Operating Budget Page*	Last Budget Action (Date, Ord. No.)
448	205Y	Crisis Response Interventions	\$3,289,987	\$800,000	X-67	6/18/2019, 30286

*The 2019-2020 Proposed Operating Budget was adopted by City Council on June 18, 2019.

CEQA

Categorically Exempt, File No. PP18 093. CEQA Guidelines Section 15269, Emergency Project, and Section 15301, Existing Facilities.

/s/
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/s/
JILL BOURNE
City Librarian

/s/
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For questions, contact Kelly Hemphill, Homelessness Response Manager, at (408) 975-4483.

Attachment A: Summary of August 22, 2019 Public Meeting

ATTACHMENT

OWL Informational Meeting
Thursday, 08/22/2019
6:00pm-7:00pm
Bascom Community Center & Library

Participant Questions & Feedback

Operations/Programming

- Where in Bascom Center will OWL operate and will waiting queues be allowed outside? If so, how will lines be managed?
- Who's the point of contact for OWL if there are questions or concerns?
- Is HomeFirst responsible for perimeter checks?
- What are the requirements for HomeFirst as operator? Will staff be dedicated?
- Will on-site showers be available? If OWL operates daily, there should be support with showers.
- Will there be actual beds or mats?
- Services are offered but not required? What do homeless people do during the day?
- Will there be food? It would be good to see something nutritious provided.
- There is a vested interest from Friends of Bascom Library because there are two book sales during the same time OWL will operate. Friends of Bascom would like to work with the Department to make sure the schedule works and there is better coordination.
- There are concerns about the café and the tenants, Mexico Bakery, succeeding. Don't want OWL to negatively affect café since there will be two hours of overlap from when the café opens and when OWL shuts down.
- There has been an increase in homeless individuals utilizing the library; it has become problematic for Library staff because there is a need for additional staff. It's important to monitor the effect of an increase of homeless individuals has on library patrons.
- Why is Bascom a prime site for OWL and not safe parking? How did you determine program feasibility at this site?

Communications/Outreach

- Did you have focus groups or seek input from homeless?
- Can Housing provide follow up prior to the Council meeting?
- I was not aware of the meeting, did not receive a flyer and found out from Bascom staff. Need more outreach.
- The meeting isn't on the City website.
- Bring neighborhood associations to the table and incorporate their feedback.
- You should have invited homeless advocates.
- You need to coordinate with the County.

- Emmanuel Luther Church Breakfast and lunch, that's where the population of regulars go to and Housing should reach out to the. Thursday from 9-1pm at the church on Moorpark and Leigh.

Public Safety

- Will the security guard currently at Bascom be in charge of security for OWL?
- What is the criteria to be night time security guard? Recommend paying extra money for security.
- Are you coordinating with SJPD? Will there be a higher presence of SJPD with this program?
- Do you collect information on the individuals who utilize OWL? Do you keep track of predators? Interested to know because of schools in the area.
- How will you monitor population?
- Make sure the program is accommodating and takes care of homeless.
- Any chance we can make contact with the Sheriff's Office?
- We've had issues in the parking lot and when I've called SJPD in the past, there has been no response. Calls are not a high priority.
- There are drug sales, doesn't get immediate attention. Can we call Housing to address since SJPD doesn't answer?
- Watched someone in need, and there was no response from SJPD when I called. Can you provide a contact we can call if there is an issue?

Budget

- This is the neighborhood's only public facility. It is a revenue generator. PRNS & Library shouldn't be penalized because Bascom is underutilized because of OWL. Housing should offset lost revenue.