



COUNCIL AGENDA: 10/20/2020

FILE: 20-1307

ITEM: 8.3

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jacky Morales-Ferrand

SUBJECT: SEE BELOW

DATE: October 16, 2020

Approved

Date

10/26/2020

SUBJECT: RATIFY GRANT AGREEMENTS WITH PATH AND HOMEFIRST SERVICES OF SANTA CLARA COUNTY TO OPERATE THREE EMERGENCY INTERIM HOUSING LOCATIONS TO PROVIDE EMERGENCY NON-CONGREGATE SHELTER FOR COVID-19 VULNERABLE INDIVIDUALS

RECOMMENDATION

Adopt a resolution ratifying the following grant agreements to operate three emergency interim housing locations providing emergency non-congregate shelter for COVID-19 vulnerable individuals:

- (a) A grant agreement with PATH in the amount of \$2,678,044 dated October 9, 2020 to operate the Evans Lane emergency interim housing for an initial term beginning June 15, 2020 through June 30, 2021, with an option to extend the agreement for an additional year beyond the initial term.
- (b) A grant agreement with HomeFirst Services of Santa Clara County in the amount of \$6,104,501 dated October 9, 2020 to operate two emergency interim housing sites located at Monterey and Bernal and Rue Ferrari for an initial term beginning June 15, 2020 through June 30, 2021, with an option to extend the agreement for an additional year beyond the initial term.

OUTCOME

Council ratification of the grant agreements allows the City to continue operations and services at critically needed non-congregate emergency shelter at three emergency interim housing sites for COVID-19 vulnerable individuals during the COVID-19 health crisis.

BACKGROUND

On March 10, 2020 the City Council ratified the Director of Emergency Services Proclamation of a Local Emergency due to COVID-19. The Council has since extended the Proclamation every 60 days, with the last extension approved by Council on September 22, 2020.

On April 7, 2020, the City Council ratified the Office of Emergency Services Declaration of Shelter Crisis and adopted a Shelter Crisis Declaration and an Emergency Order pursuant to Government Code Section 8634 which applies to emergency shelters developed during the COVID-19 emergency. The Shelter Crisis declaration found that the current health crisis presents an urgent necessity to take action for the preservation of life, health and property through the most rapid procurement, construction and development of emergency shelters, emergency bridge housing or emergency interim housing to increase the City's shelter capacity and allow the City's unsheltered residents an opportunity to shelter in place, protecting both those residents and the larger community.

Concurrent to ratifying and adopting the Shelter Crisis Declaration on April 7th, the City Council redirected \$17,232,510 of State Homeless Housing Assistance and Prevention (HHAP) funds toward purchase and/or construction of emergency housing, including prefabricated modular units, during the declared shelter crisis for individuals impacted by the COVID-19 pandemic. The City Council directed the Administration to "move aggressively" to build emergency housing.

On May 12, 2020, the Housing Department released a request for proposals to select an experienced and qualified operator for the three emergency bridge housing sites at Monterey and Bernal Rd, Rue Ferrari and Evans Lane. The Department received four responses. A team comprised of a representative from Housing Department, County Office of Supportive Housing and the Lived Experience Advisory Board scored and evaluated the proposals. HomeFirst was selected to operate the Monterey Bernal and Rue Ferarri sites and PATH was selected to operate the Evans Lane site. With authority under the current Emergency Order, the Housing Department moved quickly to negotiate and execute contracts, so the grantees could begin purchasing equipment for the sites and hire staff.

ANALYSIS

The Current Health Crisis and Emergency Housing Needs

COVID-19 presents a dynamic public health emergency, requiring extraordinary actions by governments and health agencies in a rapidly changing environment where inaction can result in increased lives lost. As the virus' transmission has changed over the last couple of months, so too has the response at the local, state, and federal level. On January 30, 2020, the World Health Organization declared COVID-19 a Public Health Emergency of International concern, and the following day the United States Secretary of Health and Human Services declared a Public Health Emergency. On February 10, 2020, the Santa Clara County (County) announced a local

health emergency due to the spread of the novel coronavirus. With continued spread across the state, Governor Gavin Newsom issued a Proclamation of a State of Emergency in California on March 4, 2020. Days later, on March 11, the World Health Organization declared the coronavirus outbreak a pandemic and on March 13, 2020 the President issued a Proclamation on Declaring a National Emergency Concerning COVID-19 beginning on March 1, 2020.

On March 6, 2020, the Director of the Office of Emergency Services of the City of San José issued a Proclamation of Local Emergency, pursuant to his powers under Chapter 8.08 of the San José Municipal Code, finding that the existence and threat of COVID-19 in the community give rise to conditions of extreme peril to the safety and health of persons within the City. This proclamation was quickly followed by the County, which on March 16, 2020, issued a shelter in place order directing all individuals to shelter in their place of residence unless they must obtain or perform essential services. All businesses, except essential businesses, were required to cease all activities at facilities located within the County. On March 19, Governor Newsom also issued Executive Order N-33-20 directing California residents to follow a March 19 State Shelter Order issued by the State Public Health Officer ordering all individuals to stay home or at their place of residence except as needed to maintain continuity of operations of the federal critical infrastructure sector.

On March 20, 2020, the Director of the Office of Emergency Services of the City of San José issued a Declaration of Shelter Crisis, consistent with the provisions of the Shelter Crisis Act, under his powers in Chapter 8.08 of the San José Municipal Code, which Declaration was ratified by the City Council on April 7, 2020.

Guidance released from the U.S. Department of Housing and Urban Development (HUD) on March 9, 2020 states that housing instability and frequent mobility increase the risk of exposure to infectious disease. Limited access to health care services and poor living conditions further compound this risk. As a result, the experience of homelessness may place these individuals at greater risk of exposure to a variety of infectious diseases, including COVID-19.¹ The most effective means of slowing the transmission of COVID-19, as exemplified in the shelter in place orders at the State and County levels, requires significantly restricting mobility to limit interactions among people, thus slowing the rate of community transmission. Slowing the virus' transmission is essential to protecting the most vulnerable, which includes people experiencing homelessness. Unsheltered populations are especially vulnerable without a place to shelter, quarantine, or self-isolate. Consistent with this guidance, on May 18, 2020 the County public health order strongly urged individuals experiencing homelessness to obtain shelter, and "governmental and other entities are urged to, as soon as possible make such shelter available."² The City, in partnership with the County, has created over 1,000 new emergency beds/units through a combination of hotel/motel leasing and new congregate temporary shelter sites.

¹ https://files.hudexchange.info/public/resources/documents/Specific-Considerations-for-Public-Health-Authorities-to-Limit-Infection-Risk-Among-People-Experiencing-Homelessness.pdf?utm_source=HUD+Exchange+Mailing+List&utm_campaign=8b1f3959f9-Infectious+Disease+Guidance+Homeless+3.9.20&utm_medium=email&utm_term=0_f32b935a5f-8b1f3959f9-19553749

² County Public Health Order, May 18, 2020: <https://www.sccgov.org/sites/covid19/Documents/05-18-20-Health-Officer-Order.pdf>

On March 30, 2020, Mayor Sam Liccardo authored a memo titled, Shelter Crisis Declaration for COVID-19 Emergency, where he called for the immediate and urgent development of emergency housing. On April 7, 2020 the City Council advanced this memo and ratified an emergency order and shelter crisis declaration. Also on April 7, the City Council reallocated \$17,232,510 of HHAP funds towards the lease, purchase, and/or construction of emergency housing during the declared Shelter Crisis for individuals impacted by COVID-19 pandemic.

The Administration has since diligently pursued options to expeditiously site and build non-congregate shelter/interim housing opportunities. Staff assessed multiple temporary housing types including a variety of individual sleeping cabins, workforce housing, and prefabricated modular units. Ultimately, staff determined that the most expedient option was to expand the City's Bridge Housing Communities (BHC) inventory, which during the COVID-19 pandemic would operate as emergency interim housing. Using prefabricated modular construction under the City's BHC Ordinance, the City is benefiting from the temporary relief under the Governor's Executive Order (N-32-20) and the flexibility authorized under Assembly Bill 2176 (Shelter Crisis Emergency Bridge Housing Communities); ensuring speedy project delivery as well as the ability to successfully operate beyond the current COVID-19 crisis.

Emergency Interim Housing Communities Construction

In response to the COVID-19 emergency and the City's shelter crisis declaration, the City of San José is developing three emergency interim housing communities to help protect unhoused people from the disease, slow the spread of COVID-19, and expand the City's interim housing capacity after the emergency recedes.

The first site, with 80 beds located at the intersection of Monterey and Bernal Road, is completed. The final phase was completed in early October. This site includes individual shower and restroom facilities within each room, shared facilities for living needs, office space for staff to provide services, a perimeter fence and onsite security, pet accommodations, onsite parking for residents and staff, and basic traffic safety improvements.

The second site, located at Rue Ferrari near Highway 101 is under construction and anticipated to be complete by the end of October. The site will accommodate housing for approximately 120 people, with communal facilities and supporting facilities similar to the Monterey and Bernal site.

The third site, located at Evans Lane will house families in modular units with up to 108 beds, is scheduled to be completed by the end of October. The community will include individual shower and restroom facilities within each family unit, shared facilities for basic living needs like communal kitchens, office space to manage the site and provide services, a perimeter fence and onsite security, job training space, a basic recreation room, pet accommodations, onsite parking for residents and staff, and basic traffic safety measures. Additionally, as the site is dedicated to families, a play area will be provided for children.

Request for Proposals to Support EIH Operations

The Housing Department released the Emergency Interim Housing Operations Request for Proposals (RFP) on May 12, 2020 and made it available for eleven days, closing on May 22, 2020. Four applications were received, however, one application was incomplete on submittal.

The RFP requested respondents design a flexible service delivery model and selected operators would need to be experienced serving a variety of homeless sub-populations. The Emergency Interim Housing sites are being developed flexibly to serve the dual purpose of addressing two intersecting crises – the public health crisis posed by COVID-19 and the shelter crisis posed by unsheltered homelessness. As such, the operations of EIH sites will be operated in three phases: 1) Emergency Interim Housing, 2) Transitional period from COVID-19 and 3) Bridge Housing Communities. During the existing public health crisis posed by COVID-19, the EIH sites will serve vulnerable individuals, who are defined as older adults with underlying health conditions or individuals with three or more severe underlying health conditions. The second phase will be transitional as the City and County move from responding to COVID-19 to a recovery stage; the EIH sites may provide transitional housing to clients from congregate shelters or hotel/motels. During the final phase, the sites will operate as Bridge Housing Communities and will operate as transitional housing for individuals referred from the coordinated entry system and may be enrolled in a supportive housing program. The three phases required that a successful respondent detail each phase of service delivery along with their experience serving a range of homeless sub-populations and their property management expertise.

On May 28, 2020, a review panel evaluated and scored the three proposals based on pre-established rating criteria. The panel included staff from the Housing Department, County Office of Supportive Housing and the Lived Experience Advisory Board.

The criteria for selecting funding recipients are listed below:

Criteria	Weight
Submittal requirements	Pass/Fail
Property Management Experience	30%
Vision and Design of Operating Interim Housing	25%
Community Outreach & Engagement	20%
Technical Expertise/Financial Capacity	Pass/Fail
Local Business Enterprise	5%
Small Business Enterprise	5%

The evaluation committee selected HomeFirst to operate the Monterey Bernal and Rue Ferarri sites and PATH was selected to operate the Evans Lane site.

PATH applied in partnership with Abode Services. PATH will manage programs, wraparound supportive services, and community engagement efforts. Abode Services will provide general property management and site operations. The two agencies proposed a partnership to operate and manage the Evans Lane site for families experiencing homelessness during and after the COVID-19 pandemic. Together, PATH and Abode have more than 60 years of experience in

interim housing management and supportive service provision for the most vulnerable individuals and families experiencing homelessness. Driven by a person-centered, Housing First approach, the two agencies collectively serve 32,600 people in the Bay Area and statewide to help end homelessness.

The PATH San Jose and Abode proposal detailed an adjustable services model as needed for each phase of the Evans Lane emergency interim housing while maintaining client-focused, coordinated, and integrated care that combines housing, supportive services, and healthcare linkages. Both agencies provide culturally appropriate, recovery-oriented services designed to reduce barriers to housing stabilization (e.g., functional, health, substance use). Responding to individual needs, PATH staff will provide on-site services and coordinate resident access to off-site, community-based specialty health or social services needed to stabilize in homes. To reduce trauma and promote resiliency, they will help families quickly secure housing and work with partners to provide housing navigation and stabilization, medical and mental healthcare, substance use treatment, childcare services and education, employment assistance, life skills workshops, support groups, and more. Abode will provide property management services.

The evaluation panel selected HomeFirst to operate both the Monterey Bernal and Rue Ferrari sites. HomeFirst is the area's largest provider of homeless services, providing shelter, housing and services to homeless individuals and families. HomeFirst has demonstrated experience responding to emergencies, specifically during the floods of 2017 and COVID-19 by providing temporary emergency shelter. They also have demonstrated experience and expertise in property management and maintenance, owning and operating numerous properties throughout their 40-year history. Finally, the HomeFirst response to the RFP detailed their flexible services plan for all three stages of operations.

CONCLUSION

The CDC considers homeless populations an at-risk population for COVID-19, because they may face issues getting assistance if they become ill, and are therefore recommended to take extra precautions. For this reason, the grant agreements to operate the emergency bridge housing communities are a critical service and were executed under the City's emergency declaration. This Council action seeks ratification of the executed agreements.

EVALUATION AND FOLLOW-UP

During the COVID-19 crisis, the Administration will provide periodic verbal updates to the City Council on the progress for operating the emergency bridge housing communities.

The program used State Homeless Housing Assistance and Prevention (HHAP) funds to build the emergency bridge housing. Efforts related to HHAP programs will be reported twice a year to the City's Neighborhood Services and Education Committee. The Housing Department will

also provide its annual report on the Homeless Programs when the COVID-19 emergency is over.

As a condition of receiving the State HHAP grant funds, the City is required to provide annual reports to the State regarding types of services, expenditures, and demographics of those served.

CLIMATE SMART SAN JOSE

The recommendation in this memo has no effect on Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

This item has been posted on the City’s website for approval by the City Council on October 20, 2020.

COORDINATION

This memorandum has been coordinated with the City Attorney’s Office and the Homeless Services and Emergency Interim Housing Branches at the EOC.

COMMISSION RECOMMENDATION/INPUT

In response to the Stage 5 Pandemic Management Plan related to COVID-19, the Housing and Community Development Commission (Commission) meetings were cancelled March through July. The Housing Department updated the Commission on homeless responses during COVID at a special meeting on August 13, 2020.

FISCAL/POLICY ALIGNMENT

The recommendations contained in this memorandum are consistent with the priorities established in the City Council as approved by the Emergency Services Proclamations of a Local Emergency due to COVID-19 beginning on March 10, 2020 and as subsequently amended. They are also consistent with City Council action on April 7, 2020 redirecting funding for emergency modular housing and directing the Administration to “move aggressively” to build emergency housing.

COST SUMMARY/IMPLICATIONS

1. **AMOUNT OF RECOMMENDATION:** Funding for these two agreements was split between three sources to comply with federal and State of California grant expenditure deadlines. Expenditures occurring before December 30, 2020 will be charged to the Coronavirus Relief Fund. Expenditures occurring after December 31, 2020 will be charged to the CARES Act Emergency Solutions Grant (ESG) Round 2 grant and the State of California SB89 COVID-19 Emergency grant.
 - PATH \$2,028,044 Coronavirus Relief Fund (401); \$650,000 Multi-Source Housing Asset Fund (448) / CARES ESG II Grant
 - HomeFirst Services of Santa Clara County \$2,834,680 Coronavirus Relief Fund (401); \$3,269,821 Multi-Source Housing Asset Fund (448) / SB989 Grant
2. **SOURCE OF FUNDING:** Coronavirus Relief Fund (401); Multi-Source Housing Asset Fund (448)
3. **FISCAL IMPACT:** This action ratifies a grant agreement with PATH in amount of \$2,678,044 to operate the Evans Lane shelter, and a grant agreement with HomeFirst Services of Santa Clara County in the amount of \$6,104,501 to operate the Monterey/Bernal and Rue Ferrari shelters.

BUDGET REFERENCE

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

Fund #	Appn #	Appn. Name	Total Appn	Rec. Budget Action	2020-2021 Proposed Operating Budget Page	Last Budget Action (Date, Ord. No.)
401	210S	Homeless Sheltering and Support	\$21,400,000	\$4,862,724	N/A	09/22/2020 Ord. No. 30482
448	209W	SB89 COVID-19 Emergency	\$3,919,821	\$3,269,821	IX-72	06/23/2020 Ord. No. 30437
448	213B	Housing Shelter	\$22,264,018	\$650,000	N/A	08/11/2020 Ord. No. 30458

HONORABLE MAYOR AND CITY COUNCIL

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Subject: Ratify Grant Agreements with Path and HomeFirst

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CEQA

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

/s/

JACKY MORALES-FERRAND
Housing Director

For questions, please contact Ragan Henninger, Deputy Director, at (408) 535-3854.