



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Jacky Morales-Ferrand

**SUBJECT:** SEE BELOW

**DATE:** January 7, 2021

Approved

Date

1/7/21

**COUNCIL DISTRICT: 3**

**SUBJECT: GRANT AGREEMENT WITH HOMEFIRST SERVICES OF SANTA CLARA COUNTY TO OPERATE AN EMERGENCY CONGREGATE SHELTER**

## **RECOMMENDATION**

Adopt a resolution authorizing the Director of Housing to negotiate and execute a grant agreement with HomeFirst Services of Santa Clara County (HomeFirst) in the amount of \$3,143,155.00 to operate an emergency congregate shelter at South Hall (435 S. Market Street) for an extended term beginning December 31, 2020 through June 30, 2021.

## **OUTCOME**

Council adoption of the resolution provides the Administration with the authority to enter into a grant agreement with HomeFirst to allow the City to continue operations and services at a critically needed emergency congregate shelter for unhoused individuals during the COVID-19 health crisis and cold weather season.

## **BACKGROUND**

On February 10, 2020, Santa Clara County announced a local health emergency due to the spread of the novel coronavirus, COVID-19. With continued spread across the state, Governor Gavin Newsom issued a Proclamation of State of Emergency in California on March 4, 2020 to make additional resources available, formalize emergency actions already underway across multiple state agencies and departments, and help the state prepare for broader spread of COVID-19. Days later, on March 11, 2020, the World Health Organization declared the coronavirus outbreak a pandemic and on March 13, 2020, the President of the United States

issued a Proclamation on Declaring a National Emergency Concerning COVID-19, beginning March 1, 2020. That declaration remains in place.

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.

On April 21, 2020, the City Council approved an agreement to HomeFirst enhancing services to and/or adding four temporary emergency shelters to serve homeless individuals and families. On October 20, 2020, the City Council approved to extend the agreement with HomeFirst to continue operating temporary emergency shelters, including South Hall, through December 2020.

On June 9, 2020, The United States Department of Housing and Urban Development (HUD) announced the second allocation of additional funding to support homeless Americans and individuals at risk of becoming homeless because of hardships such as job loss, wage reductions, or illness due to the COVID-19 virus. The Emergency Solutions Grant Program Supplemental CARES Act Funding (ESG-CV) is a formula grant to States and local governments to use for activities to protect homeless people from COVID-19. One of the priorities is to provide funding to make more emergency shelters available for homeless individuals and families. On August 11, 2020, the City Council approved the expenditure plan for the \$32,836,839 in the second round of ESG-CV, which included an allocation to continue operating South Hall from January through April 2021.

## **ANALYSIS**

HomeFirst is the largest provider of homeless services in San José. They have been operating South Hall as a congregate emergency shelter for individuals vulnerable to COVID-19 since April 15, 2020. Temporary shelter is still a needed component of the City's COVID-19 response as the State's Regional Stay at Home Order (and local County health orders) remains effective and as we enter the cold weather season.

In accordance with federal requirements, on October 5, 2020, the Housing Department released a competitive request for proposals (RFP) to select an experienced and qualified operator for emergency shelter operations. The intent of the RFP was to procure operations services for South Hall during the COVID-19 emergency as well as operations at any emergency shelters that arise in the future. HomeFirst was the sole respondent to the RFP. A panel comprised of two

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representatives from the Housing Department and one employee from the County Office of Supportive Housing scored and evaluated the proposal and HomeFirst was selected. 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, shelter during inclement weather and COVID-19 by providing temporary emergency shelter. The HomeFirst response to the RFP scored successfully in the services plan, COVID-19 safety protocols, budget and fiscal responsibility and demonstrated previous experience. Since April 2020, the results of HomeFirst's client satisfaction surveys at South Hall shelter demonstrate 91.3% clients are satisfied with their basic needs being met. With authority under the current Emergency Order, the Housing Department moved quickly to negotiate and execute the contract so that there was no lapse in services after the previous contract expired at the end of December.

The grant agreement with HomeFirst will end on June 30, 2021 while South Hall will only remain in operation as a temporary shelter through April 30, 2021; this provides some flexibility should the COVID response continue beyond April. Also, an April closure corresponds with the County's cold weather season. The nightly capacity of South Hall is 285 beds. Referrals will continue to come primarily from the County centralized referral hotline. The City's homeless outreach and engagement teams will also have some reserved beds at South Hall for their work on the collaborative Services Outreach Assistance and Resources (SOAR) program. From April 15, 2020 through November 30, 2020, South Hall has served 902 unduplicated individuals.

The grant agreement will also include costs to operate the Camden Community Center shelter for families through January 2021. It was anticipated that families at the shelter at Camden Community Center would transition into the Evans Lane Emergency Interim Housing site in 2021. However due to construction delays, it will not open until late January. As a result, the Camden Community Center shelter must operate longer and the contract must be extended to ensure that the families are provided shelter until the Evan Lane site is opened. The January expenses are projected to be \$170,555 which covers staff oversight, security, janitorial and other support services.

During this cold weather season, the Housing Department has not pursued opening Overnight Warming Locations (OWL) at City facilities as in years past. During the COVID-19 health crisis, an OWL would need to operate 24/7 providing meals, showers, laundry and other essential services. HomeFirst was the only respondent to the emergency shelter RFP and thus would be the only eligible operator. The COVID pandemic response has put a great strain on nonprofit service providers, who have limited capacity to operate additional shelters as evidenced by only one response to the Department's recent RFP for shelter. South Hall is open at a capacity of 285 beds and replaced OWL this season. South Hall has four times the nightly bed capacity as the two OWL locations last season. The County continues to operate a temporary shelter during the pandemic at the fairgrounds. Before the pandemic, the shelter bed count county-wide was 2,072. The shelter capacity during the COVID response is 2,894 which is an 822 bed increase. Lastly, having one City site allows for regular and consistent visits and testing from the County's Valley Homeless Healthcare Program and Public Health.

HomeFirst will be responsible for the following at South Hall:

- a) Follow the operations guidelines designed specifically for South Hall and approved by the Housing Department;
- b) Operate a safe and clean shelter using guidance from the Centers for Disease Control and Prevention (CDC), Santa Clara County Public Health Department, and City of San José Emergency Operations Center;
- c) Provide all clients and staff with proper personal protective equipment and safety trainings;
- d) Ensure anyone who enters the facility conducts health screenings and temperature checks;
- e) Conduct pre and post client satisfaction surveys;
- f) Communicate with surrounding businesses and neighborhoods using their “Good Neighbor Policy”;
- g) Subcontract security services to be provided 24/7; and
- h) Subcontract janitorial services to be provided seven days a week.

The City will be responsible for providing three daily meals to clients, handling all maintenance requests, and renting portable toilets, laundry and shower trailers. The City also handles the purchase of cots, personal protective equipment, and supplies, such as bedding, towels, tables, chairs, and entertainment. HomeFirst will manage the laundry, restroom, and shower facilities, as well as the distribution of meals and basic hygiene items.

HomeFirst expects to serve at least 525 unduplicated clients at South Hall from January 1, 2021 to April 30, 2021, ensuring that 90% of clients indicate that their basic needs are being met. Lastly, HomeFirst will ensure that 90% of shelter clients will be referred to requested services.

## **CONCLUSION**

The City’s homeless residents tend to have more underlying health conditions than the general public. As such, unhoused individuals and families are highly vulnerable to developing more severe illness or complications from COVID-19. The action recommended in this memorandum will continue temporary shelter options for the City’s homeless residents.

## **EVALUATION AND FOLLOW-UP**

During the COVID-19 crisis, the Administration will provide periodic verbal updates to the City Council temporary shelter capacity and use. Additionally, since the program includes federal ESG-CRV funds, outcomes will be included in the Consolidated Annual Performance Evaluation Report (CAPER), which is presented to the City Council for approval in September of each year.

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### **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 January 12, 2021.

### **COORDINATION**

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

### **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 from March through July. The Housing Department updated the Commission on homeless responses during COVID at a special meeting on August 13, 2020.

### **COST IMPLICATION SUMMARY**

The City has received \$32.8 million in ESG-CRV funds through the federal CARES Act. The agreement with HomeFirst recommended in this memorandum provides the ability to fund the emergency congregate shelter at South Hall until June 30, 2021 for COVID-19 vulnerable individuals. This action is part of the coordinated City and County investment plan to leverage resources and ensure a balanced approach to funding shelter for those impacted most by the COVID-19 crisis. There is no impact on the General Fund as a result of this action to use federal CARES Act emergency assistance funds.

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**BUDGET REFERENCE**

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

Fund #	Appn #	Appn. Name	Total Appn.	Amt. For Contract	2020-2021 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
448	213B	Housing Shelter	\$22,264,018	\$3,143,155	VIII - 192	08/11/20 Ord. 30458

**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

Director, Housing Department

For questions, please contact Kelly Hemphill, Homelessness Response Manager, at [kelly.hemphill@sanjoseca.gov](mailto:kelly.hemphill@sanjoseca.gov).