



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Erik L. Soliván

SUBJECT: See Below

DATE: November 15, 2024

Approved:

Date:

11/15/24

COUNCIL DISTRICT: Citywide

SUBJECT: Amendments to Grant Agreements for Multiple Unsheltered Homelessness Programs

REASON FOR SUPPLEMENTAL OR REPLACEMENT

This replacement memorandum corrects the staff recommendation from the original memorandum to clarify that the grant agreement for the Overnight Warming Locations program is a new agreement, not an amended agreement. Additionally, this revised memorandum designates the Fiscal Year 2024-2025 Overnight Warming Location sites and describes the site selection process.

RECOMMENDATION

Adopt a resolution:

(a) Authorizing the Housing Director or his designee to negotiate and execute amendments to grant agreements for the following shelter management system programs serving individuals and families experiencing homelessness in San José:

- 1) LifeMoves (Motel Vouchers Program), in an amount not to exceed \$2,500,000 from January 1, 2025 through June 30, 2025.
- 2) LifeMoves (Temporary Housing Access Program), in an amount not to exceed \$325,000 from January 1, 2025 through March 31, 2025.
- 3) Goodwill of Silicon Valley (SJ Bridge Program), a no-cost grant agreement term extension from January 1, 2025 through June 30, 2026.

(b) Designating the following two City-owned facilities to be occupied as Overnight Warming Locations by individuals experiencing homelessness during the cold weather season:

- (1) Roosevelt Community Center, 901 E. Santa Clara Street, San José, CA 95116, and
- (2) Dr. Roberto Cruz Alum Rock Branch Library, 3090 Alum Rock Avenue, San José, CA 95127; and

(c) Authorizing the Housing Director or his designee to negotiate and execute an agreement with HomeFirst Services of Santa Clara County, in an amount not to exceed \$1,222,000 to implement the Overnight Warming Locations, retroactive from September 25, 2024 through June 30, 2025.

SUMMARY AND OUTCOME

The staff recommendation to delegate authority to the Housing Director, or his designee, to execute four contract amendments, totaling \$4,047,000 in local and state funds to several nonprofit service providers will allow the Housing Department to continue expeditiously providing housing and emergency shelter opportunities and employment support through programs that serve San José's most vulnerable residents.

BACKGROUND

LifeMoves: Motel Vouchers Program

This program provides temporary motel stays with intensive wraparound services to transition program participant **families** from unsheltered homelessness to either permanent or other temporary housing opportunities. In Fiscal Year (FY) 2023-2024, the Motel Vouchers Program exceeded the contract goal of serving 192 families by serving 193 families and achieved the outcome of permanent housing placements, upon exit, for 58% of program participants, for a total investment of \$29,533 for each program participant family.

LifeMoves: Temporary Housing Access Program

This program provides temporary motel stays with intensive wraparound services and to transition **single adults** from unsheltered homelessness to permanent or other temporary housing opportunities. The Temporary Housing Access Program originally served as one of only two primary emergency interim housing sites for the San José Bridge (SJ Bridge) program, a City-funded program described in further detail later in this memorandum. Since the SJ Bridge program began recruiting program participants

at other emergency interim housing sites, the Housing Department determined, early in FY 2023-2024, that the Temporary Housing Access Program should be reprogrammed. During the last two quarters of FY 2023-2024, the program focused on demobilizing¹, which resulted in reducing the initial contract goal of serving 185 program participants to 130, with 34% of program participants transitioning to permanent housing for a total investment of \$34,615 for each program participant. As the program continues demobilization², the focus will remain centered on achieving successful exits to permanent housing.

Goodwill of Silicon Valley: SJ Bridge Program

This program supports program participants with rapid employment on beautification crews, job readiness, vocational training, and access to permanent housing opportunities. Since the SJ Bridge program began in March 2022, 341 program participants have been served and 32% or 109 of these program participants have obtained permanent employment; 71 of these have been full-time employment opportunities. Of the program participants who have secured permanent, full-time employment opportunities through the SJ Bridge program, over 23% have obtained living-wage employment positions, which is well above the contract goal of 14%, for a total investment of \$10,256 for each program participant.

HomeFirst Services of Santa Clara County: Overnight Warming Locations Program

This program provides emergency shelter and supportive services for program participants at two locations during the coldest months of each fiscal year, generally from November through April. In FY 2023-2024, the Overnight Warming Locations program's two sites, the Roosevelt Community Center and Tully Community Branch Library, provided emergency shelter, food, shower and laundry services, and case management for 300 program participants, far exceeding the contract goal of 195. The program also met the contract goal of connecting 100% of program participants who requested other homeless services to relevant service providers, including referrals for housing opportunities. During FY 2023-2024, eight program participants were permanently housed through the Overnight Warming Locations program's referral services for a total investment of \$3,963 for each program participant.

Moving forward, the Housing Department will make program adjustments and further align shelter and housing options on the Housing Continuum to improve the outcome of transitions from shelter to housing options.

¹ Program staff transition from taking new referrals into the Temporary Housing Access Program and instead sought to obtain other shelter or housing placements for program participants in an effort to eventually sunset the program.

² All program participants will obtain other shelter or housing placements by or before the Temporary Housing Access Program sunset date as recommended in this memorandum (March 31, 2025).

ANALYSIS

The shelter management system provides interim housing opportunities to unsheltered homeless individuals and families. Services applied to shelter opportunities include intensive wraparound supportive services and social services. All proposed grant agreements in this memorandum are for services and operations, not the development of new housing or shelter sites.

The **Table** below provides an overview of the various proposed grant agreement amendments for homelessness programs during FY 2024-2025.

Table – Overview of Proposed Grant Agreement Amendments

Organization (Services)	Program	FY 2023-2024 Award³	FY 2023-2024 Proposed Goal	FY 2023-2024 Program Outcome	FY 2024-2025 Agreement	FY 2024-2025 Funding Source(s)
LifeMoves (Interim housing services)	Motel Vouchers Program	\$5,700,000	192 families, 32% achieving permanent housing	193 families, 58% achieved permanent housing	\$2,500,000 from January 1, 2025 through June 30, 2025	Homeless Housing Assistance and Prevention Program
LifeMoves (Interim housing services)	Temporary Housing Access Program	\$4,500,000	185 program participants, 32% achieving permanent housing	130 program participants, 34% achieved permanent housing	\$325,000 from January 1, 2025 through March 31, 2025	Homeless Housing Assistance and Prevention Program
Goodwill of Silicon Valley (Employment support services)	SJ Bridge Program	\$2,000,000	150 program participants, with 14% of permanent job placements being living wage	195 program participants, with 17% living wage permanent job placements	No-cost extension from January 1, 2025 through June 30, 2026	N/A
HomeFirst Services of Santa Clara County (Emergency shelter services)	Overnight Warming Locations Program	\$1,188,990	195 program participants, 100% of whom receive other homeless services they request	300 program participants, 100% of whom received the other homeless services they requested	\$1,222,000 retroactive from September 25, 2024 through June 30, 2025	Real Property Transfer Tax / Homeless Housing Assistance and Prevention Program

³ FY 2023-2024 award term was July 1, 2023 – June 30, 2024

LifeMoves: Motel Vouchers Program

On June 18, 2024, City Council last approved a grant agreement for the Motel Vouchers Program for a term through December 31, 2024. The proposed six-month contract extension in the staff recommendation of this memorandum, from January 1, 2025 through June 30, 2025, and the proposed addition of \$2,500,000 to an existing grant agreement with LifeMoves will continue the implementation of the Motel Vouchers Program. Staff will recommend that the amended grant agreement include an updated performance goal indicating that this program will utilize its 97 units and 126 beds to serve approximately 97 program participant families during this contract extension period.

LifeMoves: Temporary Housing Access Program

On June 20, 2023, City Council last approved a grant agreement for the Temporary Housing Access Program for a term through June 30, 2024. On June 10, 2024, the City executed a six-month, no-cost extension of the Temporary Housing Access Program grant agreement, extending the term through December 31, 2024, using the City Manager's delegation of authority under San José Municipal Code 4.04.055. The proposed contract extension in the staff recommendation of this memorandum, from January 1, 2025 through March 31, 2025, and the proposed addition of \$325,000 to an existing grant agreement with LifeMoves will continue the implementation of the Temporary Housing Access Program. Staff will recommend that the amended grant agreement include an updated performance goal indicating that this program will utilize its 25 units/beds to serve approximately 25 program participants during this contract extension period.

Goodwill of Silicon Valley: SJ Bridge Program

On June 18, 2024, City Council approved a grant agreement for the SJ Bridge program to add \$2,000,000 and authorized extending the grant agreement term from July 1, 2024 through June 30, 2025. To expedite payments to the grantee and prevent any lapse in services for the SJ Bridge program, the City executed a six-month, no-cost extension⁴ of the SJ Bridge program's grant agreement on August 14, 2024 (retroactive from July 1, 2024 through December 31, 2024), thereby reducing the SJ Bridge program's grant agreement term to end on December 31, 2024.⁵

⁴ No-cost extension authorized pursuant to the City Manager's delegation of authority under San José Municipal Code 4.04.055.

⁵ The City Manager's delegation of authority under San José Municipal Code 4.04.055 is limited to authorizing six-month contract extensions within the general parameters of previously authorized City Council approval.

Based on previous direction from City Council to expand the SJ Bridge program⁶, the Housing Department restructured the SJ Bridge program's referral process and plans to further broaden the reach of the SJ Bridge program by expanding recruitment of program participants from the current six emergency interim housing sites to include recruitment from both City-funded supportive parking sites and an additional emergency interim housing site. This would bring the total number of sites at which the SJ Bridge program recruits program participants to nine, a crucial step toward expanding the SJ Bridge program to all the City's emergency interim housing sites.

In addition, the Housing Department also intends to broaden living-wage employment placement options available to program participants by subsidizing the cost of living-wage employment for up to 60 days for approximately 15 program participants at City-approved employers working with the SJ Bridge program's service provider (Goodwill of Silicon Valley.) The increased support from City Council during the FY 2024-2025 City budget process to expand the SJ Bridge program provided new opportunities for the SJ Bridge program service provider to innovate its program model further and build capacity in its staffing model to support these expansion efforts. The proposed 18-month extended grant agreement term for the SJ Bridge program supports the service provider's investment in longer-range program development improvements to sustain the success of the SJ Bridge program, requiring no additional funding at this time.

Staff will recommend that the amended grant agreement include an updated contract performance goal, which is currently set at serving 117 program participants from July 1, 2024 through December 31, 2024. This updated contract performance goal reflects a higher target since the SJ Bridge program significantly surpassed its prior contract performance goal. Therefore, the proposed 18-month extended grant agreement term (proposed to end on June 30, 2026) will assume that the service provider will serve three times (351 program participants) the number of program participants expected during the current six-month grant agreement term.

HomeFirst Services of Santa Clara County: Overnight Warming Locations Program

City Council last approved a grant agreement for the Overnight Warming Locations program on November 14, 2023. Staff recommends that the proposed Overnight Warming Locations program grant agreement with HomeFirst Services of Santa Clara County in the amount of \$1,222,000 be retroactive from September 25, 2024 through June 30, 2025. Additionally, staff will recommend that the grant agreement include an updated performance goal indicating that this program will utilize its 30 units/beds at each location (60 units/beds total) to serve approximately 250 program participants. Because some program participants utilize units/beds only for a portion of the cold

⁶ This City Council referral originated on March 19, 2024, when the Mayor's March Budget Message was approved by the full City Council. Web link: <https://sanjose.legistar.com/MeetingDetail.aspx?ID=1183346&GUID=D6E06732-C056-4A0D-9EF1-1690D709E8C4&Search=>

weather season, more program participants can be served during the term of this grant agreement than the total inventory of units/beds available in the Overnight Warming Locations program.

Overnight Warming Locations Program Sites

In August 2024, the Housing Department initiated an extensive selection process to identify and secure FY 2024-2025 Overnight Warming Location options. Staff from the Housing Department partnered with the City's Parks, Recreation, and Neighborhood Services and Library departments to review the site selection minimum criteria and develop a recommended locations list to evaluate possible locations. Once sites are evaluated, staff from the City's Parks, Recreation, and Neighborhood Services, Library, and Fire departments, as well as the Santa Clara County Public Health Department, conduct site inspections to inform the final selection process.

Roosevelt Community Center

Following the site selection procedure, the Parks, Recreation, and Neighborhood Services department selected the Roosevelt Community Center as a permanent Overnight Warming Locations program site. The Parks, Recreation, and Neighborhood Services department recognized that there are efficiencies in identifying a consistent Overnight Warming Locations site, which may include making facility improvements specific to the needs of the Overnight Warming Locations program and smoother program operations with trained Parks, Recreation, and Neighborhood Services staff. Additionally, having a designated location significantly reduces the staff time spent annually evaluating and securing a new site location, which requires an immense amount of staff time and coordination across City departments and other public agencies. The Parks, Recreation, and Neighborhood Services department is also balancing the needs of other community center/site designation priorities for emergency and inclement weather purposes, such as evacuation centers or cooling centers. These considerations further contributed to the selection of the Roosevelt Community Center as a permanent Overnight Warming Locations program location.

Dr. Roberto Cruz Alum Rock Branch Library

The Library department selected the Dr. Roberto Cruz Alum Rock Library as the second site for the FY 2024-2025 Overnight Warming Locations program and recommended the Cambrian Library as an alternative option for future consideration.

EVALUATION AND FOLLOW-UP

The Housing Department's Grant Management team monitors and reviews grant agreement outcomes and performance metrics on a quarterly basis. Therefore, each

homelessness program included in this memorandum will be monitored and reviewed following the Housing Department's Grant Management team's grant agreement monitoring and review protocols. Additionally, updates on homelessness program outcomes are also provided in the City's Consolidated Homelessness Annual Report, scheduled to be heard annually in the fall by the Neighborhood Services and Education Committee.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION:

Housing and Shelter Opportunities

- LifeMoves Motel Vouchers Program \$2,500,000
- LifeMoves Temporary Housing Assistance Program \$ 325,000
- Overnight Warming Locations Program \$1,222,000

Employment Support

- Goodwill of Silicon Valley SJ Bridge Program \$0 (no increase to the total grant award amount)

TOTAL PROJECT COSTS \$ 4,047,000

2. SOURCE OF FUNDING: Real Property Transfer Tax Fund - \$300,000; Homeless Housing, Assistance, and Prevention Fund - \$3,747,000

3. FISCAL IMPACT: The actions recommended in this memorandum will enable the Housing Department to negotiate and extend in FY 2024-2025, four grant agreements that support individuals and families experiencing homelessness in San José. One grant agreement is proposed to extend to FY 2025-2026. There is no ongoing fiscal impact to the General Fund as a result of this action, beyond FY 2024-2025 and FY 2025-2026.

BUDGET REFERENCE

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

Fund No.	Appn. No.	Appn. Name	Total Appropriation	Amount for Grant Agreement	2024-2025 Proposed Operating Budget Page*	Last Budget Action (Date, Ord. No.)
404	227M	Measure E - Supportive Services - Overnight Warming Locations (15% Homeless Support Programs)	\$311,010	\$300,000	N/A	6/18/2024, Ord. No. 31102
454	209X	Emergency Shelters	\$6,525,000	\$3,747,000	864	6/18/2024, Ord. No. 31102

*The 2024-2025 Adopted Operating Budget was approved on June 11, 2024 and adopted on June 18, 2024, by City Council.

COORDINATION

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

PUBLIC OUTREACH

This item will be posted on the City Council's Agenda website for the November 19, 2024 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with any funding sources or contracts in the staff's recommended action in this memorandum.

HONORABLE MAYOR AND CITY COUNCIL

November 15, 2024

Subject: Amendments to Grant Agreements for Multiple Unsheltered Homelessness Programs

Page 10

CEQA

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

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

Erik L. Soliván
Housing Director

The principal authors of this memorandum are Marcus Givens, Senior Development Officer, and Cupid Alexander, Deputy Director. For questions, please contact Cupid Alexander at cupid.alexander@sanjoseca.gov or (669) 314-3884.