

**CITY COUNCIL ACTION REQUEST**

<b>DEPARTMENT(S):</b> Housing Department	<b>CEQA:</b> Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended)	<b>COORDINATION:</b> City Attorney's Office; City Manager's Budget Office	<b>Director Approval:</b>  /s/ Erik L. Soliván
<b>COUNCIL DISTRICT(S):</b> Citywide	resulting in no physical changes to the environment.		<b>CMO Approval:</b>  3/6/26

**SUBJECT: Agreement with Episcopal Community Service for the Casa Linda Motel Program**

**RECOMMENDATION**

Adopt a resolution authorizing the Housing Director, or his designee, to negotiate and execute an amendment to the existing grant agreement with Episcopal Community Services of San Francisco for oversight and service provision at the Casa Linda Motel, increasing the agreement amount from \$350,000 to a not-to-exceed amount of \$599,184, retroactive to February 23, 2026, through June 30, 2026.

**BASIS FOR RECOMMENDATION**

The City of San José (City) initially contracted with HomeFirst Services of Santa Clara County to operate and provide services for all five motel sites beginning in June 2025. After opening the motel sites with HomeFirst, the City selected three additional organizations through a competitive Request for Proposal process. On November 18, 2025, the City Council adopted a resolution (RES2025-390) authorizing the Housing Director, or designee, to negotiate and execute agreements with qualified entities to operate the City's Motel Program, including an agreement with Razing the Bar to operate the Casa Linda Motel. In December 2025, Razing the Bar formally withdrew from consideration and declined to proceed with the operation of the program. HomeFirst continued to operate the Casa Linda Motel for an additional two months to ensure services continued without interruption. The City has since identified Episcopal Community Services of San Francisco as the long-term operator for the site. The City entered into a \$350,000 grant agreement with Episcopal Community Services of San Francisco under San José Municipal Code Section 4.04.020(A)(3)(g) authority. This allowed HomeFirst to exit and hand over site operations quickly without disruption of services. HomeFirst remains a valuable partner to the City, and as part of this transition, will reallocate its resources to operate the City of San José's Cerone Emergency Interim Housing program when it becomes operational in March 2026.

**COMMISSION RECOMMENDATION AND INPUT**

No commission recommendation or input is associated with this action.

**COST AND FUNDING SOURCE**

The actions recommended in this memorandum request that City Council approve the reallocation of \$599,184 from the Motel Program award to Episcopal Community Services of San Francisco for oversight and service provision at the Casa Linda Motel, retroactive to February 23, 2026, through June 30, 2026. This agreement will support the continued provision of interim housing and supportive services for individuals and families experiencing homelessness in San José.

**FOR QUESTIONS CONTACT:** For questions, please contact Brian Ho, Division Manager, Housing Department, at [Brian.Ho@sanjoseca.gov](mailto:Brian.Ho@sanjoseca.gov).