



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Erik L. Soliván
Jim Shannon

SUBJECT: See Below

DATE: September 10, 2025

Approved

Date:

9/11/25

COUNCIL DISTRICT: Citywide

SUBJECT: Actions Related to the Agreement with the County of Santa Clara's
Office of Supportive Housing for the Homelessness Prevention
System Program

REASON FOR REPLACEMENT

This replacement memorandum clarifies the assessment of the County of Santa Clara's program performance by correcting the data previously submitted on the total households served based on additional data received from the County of Santa Clara.

RECOMMENDATION

- (a) Adopt a resolution authorizing the Housing Director, or his designee, to negotiate and execute a grant agreement amendment with the County of Santa Clara's Office of Supportive Housing, in an amount not to exceed \$5,500,000, retroactive from July 1, 2025, to June 30, 2026, for the countywide Homelessness Prevention System Program.
- (b) Adopt the following 2025-2026 Appropriation Ordinance amendments in the Real Property Transfer Tax Fund:
 - (1) Decrease the Measure E – 10% Homeless Prevention and Rental Assistance Reserve by \$275,000; and
 - (2) Increase the Homeless Prevention and Rental Assistance (10% HPRA) appropriation to the Housing Department by \$275,000.

SUMMARY AND OUTCOME

Staff recommends amending a grant agreement with the County of Santa Clara's Office of Supportive Housing, in an amount not to exceed \$5,500,000, to fund the Homelessness Prevention System (HPS) Program. The amended agreement term would be retroactive from July 1, 2025, and continue through June 30, 2026. This action would support the City's efforts to prevent homelessness by investing in HPS to provide services to San José households at immediate risk of homelessness.

The recommended actions in this memorandum advance the City's strategic priorities in partnership with the County of Santa Clara by focusing on housing stability and in furtherance of the Focus Area metric for reducing unsheltered homelessness.¹ The recommended actions reinforce the City's ongoing commitment of investing in homelessness prevention strategies that align to prior City Council actions.

BACKGROUND

The partnership between the City's Housing Department and the County of Santa Clara's Office of Supportive Housing aims to prevent homelessness through early intervention by providing financial assistance, case management, and supportive services to low-income households at risk of homelessness. Administered through a network of community providers, the County of Santa Clara and the designated subcontractors serve San José households and continue to advance long-term housing stability and preventing San José residents from falling into homelessness.

In Fiscal Year 2024-2025, the City executed an agreement with the County of Santa Clara's Office of Supportive Housing for the HPS Program in the amount of \$7.5 million, which consisted of \$4.5 million of Measure E revenues estimated to be received in 2024-2025, \$2.0 million of Measure E revenues collected in prior years, and \$1.0 million of available resources from the Housing Trust Fund.

In Fiscal Year 2024-2025, HPS served a total of 2,031 clients, of which 1,421 were San José households, representing 70% of all households supported through the countywide HPS. Of the San José households, 1,118 households were directly supported by City-provided funding with an average household subsidy of \$6,703, and the remaining 303 households supported by County funds. More than 95% of San José residents served by the HPS Program remain housed at least one year after receiving assistance.

¹ County of Santa Clara, 2020-2025 Community Plan to End Homelessness. Web Link: https://files.santaclaracounty.gov/exjcpb1571/2024-11/communityplan_2020-2025.pdf?VersionId=3LCV7VHf9hdsOh05UsQncuA6JEUMXmbj

ANALYSIS

Staff recommends continued partnership with the County to support ongoing investment in the HPS Program with a commitment to 697 unduplicated San José households being served directly from the investment of \$4,675,000 in direct client assistance (see table below) and approximately 105 additional San José households supported by County funds. Unduplicated households are defined as the number of households that receive services at least once a year but may not be counted more than once in that year.

Number of San Jose Households Served	Average Household Assistance per Year	Total City Funding - Direct Client Assistance
697	\$6,700	\$4,675,000

Based on the prior program performance, and anticipated prevention of at least 800 families from entering homelessness and specifically unsheltered homelessness, staff recommends continued investment, which aligns to the Focus Area goals for Reducing Unsheltered Homelessness.

EVALUATION AND FOLLOW-UP

If approved, the Housing Department's Homelessness Response and Grants Management team will oversee program implementation and track key performance metrics, including the number of households served, the effectiveness of services, and overall program outcomes.

Additionally, related program outcomes will be included in the City's Consolidated Homelessness Annual Report, scheduled to be heard annually by the Neighborhood Services and Education Committee.

COST SUMMARY/IMPLICATIONS

The actions recommended in this memorandum authorize the negotiation and execution of a grant agreement amendment to provide \$5,500,000 to the County of Santa Clara's Office of Supportive Housing to support the HPS Program. Funding will be provided from the Real Property Transfer Tax Fund as follows: \$5,225,000 from the existing Homeless Prevention and Rental Assistance (10% HPRA) appropriation; and \$275,000 from the Measure E – 10% Homeless Prevention and Rental Assistance Reserve reallocated to the Homeless Prevention and Rental Assistance (10% HPRA) appropriation. The total use of funds for 2025-2026 is summarized in the table below.

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Total Use of Funds	2025-2026 Agreement Amount
Salaries and Fringe Benefits	\$770,000
Direct Client Assistance	\$4,675,000
Indirect Costs	\$55,000
Total	\$5,500,000

The use of funds breakdown is consistent with prior funding commitments from the City to the County Prevention System with 14% of costs contributed to program administration, including services and case management for program clients, 1% to indirect costs such as client transportation or related emergency childcare services, and 85% to direct client assistance.

BUDGET REFERENCE

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

Fund #	Appn. #	Appropriation Name	Total Appropriation	Rec. Budget Action	Amt. for Contract	2025-2026 Proposed Operating Budget Page*	Last Budget Action (Date, Ord. No)
404	8747	Measure E – 10% Homeless Prevention and Rental Assistance Reserve	\$1,631,842	(\$275,000)	\$0	934	6/17/25, 31230
404	232N	Homeless Prevention and Rental Assistance (10% HPRA)	\$5,225,000	\$275,000	\$5,500,000	N/A	06/17/25, 31230

*The 2025-2026 Adopted Operating Budget was approved on June 10, 2025, and adopted on June 17, 2025, by the City Council.

COORDINATION

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

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PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the September 16, 2025 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

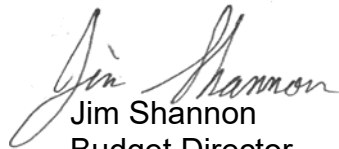
Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

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.



Erik L. Solivan
Housing Director



Jim Shannon
Budget Director

For questions, please contact Cupid Alexander, Deputy Director, Housing Department at cupid.alexander@sanjoseca.gov.