



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Erik L. Soliván  
Jim Shannon

**SUBJECT:** See Below

**DATE:** November 17, 2025

Approved

Date:

11/25/25

**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 Funding**

## **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, with an additional \$2,579,023 in unspent funds from the April 2025 authorization, retroactive from July 1, 2025, to December 31, 2026, for the Homelessness Prevention System Funding.
- (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 (County), in an amount not to exceed \$5,500,000, with an additional \$2,579,023 in unspent funds from the April 2025 authorization, to fund the Homelessness Prevention System (HPS). The agreement term would be retroactive from July 1, 2025, and continue through December 31, 2026. This action supports the City of San Jose's (City) efforts to prevent homelessness by investing in the HPS to provide services to San José households at immediate risk of homelessness.

A delay in the execution of the Fiscal Year (FY) 2024-2025 HPS agreement with the County resulted in \$2,579,023 in unspent funds. Amending the contract and extending the term by 18 months will allow sufficient time for the HPS to fully expend the remaining funds.

The recommended actions in this memorandum advance the City's strategic priorities in partnership with the County by focusing on housing stability and in furtherance of the Focus Area metric for reducing unsheltered homelessness.<sup>1</sup>

## **BACKGROUND**

The City's Housing Department and the County (investing over \$14,000,000) collaborate and leverage funding along with Destination: Home (investing \$4,500,000) to prevent homelessness through early intervention financial assistance, case management, and supportive services to extremely low-income households at risk of homelessness. Administered through a network of community providers, the County and the designated subcontractors serve San José households primarily and continue to advance long-term housing stability.

In April 2025, the City executed an agreement with the County for the HPS Program in the amount of \$7,500,000, which consisted of \$4,500,000 of Measure E funds from Fiscal Year 2024-2025, \$2,000,000 of Measure E revenues collected in prior years, and \$1,000,000 of available funding from the Housing Trust Fund.

As of December 9, 2025, 66% or \$4,920,977 of the \$7,500,000 in funding approved in the previous agreement has been expended. HPS directly served 1,800 households of which 1,238 were San José households, representing 69% of total households supported through HPS. The households served received an average of \$8,000 in financial assistance plus an average of \$5,200 in case management and supportive services to stabilize the households and mitigate the likelihood of repeat clients.

## **ANALYSIS**

Staff recommends continuing the partnership with the County and Destination: Home by supporting ongoing investments in the HPS. The FY 2025-2026 Adopted Operating Budget includes \$5,500,000 in Measure E funds proposed for commitment through this memorandum. These City funds will be leveraged with funding from the County and Destination: Home for a combined HPS budget, to exceed a total of \$25,000,000. Over 1,900 households will be served and over 1,200 unduplicated San José households will be

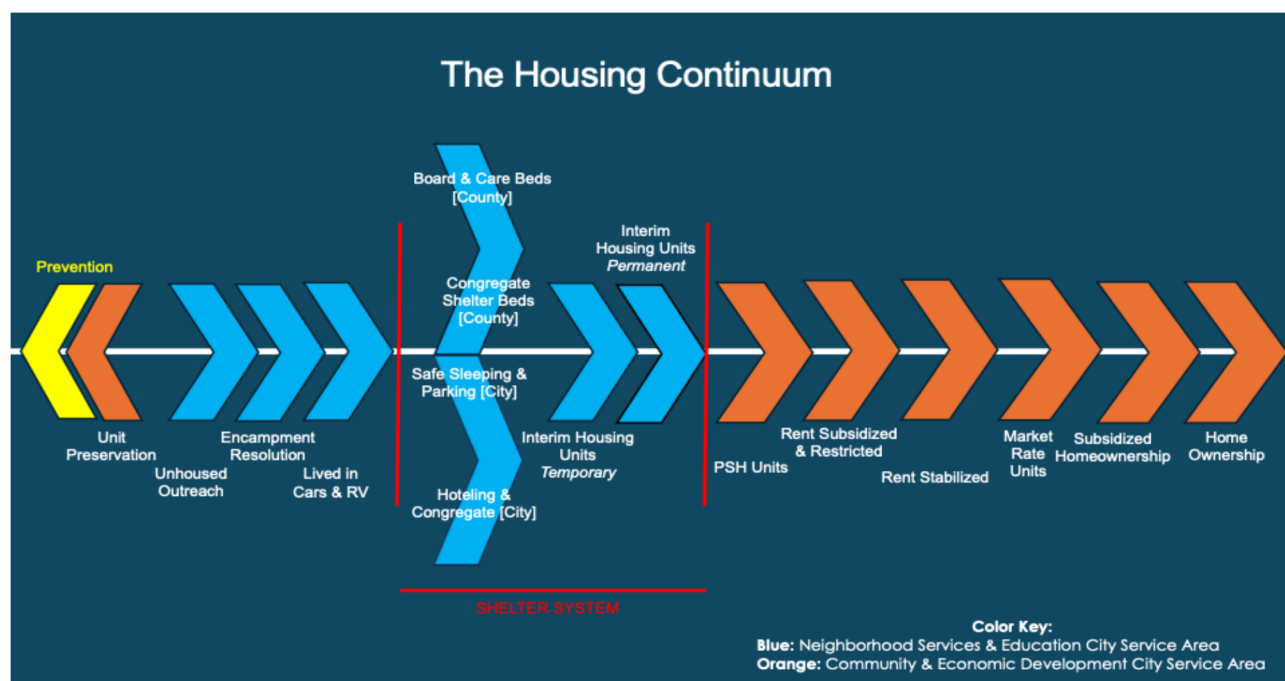
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<sup>1</sup> County of Santa Clara, 2020-2025 Community Plan to End Homelessness. Web Link: [https://files.santaclaracounty.gov/exjcpb1571/2024-11/communityplan\\_2020-2025.pdf?VersionId=3LCV7VHf9hdsOh05UsQncuA6JEUMXmbj](https://files.santaclaracounty.gov/exjcpb1571/2024-11/communityplan_2020-2025.pdf?VersionId=3LCV7VHf9hdsOh05UsQncuA6JEUMXmbj)

prevented from experiencing homelessness through HPS. 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.

The HPS is the City's primary investment in the prevention stage of the Housing Continuum, as illustrated in the figure below. By preventing homelessness, the inflow of residents into unsheltered homelessness is mitigated. This reduction will alleviate demand on the City's expansive shelter system, which will reach 2,151 beds across 22 sites by the end of calendar year 2025 with the opening of Cherry and Cerone Interim Housing Sites.

**Figure: The Housing Continuum**



## **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.

**COST SUMMARY/IMPLICATIONS**

The actions recommended in this memorandum authorize the negotiation and execution of a grant agreement amendment to provide \$8,079,023 to the County to support the HPS Program from July 1, 2025 to December 31, 2026. The agreement will be funded by the Homeless Prevention and Rental Assistance (10% HPRA) appropriation in the Real Property Transfer Tax Fund (\$7,079,023) and by the Housing and Homeless Projects appropriation in the Housing Trust Fund (\$1,000,000). The total use of funds is summarized in the table below.

| <b>Total Use of Funds</b>                 | <b>2024-2025<br/>Housing Trust<br/>Fund Rollover</b> | <b>2024-2025<br/>Measure E<br/>Rollover</b> | <b>2025-2026<br/>Measure E</b> | <b>Total</b>       |
|-------------------------------------------|------------------------------------------------------|---------------------------------------------|--------------------------------|--------------------|
| Direct Client Services and Administration | \$0                                                  | \$0                                         | \$3,010,000                    | \$3,010,000        |
| Direct Client Assistance                  | \$1,000,000                                          | \$1,579,023                                 | \$2,189,000                    | \$4,768,023        |
| Indirect Costs                            | \$0                                                  | \$0                                         | \$301,000                      | \$301,000          |
| <b>Total</b>                              | <b>\$1,000,000</b>                                   | <b>\$1,579,023</b>                          | <b>\$5,500,000</b>             | <b>\$8,079,023</b> |

**BUDGET REFERENCE**

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

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

| Fund # | Appn. # | Appropriation Name                                                | Total Appropriation | Rec. Budget Action | Amt. for Contract | 2025-2026 Adopted Operating Budget Page | Last Budget Action (Date, Ord. No) |
|--------|---------|-------------------------------------------------------------------|---------------------|--------------------|-------------------|-----------------------------------------|------------------------------------|
| 404    | 8747    | Measure E – 10% Homeless Prevention and Rental Assistance Reserve | \$353,461           | (\$275,000)        | \$0               | 1028                                    | 10/21/2025 31252                   |
| 404    | 232N    | Homeless Prevention and Rental Assistance (10% HPRA)              | \$6,525,000*        | \$275,000          | \$7,079,023       | 1027                                    | 10/21/2025 31252                   |
| 440    | 2453    | Housing and Homeless Projects                                     | \$1,281,860         | \$0                | \$1,000,000       | 994                                     | 10/21/2025 31252                   |

*\*Assuming the recommended budget actions are approved, the total available budget in the Homeless Prevention and Rental Assistance (10% HPRA) appropriation is \$7,079,023, which includes \$279,023 of a prior year encumbrance.*

**COORDINATION**

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

**PUBLIC OUTREACH**

This memorandum will be posted on the City's Council Agenda website for the December 9, 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.

HONORABLE MAYOR AND CITY COUNCIL

November 17, 2025

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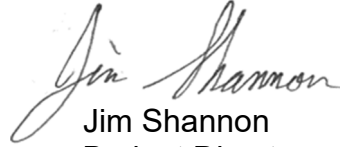
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## **PUBLIC SUBSIDY REPORTING**

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. Soliván  
Director, Housing Department



Jim Shannon  
Budget Director

For questions, please contact Cupid Alexander, Deputy Director, Housing Department, at [cupid.alexander@sanjoseca.gov](mailto:cupid.alexander@sanjoseca.gov) or (669) 314-3884.