



Memorandum

TO: MAYOR LICCARDO

FROM: Councilmember Rocha

SUBJECT: BUDGET DOCUMENT

DATE: May 25, 2016

Approved Don Rocha Date 5-25-16
PH

RECOMMENDATION

That the following recommendation be enacted.

PROPOSAL

Program/Project Title: Responsible Landlord Engagement Initiative (RLEI)

Amount of City Funding Required: \$150,000

Fund Type (i.e. General Fund, C&C funds, etc.): General Fund

This change is:

One-time Ongoing

Proposal Description, including anticipated outcomes

The Responsible Landlord Engagement Initiative (RLEI), hosted by Catholic Charities of Santa Clara County, has been helping the Mayor's Office and all of the Council offices to resolve safety and blight issues originated by problem properties in neighborhoods across the City. Last year, the Council approved a special allocation of \$150,000 to support RLEI outreach and growth. The program has exceeded all outcome measures and continues to be an important tool for neighborhood leaders as they encourage property owners and investors to commit to managing their problem properties in a responsible manner by removing blight, address fair housing issues, and improve neighborhood conditions. The RLEI has also increased the capacity of City staff through training and technical support as they respond to neighborhood concerns.

The City's 2015-2016 allocation and a prior carry over of \$25,000 from 2014-2016 was leveraged by a Citi Community Development grant (\$100,000) that combined for a total budget of \$275,000. The '15-'16 budget supported the existing staffing and allowed to launch the new RLEI Website and Customer Relationship Management (CRM) platform. **(See Exhibit A: Tiers for San Jose RLEI Funding, Budget and Staffing Plan)**. Since July 2015, the Requests for Support (RFS) submitted by neighborhood leaders had a 29% increase. In order to satisfy the demand and adequately serve the community, continued funding commitment from the City of San Jose is needed.

One of the hardships that the RLEI program faced was not being able to access the encumbered \$150,000 until May 2016. Although RLEI anticipated being able to use those funds to hire one case manager for

2015-2016, they continued to execute the program with the RLEI Manager and the RLEI Program Administrator doubling as Case Managers. After receiving the funds and retroactively funding the two RLEI staff, RLEI will have a carryover amount of \$78,000 after June 2016.

I request that funding be allocated in the amount of \$150,000 in order to support the RLEI program and increase the program's capacity to serve the entire City and establish a long term sustainability plan. The ideal is to have a case manager per police division as projected in the Long Term Budget and Staffing Plan. Sustaining the funding level of \$150,000 for would allow RLEI to hire one case manager. If that is not feasible, funding the program at \$72,000 would allow RLEI to continue to operate with the RLEI Manager and the RLEI Program Administrator doubling as city-wide Case Managers. I would urge that this funding be accessible prior to December 20, 2016, the end of the encumbrance period for RLEI's allocation from 2015-2016.

a. Create Long Term Stability

In February 2016, the RLEI program received for the third consecutive year a grant through Citibank Community Development's National Innovation Program in the amount of \$100,000. This helped cover about one third of the program expenses at status-quo levels. The grant was administered by Catholic Charities of Santa Clara County; however, those funds were largely contingent on the assumption that the City of San Jose would contribute a substantial match since their outcomes are so closely tied with the work of the Council offices and civil issues which get reported to the San Jose Police Department. This funding commitment from the City of San Jose that can be leveraged for other funding sources. RLEI staff is evaluating several long term funding strategies as part of a Sustainability Plan that includes obtaining funds from other banks or foundations and developing a social enterprise model that would involve charging other communities across the country to utilize the RLEI model process and technology platform.

b. Increase Capacity to Serve Demand

The demand for services in San Jose has been doubling annually as residents become aware of the program. (See table below).

Fiscal Year	Case Load	Sign in Petitioners	Cases in Wait List
2013-2014	21	299	10
2014-2015	47	511	19
2015-2016 (May)	66	405	28

RLEI currently has cases in all 10 of San Jose's Council Districts. (See Exhibit B: Cases by Council District and Exhibit C: Cases by San Jose Police Division). In order to satisfy the program's operational needs and the residents' increasing demand in a timely manner, additional staff is needed to specifically focus on case management and outreach. The requested allocation of \$150,000 will provide RLEI the capacity to add one Case Manager to serve the increasing demand. This would allow the RLEI Manager and the Program Administrator to devote the necessary time and resources to administer the program in a sustainable manner.

c. Continue to Engage the Community and Improve City Service Delivery

Outreach about the program is primarily administered in coordination with other agencies including the Mayor's Office, City of San Jose Police Department Crime Prevention Unit, the Housing Department, the District Attorney's Office and United Neighborhoods of Santa Clara County. RLEI

staff's role in assessing, mediating, and negotiating neighborhood improvements has a direct impact on reducing SJPD calls for service. RLEI helps connect the landlords with the concerns that their residents have about their housing conditions while managing a potentially contentious relationship. This third party mediation and conflict resolution saves time and money on what would otherwise become expensive legal battles. Litigation is a last resort since it has the effect of deteriorating resident trust in City services and can take several years. RLEI is now taking on cases involving larger, more complicated multi-family housing developments as well as single family residential and some commercial properties.

Funding Source:

Essential Services Reserve

Other (Program/Project/Fund): Police Staffing Reserve

Department or Organization: Catholic Charities of Santa Clara County (Responsible Landlord Engagement Initiative)

Department or Organization Contact:

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**RESPONSIBLE LANDLORD ENGAGEMENT INITIATIVE
FUNDING SCENARIOS**

Tiers for San Jose RLEI Funding

a	b	c	d	f	g	i	j	k	l	m	n	o	p
Option	Total	Funding Sources	Subtotals	Exec Dir/ Advisor	Program Mgr	CRM Admin	Case Mgr Foothill SJPD	Case Mgr Central SJPD	Case Mgr Southtrn SJPD	Case Mgr Western SJPD	Technology	Outreach Materials	Overhead
4-(2017-18)	\$571,324	CCD	\$100,000	8,500	5,000	50,000					30,000	5,000	35,500
		City of San Jose	\$471,324	35,700	80,000	25,000	60,000	60,000	60,000	60,000	12,000	15,300	63,324
		Subtotals	\$571,324	44,200	90,000	75,000	60,000	60,000	60,000	60,000	42,000	20,300	98,824
100% Program Funded				PTE, Partnerships, Fundraising, Oversee Program	FTE, Oversee Team, Coordinate Stakeholders	FTE; Manage Database, Reporting	FTE, Manage 10 RLEI Cases	FTE, Manage 10 RLEI Cases	FTE, Manage 10 RLEI Cases	FTE, Manage 10 RLEI Cases	CRM and Website Consultants; Software maintenance	Presentations, Training Videos; Photography and Videographer	22% for rent, utilities, materials
3-(2016-17)	\$400,587	CCD	\$99,979	7,450	5,000	50,000					15,000	4,500	18,029
		City of San Jose	\$300,608	22,400	75,000	20,000	55,000	55,000			14,000	5,000	54,208
		Subtotals	\$400,587	29,850	85,000	70,000	55,000	55,000			29,000	9,500	72,237
50% Proposed Program Funded				PTE Partnerships, Fundraising, Oversee Program	FTE; Oversee Team, Coordinate Stakeholders	FTE; Manage Database, Reporting	FTE, Manage 7 RLEI Cases	FTE, Manage 7 RLEI Cases			CRM and Website Consultants; Software maintenance	Presentations, Training Videos; Photography and Videographer	22% for rent, utilities, materials
2- (1015-16)	\$275,781	CCD	\$100,650	7,500	25,000	45,000	0	0	0	0	4,000	1,000	18,150
		City of San Jose	\$175,131	5,550	45,000	5,000	0				2,500	3,000	13,431
		Subtotals	\$275,781	13,050	70,000	50,000	0				6,500	4,000	31,581
Actual Program				PTE Partnerships, Fundraising, Oversee Program	FTE; Oversee Team, Coordinate Stakeholders Manage 5 cases	FTE; Manage Database, Reporting, Manage 5 Cases					CRM and Website Consultants; Software maintenance	Presentations, Training Videos; Photography and Videographer	22% for rent, utilities, materials
1-(2014-15)	\$175,070	CCD	\$150,060	4,000	55,000	40,000					20,000	4,000	27,060
		City of San Jose	\$25,010	1,000	5,000	10,000					2,500	2,000	4,510
		Subtotals	\$175,070	5,000	60,000	50,000					22,500	6,000	31,570
Basic Outreach				PTE Partnerships, Fundraising, Oversee Program	FTE Oversee Platform, Coordinate Stakeholders 5 cases	FTE; Manage Database, Reporting Mange 5 Cases					Minimal CRM Consultants; Software maintenance	Presentations, Training Videos; Photography and Videographer	22% for rent, utilities, materials

OPTION 4: A full baseline team is established with ability to serve the projected San Jose caseload demand. Meet Citibank deliverables for CRM development and launch as national model.

OPTION 3: Half of core team is established; serve half of the projected San Jose caseload demand. Meet Citibank deliverables for CRM development and promote as national model.

OPTION 2: Status Quo; serve only a quarter to half of the San Jose caseload demand. Meet Citibank deliverables for CRM development and build as a national model.

OPTION 1: Minimum service for San Jose caseload; outreach and technical assistance to 5 to 10 cases. Meet Citibank deliverables for CRM development and design as national model.