



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Jacky Morales-Ferrand  
Jim Shannon

**SUBJECT:** SEE BELOW

**DATE:** October 3, 2022

Approved

Date

**10/7/2022**

**SUBJECT: CITY INITIATIVES ROADMAP - ENCAMPMENT SERVICES, OUTREACH, ASSISTANCE, AND RESOURCES: ACCEPT THE ENCAMPMENT RESOLUTION FUNDING GRANT FROM THE STATE OF CALIFORNIA AND AUTHORIZE RELATED GRANT AGREEMENTS**

## RECOMMENDATION

- (a) Adopt a resolution authorizing the City Manager or her designee to accept the Encampment Resolution Funding grant award of \$2,085,216 from the State of California to fund outreach, housing options, services resulting in encampment closure, restoration of the site for public use and negotiate and execute related documents to accept grant funds without further City Council action.
- (b) Adopt a resolution authorizing the Director of Housing to:
  - (1) Negotiate and execute a new grant agreement with People Assisting the Homeless in the amount of \$801,000 to provide homeless outreach and case management services retroactive from July 1, 2022 through June 30, 2024;
  - (2) Negotiate and execute a new grant agreement with HomeFirst Services of Santa Clara County in the amount of \$1,122,000 to expand the capacity of the Rapid Rehousing program, which provides rental subsidies and case management support services retroactive from October 1, 2022 through June 30, 2024; and
  - (3) Negotiate and execute a new grant agreement with the Guadalupe River Conservancy in the amount of \$199,650 to lead activation and stewardship activities such as creating new murals, educational tours, field trips, and bike rides post encampment closure from January 1, 2023 through June 30, 2024.
- (c) Adopt the following Appropriation Ordinance and Funding Sources Resolution amendments in the Multi-Source Housing Fund:
  - (1) Increase the estimate for Revenue from the State of California by \$2,085,216; and
  - (2) Establish an Encampment Resolution Funding Grant appropriation to the Housing Department in the amount of \$2,085,216.

## **OUTCOME**

Approval and acceptance of the Encampment Resolution Funding (ERF) grant award and authorization of the related grant agreements, including a Safe Encampment Resolution (SER) program, will serve 100 individuals who reside at an encampment in downtown San José along the Guadalupe River Trail, from approximately Woz Way to Julian Street. The goal of ERF is to transition individuals to permanent housing and restore the trail for public use. Actions outlined in this memorandum also authorizes agreements for street-based case management and core services needed to house approximately 46 individuals living along the Guadalupe River Park Trail from Julian Street to Taylor Street.

## **BACKGROUND**

The February 2022 homeless census and survey counted 6,739 persons experiencing homelessness in San José, of whom 5,031 were unsheltered. This means that 75% of San José's homeless population sleeps outdoors, on the street, in cars, recreation vehicles, parks, tents, encampments, abandoned properties, or in bus and train stations. To end homelessness, the local housing and homeless system, also known as the Continuum of Care, must continue to build capacity and pursue funding opportunities that provide a broad range of housing and services. The Continuum of Care is a broad group of stakeholders dedicated to ending and preventing homelessness in Santa Clara County. The key responsibilities of the Continuum of Care system are ensuring community-wide implementation of efforts to end homelessness and programmatic and systemic effectiveness. In fiscal year 2021-2022, 1,857 unduplicated individuals were permanently housed in San José as a result of the coordinated assistance from the Continuum of Care system. Despite this success, for every individual housed, two to three individuals experience homelessness for the first time. The Housing Department continues to pursue funding to offer a variety of housing opportunities for San José residents, including emergency shelter and permanent housing solutions.

On October 29, 2021, the California Interagency Council on Homelessness released the ERF Program Request for Applications.<sup>1</sup> The program funds local demonstration projects that help people who live in encampments transition to safe, stable housing and will result in restoring public spaces to their intended design and use. Additionally, the Request for Applications sought projects that exhibit innovative service delivery models and cross-systems collaboration leading to meaningful paths to safe and stable housing while using non-punitive, low barrier, person-centered, Housing First approaches that could be replicated across the state. The application submission deadline was December 31, 2021.

The Housing Department coordinated with the Mayor's Office and submitted an application on December 23, 2021. On April 8, 2022, the California Interagency Council on Homelessness gave notice of its intent to award funds to the City. On June 1, 2022, the Housing Department received the award of \$2,085,216 to fund the proposed collaborative program, which is discussed below.

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<sup>1</sup> [Encampment Resolution Funding Program Request for Applications](#)

On May 3, 2022, staff updated City Council about the Guadalupe Gardens project. City Council directed the City Manager to produce a Manager's Budget Addendum that identified the resources needed to rehouse individuals living along the Guadalupe River Trail between West Hedding and Santa Clara Streets.<sup>2</sup> As noted in the Manager's Budget Addendum #24 Memorandum,<sup>3</sup> an estimated 46 individuals residing along the trail need housing options including supportive housing and financial assistance. Individuals camped on the trail often move to different locations within this downtown section, therefore, the Housing Department proposes combining resources into one project that will extend along the Guadalupe River Park Trail from Woz Way north to Taylor Street.

## **ANALYSIS**

The Analysis section outlines the SER program mission, framework, and work plan goals and strategy. This section also introduces the proposed key agency partners for the SER program and provides information about their scope of priority services and key activities for the project area.

### ***SER Program Description***

The Housing Department submitted a proposal to the state to develop a collaborative SER program. The SER program is a human-centered program that will save lives and protect the health, safety, and welfare of San José residents experiencing homelessness. The SER program, spearheaded by the Housing Department, will operate under a social-service delivery framework that prioritizes collaborative partnerships with a multidisciplinary team of nonprofit community partners experienced in street outreach, housing, and trauma-informed care. Together, these subject matter experts will offer services and housing to individuals experiencing homelessness at the encampment in the project area. The team will work exclusively along the targeted trail with the goal to transition every occupant into permanent housing or an interim shelter placement. After individuals have been transitioned off the trail, the SER program will provide regular assessment and activation of the space to ensure it remains clear and accessible to the public. **Table 1** provides a timeline of the SER program milestones.

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<sup>2</sup> [Memo from Mayor Liccardo, Vice Mayor Jones and Councilmembers Peralez, Cohen, and Davis dated April 29, 2022](#)

<sup>3</sup> [Columbus Park and Guadalupe River Trail Abatement and Rehousing Resources May 27, 2022](#)

**Table 1: SER Program Timeline**

	<b>PROVIDER</b>	<b>ACTIVITIES</b>	<b>TIME FRAME</b>
<b>PHASE 1</b> Outreach	PATH and HomeFirst	Update census, develop connections, provide referrals to housing	July 1, 2022 - June 2024
<b>PHASE 2</b> Housing	HomeFirst	Housing search and placement, housing support to prevent returning to homelessness	October 2022 - June 2024
<b>PHASE 3</b> Abatement	BeautifySJ	Abatement of encampments and periodic cleanups	October 2023 - November 2023
<b>PHASE 4</b> Activation	Guadalupe River Park Conservancy	Promote stewardship and education to prevent re-encampment, organize community events	November 2023 - June 2024

The proposed agency partners for the SER program include People Assisting the Homeless (PATH), HomeFirst Services of Santa Clara County (HomeFirst), Parks, Recreation and Neighborhood Services – BeautifySJ (BeautifySJ), and the Guadalupe River Park Conservancy. **Table 2** provides a summary of the proposed project partners, key services, and proposed funding amounts.

**Table 2: Summary of Partners, Services, and Funding**

<i>Partner Agency</i>	<i>Service</i>	<i>Funding Amount</i>
PATH	Outreach, Street-Based Case Management	\$801,000
HomeFirst	Housing, Rental Assistance, Housing Problem Solving	\$1,122,000*
Guadalupe River Park Conservancy	Beautification, Activation	\$199,650
BeautifySJ (City)	Trash Service, Escalated Clean-Up, Abatement	\$91,380
Housing Dept. (City)	Program Management, Reporting	\$451,186
	<b>Total</b>	<b>\$2,665,216**</b>

\*Includes \$542,000 from ERF grant and an additional \$580,000 from Measure E resources in the General Fund.

\*\*Total recommended funding from ERF grant is \$2,085,216.

***Project Area and Significance***

The SER project area is approximately two miles along the Guadalupe River Trail and enveloped within the Guadalupe River Park. The full project area consists of two sections, each funded by two distinct sources.

- **Section one:** The ERF State grant award covers the area between Woz Way and Julian Street. In December 2021, a team of outreach workers counted 100 individuals experiencing homelessness in this section.
- **Section two:** Local Measure E Funding (as described in Manager’s Budget Addendum #24 and appropriated as part of the Mayor’s June Budget Message for Fiscal Year 2022-

2023) expanded the project area from Julian Street to Taylor Street along the Guadalupe River Trail. In May 2022, a team of outreach workers counted 46 individuals experiencing homelessness in this section.

The Guadalupe River Trail is a well-traveled path for commuters entering the downtown area by bike from north and south directions. The area also contains two freeway entrances and exits that are the primary entrance to downtown San José, and the encampments are among the first sights seen by commuters as they enter the city.

The Guadalupe River Trail connects several important cultural and recreational resources including museums, parks, and theaters adjacent to the SER project area. Among these are the Children's Discovery Museum, the San José Vietnam War Memorial, and the Rotary PlayGarden – San José's first inclusive playground designed for children of all abilities.

A detailed map with these resources, along with the trail and project boundaries, is included in Attachment A.

### ***Proposed Partner Agencies***

The SER program strategy is centered around engaging key stakeholders, facilitating collaborative communication, and developing and monitoring strategic and innovative solutions. Each of the proposed agency partners offer key services and subject matter expertise to advance the SER program mission and goals. Program services and key activities from each proposed project partner are described in further detail below.

#### PATH: Outreach

The contract with [PATH](#) in the amount of \$801,000, will be retroactive to July 1, 2022, since targeted outreach has already begun in the project area. PATH has established relationships with the individuals who reside in the SER project area, therefore, they were chosen as the outreach lead for the SER program. PATH also operates other programs downtown, which may be leveraged for the SER program, including two recently launched services: the Downtown Crisis Health Outreach program and a storage program. PATH will coordinate with HomeFirst to provide one-time financial assistance and direct referrals to housing options, including interim housing placements as well as the existing City-funded Rapid Rehousing program, which is a rental subsidy and support service program.

#### HomeFirst: Housing

The contract with [HomeFirst](#), in the amount of \$1,122,000, will be retroactive to October 1, 2022, to provide housing options for individuals living in the SER project area. Using two funding sources (\$542,000 in ERF and \$580,000 in Measure E funding), the program will leverage the existing City-funded Rapid Rehousing and Housing Problem Solving programs. As learned from the City's closure of a large encampment called Coyote Meadows, we anticipate

that the majority of both populations will move into one of the interim housing programs while working toward long-term housing plans.

Interim housing programs may include the following: Emergency Interim Housing programs, Bridge Housing Communities (emergency shelter cabins), the Motel Voucher Program, a Homekey project, or The Plaza Hotel. HomeFirst will coordinate with PATH, and its internal City-funded outreach teams for referrals from the project area.

#### Guadalupe River Park Conservancy: Activation

The SER program aligns with the Guadalupe River Park Conservancy's priorities to protect the environment and uplift all members of our community. The contract with [Guadalupe River Park Conservancy](#), in the amount of \$199,650, will begin on January 1, 2023 and focus on activating the site and organizing ongoing educational opportunities to prevent re-encampment. In coordination with neighbors and stakeholders, such as the Children's Discovery Museum, Guadalupe River Park Conservancy will coordinate volunteer beautification days such as creating art murals in the SER project area to prevent re-encampment. It will also host educational and recreational events in and around the SER project area. The Guadalupe River Park Conservancy will also monitor river wildlife in the project area which further supports restoring the project area to its intended use while preserving the nature elements around the area. All these activities will help safeguard the area during the restoration phase, ultimately reestablishing the site for public use.

#### BeautifySJ: Abatement

Although the SER program is a human-centered program providing street-based outreach and housing options to those living in encampments, one goal of the ERF State grant award is to restore the public space to its intended design and use. Once PATH and HomeFirst work jointly to transition individuals from the SER project area, the abatement will begin.

BeautifySJ, the lead City team for cleaning and restoring public spaces throughout San José, will assist with litter cleanups and abatement of the targeted encampment area. The Housing Department and BeautifySJ will collaborate to develop solutions to prevent re-encampment. Examples could include conducting routine litter pick up and waste management activities; assigning San José Police Department bike patrolling in and around the SER project area; and installing fencing and lighting to deter unauthorized access and improve visibility of the area after dark.

#### ***Program Management and Reporting***

The ERF State grant application included funds for direct program coordination, implementation, and dedicated support by members of the Housing Department's Homelessness Response Team. As such, the funding will support a portion of two staff members to manage the program and convene, lead, and coordinate the agency partners to ensure collaborative efforts and operate the SER program. Staff from the Homelessness Response Team will provide onsite facilitation

during all phases of the program. Staff will also develop and submit required monthly and annual programmatic reports to the California Interagency Council on Homelessness.

Moreover, some program funds will be set aside for administrative costs that will support contract development, invoice processing, and monitoring of performance reports. This funding will also support a portion of two staff members on the Grants Team in the Housing Department. The SER program will also leverage existing staff on the Homelessness Response Team to develop the scope of work agreements and budgets.

### ***Measuring SER Program Success***

There are two primary outcomes for the SER program that will guide launching program operations and activities as well as inform any further development of the program's goals or scope of work. The current measurements of success allow versatility in the SER program's approach and service delivery and promote flexibility to reassess goals and adapt to any changing needs of the community. With this approach in mind, the two core outcomes for the SER program are:

- Restoring this section of the trail to its intended design and promoting increased use of the walking path through outreach, housing placement, abatement, beautification, and activation; and
- Designing a program model using the ERF State grant framework that could be scaled and used in other impacted areas within the community or adopted by other jurisdictions throughout the state.

Success for the core outcomes will be measured by the following key indicators:

- **Lived Experience Advisory Board Collaboration:** Soliciting and implementing feedback from people with lived experience. The Housing Department is committed to actively engaging with the Lived Experience Advisory Board through the duration of the SER program.
- **Housing:** Tracking the number of individuals living in the SER project area who are housed or sheltered as a result of the program's coordinated outreach and referral services. A primary goal of the SER program is to offer every individual in the project area a permanent or interim housing opportunity or shelter option. While not every individual may accept, for those enrolled in a housing or shelter program, their transition and housing stability will be tracked.
- **Outreach:** Conducting assessments and connecting homeless residents to individualized services and housing through street outreach efforts.
- **Abatement:** Managing photographic documentation demonstrating the progress and results of abatement activities, which include cleaning litter and abandoned camps from the SER project area.
- **Activation:** Launching and maintaining activation events through consistent public engagement activities to prevent re-encampment.

- Restoration: Promoting increased public use of the SER project area.

Housing enrollment and transition rates for every individual in SER will be monitored. For example, the Rapid Rehousing program City-funded program – where 83% of program participants exit to permanent housing – set promising standards for replicating similar results in the SER program. Contract negotiations and scope of work agreements are currently underway between the Housing Department, PATH, and HomeFirst. Measurable outcomes that align with Rapid Rehousing program performance benchmarks and enrollment rates are at the forefront of negotiation discussions and are reflected in core elements of the City’s proposed scope of work agreement.

A final report of the project, including lessons learned and the possibility of scaling the model to other sites, will be submitted to the state and shared with City Council. These outcomes will be tracked and reported back to City Council in the Housing Department’s annual report on homelessness once the project is completed.

## **CONCLUSION**

The SER program will provide a unique and focused opportunity to assess the current and ongoing needs in the project area and provide consistent engagement opportunities to support and monitor collaborative and innovative solutions. The actions recommended in this memorandum will implement the SER program with PATH, HomeFirst, the Guadalupe River Park Conservancy, BeautifySJ, and the Housing Department to provide low-barrier housing options for up to 100 individuals living from Woz Way north to Julian Street and 46 individuals living along the Guadalupe River Park Trail from Julian Street to Taylor Street. The goal of is to transition individuals to permanent housing and restore the project area for public use.

## **EVALUATION AND FOLLOW-UP**

Updates on the SER program will be provided in the Housing Department’s annual report on homeless programs.

## **CLIMATE SMART SAN JOSE**

The recommendation in this memorandum has no direct effect on Climate Smart San José energy, water, or mobility goals, but does improve the overall community environment.

**PUBLIC OUTREACH**

This memorandum will be posted on the City's Council Agenda website for the October 18, 2022 City Council meeting.

**COORDINATION**

The memorandum was coordinated with the Department of Parks, Recreation and Neighborhood Services and the City Attorney's Office.

**COMMISSION RECOMMENDATION/INPUT**

No commission recommendation or input is associated with this action.

**COST SUMMARY/IMPLICATIONS**

1. AMOUNT OF GRANT AWARD: \$2,085,216

2. COST ELEMENTS OF GRANT AWARD:

Outreach and Case Management	\$801,000
Rental and Housing Subsidies	\$542,000
Restoration	\$199,650
Abatement	\$91,380
Program Management, Reporting and Administration	<u>\$451,186</u>
<b>TOTAL</b>	<b>\$2,085,216</b>

3. SOURCE OF FUNDING: Multi-Source Housing Fund (448) via the ERF grant

4. FISCAL IMPACT: The recommended actions in this memorandum will enable the Housing Department to accept a \$2,085,216 ERF grant from the State of California to fund agreements and services that result in homeless encampment closure and the subsequent restoration of the Guadalupe River Park area for public use. A separate allocation of \$580,000 in Measure E funding for the rental and housing subsidies agreement with HomeFirst was appropriated as part of the 2022-2023 Adopted Operating Budget.

**FISCAL/POLICY ALIGNMENT**

The recommendations outlined in this memorandum are in alignment with two of the three strategies in the Santa Clara County 2020-2025 Community Plan to End Homelessness as summarized below.

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**Subject: City Initiatives Roadmap - Encampment Services, Outreach, Assistance, and Resources: Agreement for the Safe Encampment Resolution Funding Grant from the State of California**

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- Strategy 2: Expand homelessness prevention and housing programs to meet the need.
- Strategy 3: Improve quality of life for unsheltered individuals and create healthy neighborhoods for all.

The City is committed to implementing the strategies in the Santa Clara County 2020-2025 Community Plan to End Homelessness and aligning its funding with the regional plan’s various strategies. The proposed SER program advances the goals outlined in Strategy 2 by expanding the supportive housing system to providing housing and services to help 20,000 unsheltered individuals secure stable, permanent housing. Most encampment occupants will be eligible for, and enrolled in, supportive housing programs. The proposed SER program will support alternate housing options as well as strengthen and leverage the existing City-funded Rapid Rehousing program. The proposed SER program also advances the goals outlined in Strategy 3 by increasing street outreach, hygiene services, and transportation options to match the needs of the sheltered residents. Further, the program will engage in a cross-section of community partners and ensure that community spaces are safe and welcoming.

The Housing Department will lead the identified group of nonprofit community partners experienced in street outreach, housing, and trauma-informed care. These services will be implemented throughout the program phases of planning, implementation, and resolution/assessment/sustainment.

**BUDGET REFERENCE**

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

Fund #	Appn. #	Appn. Name	Total Appn.	Rec. Budget Action	Amt. for Contract	2022-2023 Proposed Operating Budget Page*	Last Budget Action (Date, Ord. No.)
448	R100	Revenue from the State of California	\$25,238,236	\$2,085,216	N/A	911	6/21/2022 Ord. No. 80607
448	New	Encampment Resolution Funding Grant	\$0	\$2,085,216	\$2,085,216	N/A	N/A
001	221Y	Measure E – Guadalupe River Park Housing Support	\$2,580,000		\$580,000	N/A	6/21/2022 Ord No. 30790

\* The 2022-2023 Adopted Operating Budget was approved on June 14, 2022 and adopted on June 21, 2022 by the City Council.

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**CEQA**

Not a Project, File Nos. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment; and PP17-004, Government Funding Mechanism or Fiscal Activity with no commitment to a specific project which may result in a potentially significant physical impact on the environment. The low barrier housing options and transitional housing programs will be subject to separate CEQA review.

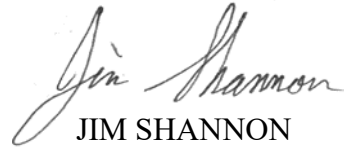
/s/

JACKY MORALES-FERRAND  
Director, Housing Department



JIM SHANNON  
Budget Director

I hereby certify that there will be available for appropriation in the Multi-Source Housing Fund in the Fiscal Year 2022-2023 moneys in excess of those heretofore appropriated therefrom, said excess being at least \$2,085,216.



JIM SHANNON  
Budget Director

The primary authors of this memorandum are Greg Pensinger and Alejandra Tlalli-Miles from the Homelessness Response Team. For questions, please contact Kelly Hemphill, Division Manager, at [kelly.hemphill@sanjoseca.gov](mailto:kelly.hemphill@sanjoseca.gov).

Attachment A: Safe Encampment Resolution Project Area Map

