



COUNCIL AGENDA: 3/26/24
FILE: 24-74768
ITEM: 8.4

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Rosalynn Hughey

SUBJECT: SEE BELOW

DATE: March 4, 2024

Approved

Date

3/8/24

**SUBJECT: ACTIONS RELATED TO GRANT AGREEMENTS FOR A TARGETED
OUTREACH AND ENGAGEMENT PROGRAM SERVING UNSHELTERED
INDIVIDUALS IN SAN JOSÉ**

RECOMMENDATION

Adopt a resolution authorizing the Director of Housing, the Acting Director of Housing, or their designee to negotiate and execute the following targeted outreach and engagement program grant agreements serving unsheltered individuals and households beginning in Fiscal Year 2023-2024 with up to three one-year options to extend, subject to the appropriation of funds and termination for convenience:

- a. PATH for the Targeted Outreach and Engagement Program in the amount of \$4,428,303 from April 1, 2024 to June 30, 2025; and
- b. HomeFirst of Santa Clara County for the Targeted Outreach and Engagement Program in the amount of \$4,234,887 from April 1, 2024 to June 30, 2025.

SUMMARY AND OUTCOME

Approval of the grant agreements with PATH and HomeFirst of Santa Clara County (HomeFirst) and will allow for the provision of enhanced services and coordinated resources to individuals and households experiencing homelessness in target areas across San José. The grant agreements with the two non-profit partners will not exceed \$9 million in local and state funds.

This memorandum includes the Housing Department's efforts to redesign the proactive homelessness outreach and engagement model in San José to reduce unsheltered homelessness, focus limited resources, and improve housing outcomes.

BACKGROUND

Addressing the Homelessness Need

Unsheltered homelessness, which is when the primary nighttime residence of an individual is not designed for a regular sleeping accommodation for human beings (e.g., encampments, lived-in vehicles, roadway and bike paths, sidewalks, parks, abandoned buildings, waterways, and trails), continues to be a pressing issue in San José. The 2023 Homeless Census and Survey, conducted in January 2023, counted 6,266 individuals experiencing homelessness in San José, of whom 70% were unsheltered.

To help address the needs of those experiencing unsheltered homelessness, the City is committed to prioritizing funding to improve the quality of life for unsheltered individuals and create healthy neighborhoods for all. This strategy in the region's five-year Santa Clara County Community Plan to End Homelessness¹ describes increasing outreach resources, specifically in encampments.

History of Homelessness Outreach in San José

The City's strategy for providing outreach and engagement services to unsheltered residents has evolved since the inception of its first program in 2013, which centered its resources in the downtown core. In 2015, the City expanded homelessness outreach efforts citywide and introduced a Homeless Concerns Hotline service to provide community members a forum to report concerns about homeless individuals and encampments. Outreach efforts evolved into a combination of proactive engagement and reactive assessments in response to concerns from community members. In fall 2023, the City began the process of shifting community reports about encampments from the Homeless Concerns Hotline exclusively to the BeautifySJ intake phone line, while leaving the Homeless Concerns Hotline for social service support.

Approved by the City Council on September 22, 2020², the Services, Outreach, Assistance, and Resources (SOAR) program was designed during the COVID-19 pandemic. The City used one-time COVID-19 funds to enhance supportive services, proper hygiene and waste management services, and medical connections to individuals residing in encampments.

In alignment with the Community Plan to End Homelessness' goals to invest in the health and safety needs of people living outside and build connections to safety net services and programs, the SOAR program provides a compassionate and resource-focused approach to assisting individuals living in encampments. Between July 2020 through June 2023, the SOAR program was funded with approximately \$4.8 million in one-time COVID-19-related funds that have since been expended.

A proactive, targeted outreach model has been more successful than reactive deployments to address the needs of people experiencing homelessness. When concentrating resources, such as waste

¹ [2020-2025 Santa Clara County Community Plan to End Homelessness](#)

² [Substantial Technical Amendments to the FY 2015-2020 Consolidated Plan and FY 2019-20 Annual Action Plan](#)

management, supportive services, and housing options in focused areas, the human-centered program model promotes coordination and collaboration with better performance outcomes.

For example, the SOAR program served 1,150 individuals at 16 homeless encampments during Fiscal Year (FY) 2022-2023. The program provided encampment residents with individualized case management and essential items and services, such as waste management, portable restrooms, handwashing stations, blankets, water, food, and hygiene kits. More than 470 individuals served by the SOAR program exited to interim or permanent housing in FY 2022-2023. This is a success rate of 41% over that time period. While the greatest challenge for SOAR outreach teams is the insufficient availability of shelter and housing options to place individuals, the SOAR program exceeded the Continuum of Care performance benchmark that 40% of individuals enrolled in outreach programs will exit to a successful housing placement, including permanent housing, temporary housing, foster care, long-term care, etc. Conversely, as discussed in the Analysis section of this memorandum, the reactive outreach program model successfully connected people to housing only eight percent of the time.

While a proactive outreach model, such as the SOAR program, has better results in providing individualized case management, which connects people to services and ultimately exiting individuals to interim or permanent housing, the City will continue to provide reactive outreach services. This includes responding to concerns about an individual or an encampment from City Council, City departments, San José 311, the Homeless Concerns Hotline, housed residents, business owners, or other sources. In addition, reactive outreach services will be required for recent City Council-directed programs, such as the oversized vehicle and school setback programs.

This memorandum outlines the redesign for a proactive, targeted homelessness outreach and engagement program with a recommendation for related grant agreements to help deliver these services.

ANALYSIS

With a high demand for outreach services, limited funding available for outreach programs, and review of data demonstrating that proactive outreach is more effective, the Housing Department engaged in a redesign of the City's homelessness outreach program and service models. After a year-long process, the Housing Department is proposing to focus the majority of its resources on a proactive and targeted homelessness outreach and engagement model.

The redesigned homelessness outreach program and service model is based on the following:

1. The need for coordinated resources to reduce unsheltered homelessness and align with the region's 2020-2025 Community Plan to End Homelessness;
2. Evolution of outreach in San José and lessons learned from the current SOAR and Safe Encampment Resolution program models; and
3. Engagement with and feedback from non-profit partners, City departments, and other stakeholders.

Funding Considerations

During the COVID-19 pandemic, the Housing Department received one-time funding sources to support additional homelessness assistance and homelessness prevention activities to mitigate the impacts created by the widespread of COVID-19.

The Emergency Solutions Grant – CARES Act and American Rescue Plan Act – funds were used to establish and expand the SOAR program model at various locations throughout the City. However, as these funding sources expired, the Housing Department faced a reduction in funding for homelessness outreach services, which necessitated the redesign of the program and service model. For example, changes were made to build in more efficiencies through collaboration with other departments and focus on greater outcomes. **Table 1** below outlines the key proposed differences in the homelessness outreach strategy and use of funding as a result of the decreased funding.

Table 1: Homelessness Outreach Program and Service Model Comparison

FY 2022-2023 Budget (~\$11million)	Proposed FY 2023-2024 Budget (~\$9million)
Proactive and reactive program and service models; four contracts.	Proactive program and service model only; two contracts.
48 contracted full-time employees (Service providers: PATH, HomeFirst)	43 contracted full-time employees** (Service providers: PATH, HomeFirst)
Target Areas: <ul style="list-style-type: none">• 16 SOAR program sites• Downtown• Citywide (complaint driven)*	Target Areas: <ul style="list-style-type: none">• Six to seven revolving encampments• Downtown

*While Citywide (complaint driven) target area will no longer be a focus, those services will still be provided on a limited basis with an existing contract as described later in this memorandum.

**Subject to change through ongoing negotiations with service providers.

Proactive Homelessness Outreach Program Model Redesign

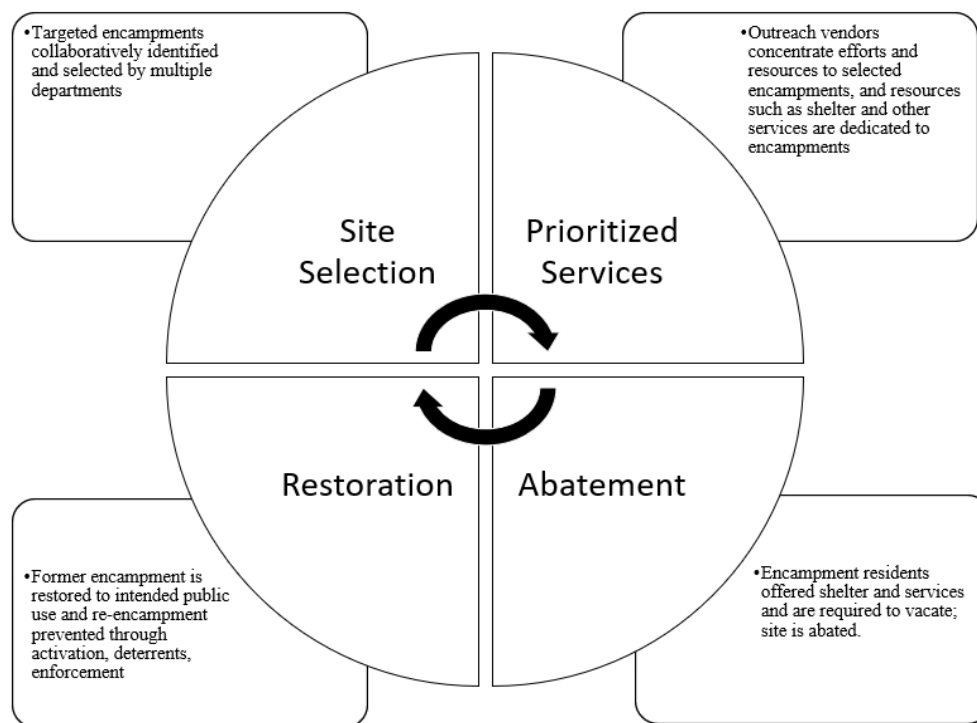
With a reduction in funding, the Housing Department proposes a redesign of the homelessness outreach program and service model in order to improve program efficacy. The key difference in the program redesign is to focus resources in fewer target areas, using the lessons learned from the SOAR and Safe Encampment Resolution programs, with the goal of transitioning unsheltered residents to shelter, then resolving the encampment. Once encampment issues are resolved, the homelessness outreach teams would move on to the next collaboratively identified target area.

Targeted encampments will be determined through a collaborative, cross-departmental process as part of the execution team for the Reducing Unsheltered Homelessness City Council Focus Area. City staff will be informed by insights and consultations with community partners, Mayor and Council District Offices, and other public agencies such as the County of Santa Clara, Valley Water, Santa Clara Valley Transportation Authority, California Department of Transportation, and Union Pacific Railroad.

The goal of the proactive, targeted homelessness outreach and engagement program redesign is to emphasize the quality of services (targeted outreach) over quantity and transition more individuals experiencing homelessness to housing options through their engagement with homelessness outreach teams. The proactive, targeted homelessness outreach and engagement program will compassionately resolve encampments by collaborating cross-departmentally, leveraging resources, and restoring public spaces to their intended use.

The below **Figure** illustrates the workflow of the proactive, targeted homelessness outreach and engagement program model.

Figure: Proactive, Targeted Outreach Workflow



The priorities for proactive, targeted homelessness outreach and engagement are to:

- Engage and build relationships using evidence-based practices, such as trauma-informed care and motivational interviewing;
- Be respectful and responsive to the beliefs and practices, sexual orientations, gender identities, disability statuses, age, cultural preferences, and linguistic needs of all individuals;
- Accept that it may take several attempts before individuals are receptive to offers of assistance;
- Target specific areas with consistent engagement;
- Provide direct access to interim housing;
- Assess individuals for the Santa Clara County Homeless Management Information System;

- Coordinate connections to individualized resources in the community's system of care;
- Transport individuals to appointments and housing placements;
- Support unsheltered individuals with basic needs services; and
- Track data and service/housing destinations of enrolled program participants.

Reactive Outreach Approach is Still Valuable

While the homelessness outreach and engagement program redesign is focused on proactive outreach, the Housing Department heard from stakeholders that having a mechanism to respond to community concerns is also a priority. In addition to residents and businesses requesting assistance, the City Council and City departments also frequently request a response.

As such, the Housing Department will continue to use federal funding to respond to select emergent or high-need situations, support coordinated efforts across departments, and collaborate with proactive homelessness outreach teams, as well as homelessness outreach efforts from the County of Santa Clara and others providing services to unhoused residents. This work will be accomplished through the previously approved and existing Citywide Outreach for Unsheltered Populations contract with HomeFirst through June 30, 2025, to allow more time for an alternative approach to be developed. The contract will no longer measure success by the number of housing placements. Instead, it will focus on meeting people where they are and providing basic resources, such as assessments for housing and supportive services, transportation, hygiene supplies, food, and water.

If shelter is available, the reactive homelessness outreach program team would be able to directly refer individuals to the shelter. In FY 2022-2023, the Citywide Outreach for Unsheltered Populations program (HomeFirst's program) served 706 participants. Of the total participants served, 520 individuals exited the program, of which eight percent were successfully housed into permanent housing, temporary housing, foster care, or long-term care. The primary function of the reactive homelessness outreach program has historically been to respond to inquiries received from the City's Homelessness Concerns Hotline and other requests for deployment of homelessness response support services.

Reactive homelessness outreach teams visit multiple sites in one day to complete deployment "work orders." These initial interactions rarely result in a successful transition into interim or permanent housing. Without time to build rapport or trust, the likelihood of achieving housing placements is low. Conversely, the SOAR program's proactive homelessness outreach program model exceeded the housing program outcomes for successful housing placements.

The Housing Department considers enforcement activities (e.g., pre-abatement notifications) a function of City staff rather than the function of non-profit, contracted service providers. Therefore, the six limited-dated staff positions that will end on June 30, 2024 and perform this work will be considered for continued funding in the FY 2024-2025 budget based on City Council priorities and available funding .

Collaborative Approach to Developing the Proactive Homelessness Outreach Program Model Redesign

The proactive homelessness outreach program redesign has been a collaborative process, which included collecting feedback from non-profit partners, City departments, and other stakeholders, such as individuals with lived experience of homelessness. Housing Department staff met with and surveyed various stakeholders, which is summarized in **Table 2**.

Table 2: Stakeholder Meetings and Surveys on Homelessness Outreach

Stakeholder	Key Insights
Listening Sessions with Homelessness Outreach Providers (HomeFirst/PATH)	<ul style="list-style-type: none"> • Need more shelter and housing resources. • Staff has limited bandwidth to serve the needs for homelessness outreach across the entire City. • Need to provide more community education about homelessness outreach goals and expectations. • Technology limitations in the field (e.g., internet accessibility, data input, etc.)
Feedback Surveys (Lived Experience Advisory Board)	<ul style="list-style-type: none"> • Need more shelter and housing resources. • Need more homelessness outreach teams comprised of people with lived experience of homelessness. • Lack of trust between homelessness outreach workers and unsheltered residents.
Service Provider Feedback Surveys (HomeFirst/PATH)	<ul style="list-style-type: none"> • Need more shelter and housing resources, safety concerns. • Incorporate best practice methods, including harm reduction, crisis intervention, and motivational interviewing. • Lack of trust. • Shelter capacity/long waitlists.
Homelessness Outreach Redesign Workgroup (various City departments)	<ul style="list-style-type: none"> • Need more homelessness outreach staff to respond to requests for assistance from City staff and departments. • Need more shelter and housing resources.

As a result of the feedback from stakeholders, the Housing Department's proposed new homelessness outreach program and service model will focus homelessness outreach services at targeted encampments determined through a collaborative process with other City departments as part of the Execution Team for the Reducing Unsheltered Homelessness City Council Focus Area. At the core, the objective of this model is to facilitate an interdepartmental process for selecting high priority encampments and leverage department resources and bandwidth to resolve encampments and restore property to its intended use.

The Housing Department is committed to meeting with City departments monthly to prioritize target areas for homelessness outreach which will include areas shared with staff by the Mayor's Office,

Council District Offices, and community partners. City staff will discuss challenges and departmental needs, leverage resources, and develop collective outcomes. Working collaboratively with multiple departments is essential to ensuring that every department that has a stake in encampments has both input on where limited resources are focused and clear roles in resolving encampments.

While City-owned and impacted encampment areas may be a priority as outreach target areas, some of the areas most impacted by encampments within City limits are owned and/or managed by other public agencies or authorities, including Valley Water, California Department of Transportation, County of Santa Clara, Union Pacific Railroad, and Santa Clara Valley Transportation Authority. If a non-City owned/managed site is selected as an outreach target area, additional engagement with the property owner (partner) would be needed; first, to ensure that the partner understands the approach and agrees to coordinate with the City; and second, to establish whether additional resources and funding from the partner (in some cases, the partner is a public agency or authority) can be leveraged to support the resolution of the encampment and the restored use of the site. As part of the execution team for the Reducing Unsheltered Homelessness City Council Focus Area, Housing Department staff will work with these partners to maximize the coordination and effectiveness of both the reactive and proactive homelessness outreach efforts.

Request for Proposals: Targeted Outreach and Engagement Program

The Housing Department released the Targeted Outreach and Engagement Program Request for Proposals on September 13, 2023 and made it available for five weeks, closing on October 20, 2023. Five applications were received. The Request for Proposals included an overview of the proposed redesign for homelessness outreach and indicated that the goal was to award two service providers.

An evaluation panel consisted of the following members:

- Three City staff: two Housing Department and one City Manager's Office of Economic Development and Cultural Affairs;
- One staff from the County of Santa Clara Office of Supportive Housing; and
- Two external stakeholders: a formerly homeless resident and a Lived Experience Advisory Board member.

The evaluation panel reviewed and rated the five proposals based on standard evaluation criteria, including program narrative, cultural competence and equitable service delivery, organizational capacity, goals and outcomes, and budget. Three of the applicants met the 70-point score threshold, as summarized in **Table 3** below.

Table 3: Request for Proposals Rank and Review Results

Applicant	Score
HomeFirst	75.6
PATH	75.2
LifeMoves	73.8
WeHope	47.4
Upper Room	8.0

The Housing Department invited the top three applicants for interviews with the evaluation panel. The interviews were centered around the following clarifying questions:

1. Briefly describe the design, structure, and implementation of the proposed program;
2. Discuss the applicant's outreach approach to those residing in vehicles, recreational vehicles, and trailers;
3. Expand on ways the program could collaborate with individuals with lived experience of homelessness;
4. Discuss the applicant's staff training, hiring, and retention plan; and
5. Provide more information on the proposed program budget.

The interviews resulted in modified scores, as summarized in **Table 4**.

Table 4: Request for Proposals Interview Score Results

Applicant	Score
PATH	75.7
HomeFirst	74.7
LifeMoves	61.3

The evaluation panel selected PATH and HomeFirst as the administrators of the Targeted Outreach and Engagement Program. Negotiations with the two potential partners on the number of program participants to be served and performance outcomes are underway and subject to change prior to agreement execution on April 1, 2024. The proposed grant agreements are summarized below.

PATH

- Serve at least 500 unduplicated individuals.
- Focus on four target areas, including the downtown core and three Direct Discharge Trash Control Project³ areas along Coyote Creek.

³ Since the early 1990s, the City has actively worked to clean up homeless encampments along creeks. These efforts involved a long history of partnering with Valley Water to jointly reduce the accumulation of trash and its

- Homelessness outreach teams will include 21 staff, including peer support specialists, case managers, and other specialized staff.
- Outcomes-driven program using the local Continuum of Care system performance measures and benchmarks.
- Focus on building trust and relationships through proactive and consistent case management, individualized housing plans, care coordination, homeless system navigation, employment, public benefits assistance, health connections, and other individualized supportive services needed to secure stable permanent housing and achieve self-sufficiency.

HomeFirst

- Serve up to 1,000 unduplicated individuals.
- Focus on six to seven target areas at any given time, operating in partnership with the Bill Wilson Center.
- Target areas will include homeless encampments, both on land and near waterways as well as vehicle and recreational vehicle-concentrated sites.
- Each target area will be serviced for six to months, with the outcome of transitioning individuals and households to interim shelter and/or permanent housing, after which resources will be shifted to the next target area.
- Homelessness outreach teams will include 22 staff, including outreach specialists, case managers, and housing specialists.
- Outcomes-driven program using the local Continuum of Care system performance measures and benchmarks.
- Focus on building trust and relationships through proactive and consistent case management, individualized housing plans, care coordination, homeless system navigation, employment, public benefits assistance, health connections, and other individualized supportive services needed to secure stable permanent housing and achieve self-sufficiency.

EVALUATION AND FOLLOW-UP

Updates on the Targeted Outreach and Engagement Program will be provided in the Citywide Homelessness Annual Report to City Council in fall 2024. Additionally, the Housing Department will continue the existing Citywide reactive homelessness outreach program that is funded with federal entitlement funds from the United States Department of Housing and Urban Development. An update on the reactive homelessness outreach program will be provided to the City Council in April 2024 as

environmental impacts in waterways from encampments. In 2008, the City and Valley Water amended an existing memorandum of agreement to include encampment cleanups. When the 2009 Stormwater Permit came into effect, the City identified that direct discharges in waterways were primarily due to trash from encampments and it was an opportunity to achieve trash load reduction targets as defined to meet compliance. The City implemented an innovative approach that included cross-department collaboration and interagency partnership with Valley Water and was the first municipality in the San Francisco Bay Area to have a Direct Discharge Plan approved by the Water Board.

part of the FY 2024-2025 Annual Action Plan. Thereafter, updates on the reactive homelessness outreach program will be provided to the City Council each fall through the Citywide Homelessness Annual Report. The Housing Department is also required to provide an update to City Council each fall through the Consolidated Annual Performance and Evaluation Report.

COST SUMMARY/IMPLICATIONS

The actions recommended in this memorandum will enable the Housing Department to negotiate and execute the following two grant agreements for targeted outreach and engagement programs serving unsheltered individuals and households from April 1, 2024 through June 30, 2025 with up to three one-year options to extend, subject to the appropriation of funds and termination for convenience:

- PATH - \$4,428,303: An amount of \$2,578,303 is funded by the Housing, Assistance and Prevention Fund, and \$1,850,000 is funded by the General Fund (Measure E - Citywide).
- HomeFirst - \$4,234,887: An amount of \$2,384,887 is funded by the Homeless Housing, Assistance and Prevention Fund, and \$1,850,000 is funded by the General Fund (Measure E - Citywide).

BUDGET REFERENCE

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

Fund #	Appn. #	Appn. Name	Total Appn.	Amt. for Contract	2023-2024 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
001	227L	Measure E – Homeless Response and Outreach Contractual Services (15% HSP)	\$3,700,000	\$3,700,000	918	06/20/2023 Ord. No. 30933
454	205W	Homelessness Prevention System	\$12,349,433	\$4,963,190	1017	06/20/2023 Ord. No. 30933

COORDINATION

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

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the March 26, 2024 City Council meeting.

Additionally, the Housing Department has been engaged in the proactive homelessness outreach program and service model redesign for over a year and has coordinated with City departments that rely on homelessness outreach for their own department's priorities or have an interest in the resolution of encampments.

In August 2023, a formal working group, the Homelessness Outreach Redesign Work Group, was established to ensure that all interested departments were aware of the redesign and had an opportunity to contribute to developing the redesign. Staff from the following departments participated in the Homelessness Outreach Redesign Work Group: City Manager's Office; City Manager's Office of Economic Development and Cultural Affairs; Environmental Services Department; Fire Department; Library Department; Parks, Recreation and Neighborhood Services Department; Planning, Building, and Code Enforcement Department; Police Department; and Transportation Department.

The Housing Department will continue to engage with the Homelessness Outreach Redesign Work Group through the site selection process. Coordination of departments' resources will be an essential component in resolving and restoring encampment locations throughout the duration of the contract grant agreements.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Not a Project, File No. PP17-009, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

HONORABLE MAYOR AND CITY COUNCIL

March 4, 2024

Subject: Actions Related to Grant Agreements for a Targeted Outreach and Engagement Program Serving Unsheltered Individuals in San José

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PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in sections 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

ROSALYNN HUGHEY
Deputy City Manager and
Acting Housing Director

The principal authors of this memorandum are Vanessa Beretta and Greg Pensinger, Homelessness Response Division, Housing Department. For questions, please contact Kelly Hemphill, Homelessness Response Division Manager, Housing Department, at kelly.hemphill@sanjoseca.gov.