



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Leslye Krutko

**SUBJECT:** SEE BELOW

**DATE:** May 30, 2006

Approved

Date

06/08/06

**COUNCIL DISTRICT:** City-wide  
**SNI AREA:** NA

**SUBJECT: APPROVAL OF AN EXTENSION OF THE HOUSING SERVICES PARTNERSHIP CONTRACT TO EHC LIFEBUILDERS, SACRED HEART COMMUNITY SERVICE, AND INNVISION THE WAY HOME, TO PROVIDE SERVICES TO THE HOMELESS POPULATION AND TO THOSE AT RISK OF HOMELESSNESS IN THE CITY OF SAN JOSE, AND APPROVAL OF AN INCREASE IN FUNDING.**

## RECOMMENDATION

It is recommended that the City Council adopt a resolution:

- a) Approving a 12-month extension to the Housing Services Partnership contract to provide homeless services on behalf of the City through June 30, 2007;
- b) Approving an increase in the Housing Services Partnership contract amount from \$1,034,167 to \$2,247,879 to cover the cost of services provided through June 30, 2007;
- c) Authorizing the Director of Housing to negotiate and execute all necessary documents.

## **OUTCOME**

The approval of an extension to the existing contract with the Housing Services Partnership will ensure the uninterrupted provision of needed services for the homeless and those at risk of homelessness. The increase in funding will allow the Partnership to better meet the needs of homeless families and individuals and those at risk of homelessness, and expand job referral services.

## **BACKGROUND**

On September 9, 2003, the Mayor and City Council adopted a Ten-Year Homeless Strategy with the goal of ending chronic homelessness in San Jose. The Plan included a number of programs and policies designed to improve the current assistance system to enable the homeless population to move from the streets to permanent housing. The Strategy included measures to enhance the quality of “wraparound services”, the diverse range of supportive and social services often required to enable homeless individuals and families to successfully transition to stable housing.

On August 11, 2004, the City issued a Request for Proposals (RFP) for services to be provided on behalf of the City to the homeless and those at risk of homelessness in San Jose. The services include: homelessness prevention counseling, financial assistance, case management and permanent housing placement. Initially two nonprofit agencies, EHC LifeBuilders and InnVision the Way Home, submitted separate proposals to the RFP. After review and evaluation of the proposals, the Housing Department determined that a collaboration of the two agencies could better meet the needs of the target population than either of the independent proposals. Department staff met with representatives of the agencies and negotiated a three-agency partnership that also included Sacred Heart Community Service in an innovative collaboration that offers greater accessibility to services for those in need. The three agencies created a new partnership, the Housing Services Partnership (HSP), to deliver the range of services the City required.

On January 25, 2005, the City Council approved the selection of EHC LifeBuilders, InnVision the Way Home and Sacred Heart Community Service (SHCS), working together under one contract, to provide homeless services on behalf of the City. The initial contract ran from February 1, 2005 through June 30, 2006 at a total cost of \$1,034,167, with an annualized cost of \$730,000.

## **ANALYSIS**

The initial HSP contract period expires June 30, 2006. Rather than publishing a new RFP, Housing staff is proposing an extension of the current contract for the following reasons:

1. The HSP contract incorporates three major agencies offering the range of services required in San Jose

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2. HSP is an innovative collaboration that aligns with the City's Homeless Strategy to streamline access to homeless services
3. Evaluation of the initial contract period indicates that the HSP collaboration can offer convenient, coordinated and unduplicated services in a manner that no single agency can provide.

Under the current agreement, the three HSP agencies provide rental and move-in assistance, security deposits, housing search, intake, referrals, counseling, job search and placement, transportation assistance, life skills and budget management coaching, computer training, and fiscal administration at an annual cost of \$730,000. Since the program inception, HSP has assisted over 6,500 families and individuals obtain or maintain their housing.

During the current contract period, Housing Department staff has met with the HSP program managers on eight occasions to review the program policies, procedures, performance measures, reporting requirements and staffing needs. Based on these reviews and observations, Housing Department staff is recommending the following improvements to the services provided by the HSP:

1. Increase the maximum direct financial assistance for security deposit and/or rent assistance per household from \$400 to \$700. This increase will ensure that families have sufficient funding to cover the amounts needed to pay rental deposits and past due rent. Even with this increase, in many cases families must seek obtain financial assistance from additional sources in order to obtain or maintain their housing. The cost of this increase to direct assistance is \$435,500.
2. HSP direct-service staffing (3 Case Managers) will change to 2 Case Managers and 1 Employment Specialist. The Employment Specialist will coordinate all employment related activities including, but not limited to, connecting those who are homeless or at-risk of homelessness to employment opportunities.
3. HSP staff, in coordination with City staff, will develop and implement an Eviction Prevention Program, working with the court system to reverse Unlawful Detainers and keep people housed.
4. In order to expand the homelessness prevention efforts, HSP staff will participate in discharge planning efforts in collaboration with other government and social service.
5. The Housing Department will conduct a program evaluation after six months to evaluate the effectiveness of the program changes.

Attachment A details the costs associated with the services provided as they were originally approved by the City Council and the proposed amounts for the requested contract extension. The proposed contract extension will increase the annual contract amount to \$1,213,712, and will allow the HSP to provide assistance to over 9,000 households.

To augment the HSP program, the City applied for and has been recommended to receive a grant from the Santa Clara Valley Transportation Authority. The \$180,000 grant will provide \$60,000 a year for three years to purchase monthly bus passes and fund a pilot program to provide auto

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repair assistance to households with transportation needs associated with employment, medical care or education. If approved by the Santa Clara County Board of Supervisors and the Valley Transportation Agency in June 2006, this program will also be administered by the HSP.

### **PUBLIC OUTEACH**

The original RFP in August 2004 was made available to all members of the Santa Clara County Collaborative on Affordable Housing and Homeless Issues (the "Collaborative"), which includes over 130 member agencies (government, private and nonprofit services providers and housing developers.)

### **COORDINATION**

This report has been prepared in coordination with the Office of the City Attorney and the City Manager's Budget Office.

### **COST IMPLICATIONS**

Funding (\$1,213,712) for FY 2006-2007 is included in the Fiscal Year 2006-07 annual budget process for Housing Trust Fund (Fund 440). This funding is consistent with the Council approved Budget Strategy memo adopted on February 4, 2003, and with the 10-Year Homeless Strategy to End Chronic Homelessness, approved by the City Council on September 9, 2003.

### **CEQA**

N/A (Not a project)

  
LESEYE KRUTKO  
Director of Housing

For questions please contact Leslye Krutko, Director of Housing, 535-3851.

Attachment

### Attachment A

The following table represents the breakdown of costs associated with the services provided as they were originally approved by the City Council and the proposed amounts for the requested contract extension.

<b>Staffing Costs</b>				
	<b><i>Current Structure</i></b>	<b><i>Current Annualized Costs</i></b>	<b><i>Proposed Structure</i></b>	<b><i>Proposed 2006-2007 Budget<sup>1</sup></i></b>
EHC Lifebuilders	2.0 Case Managers 1.0 Receptionist 0.25 Supervision	\$169,900	1.0 Case Manager 1.0 Employment Specialist 1.0 Receptionist 0.5 Supervision	\$201,578 <sup>2</sup>
Innvision	1.0 Case Manager 0.5 Supervision	\$78,700	1.0 Case Manager 0.25 Supervision	\$67,434 <sup>3</sup>
Sacred Heart Community Svc.	\$5,000/month Admin. Fee	\$60,000	1.0 Housing Specialist 0.25 Supervision	\$81,600 <sup>4</sup>
<b>Subtotal</b>		<b>\$308,600</b>		<b>\$350,612</b>
<b>Direct Program Costs</b>				
	<b><i>Current Structure</i></b>	<b><i>Current Annualized Costs</i></b>	<b><i>Proposed Structure</i></b>	<b><i>Proposed 2006-2007 Budget</i></b>
Direct Financial Assistance	873 households at maximum \$400 each	\$349,200	1,121 households at maximum \$700 each	\$784,700
Transportation Services		\$72,000		\$74,000
Office Expenses				\$4,400
<b>Subtotal</b>		<b>\$421,200</b>		<b>\$863,100</b>
<b>Program Total</b>		<b>\$729,800</b>		<b>\$1,213,712</b>

1. Salary costs for FY 2006-07 include 3% cost of living increase.
2. EHC is the lead agency for administering the program. Staff is recommending a .25 FTE staff increase to provide for greater supervision.
3. Supervision by InnVision has been decreased by .25 FTE to reflect the increase supervision role of EHC.
4. In the current year, Sacred Heart Community Service charged a flat rate of \$5,000 for administering the program. This fell significantly short of their actual costs, and the proposed contract will contain 1.25 FTE for program administration.