



COUNCIL AGENDA: 06-24-08

ITEM: 2.28

# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Leslye Krutko

**SUBJECT:** SEE BELOW

**DATE:** June 2, 2008

Approved

Date

6-4-08

**COUNCIL DISTRICT:** Citywide

**SNI AREA:** N/A

**SUBJECT: APPROVAL OF AN AMENDMENT TO THE HOUSING SERVICES PARTNERSHIP CONTRACT TO THE EMERGENCY HOUSING CONSORTIUM, 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 3-month extension to the Housing Services Partnership contracts to provide homeless services on behalf of the City from July 1, 2008 through September 30, 2008;
- b) Approving an increase in the Housing Services Partnership contract amount from \$3,532,822 to \$3,854,058 to cover the cost of services provided through June 30, 2008;
- c) Authorizing the Director of Housing to negotiate and execute all necessary documents.

## OUTCOME

The approval of extension of the current HSP contracts will ensure the uninterrupted provision of needed services for the homeless and those at risk of becoming homeless.

## BACKGROUND

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 José. The services included: homeless prevention counseling, financial assistance, case management, and

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permanent housing placement. On January 25, 2005, the City Council approved the selection of the Emergency Housing Consortium, InnVision the Way Home, and Sacred Heart Community Services, working together under one contract, to provide homeless services on behalf of the City. This contract was amended twice to provide services through June 30, 2008.

On April 11, 2008, the City issued a Request for Proposals (RFP) for the administration of the Housing Services Partnership (HSP) program on behalf of the City in an amount not to exceed \$1,268,620.

In 2007, the Blue Ribbon Commission (BRC – now known as Destination: Home) on homelessness and affordable housing, co-chaired by San José Mayor Chuck Reed and Santa Clara County Supervisor Don Gage, was created to provide a top-flight community leadership group to give direction and support for a comprehensive approach to ending chronic homelessness in ten years. One of the BRC's adopted recommendations was to establish One Stop Homeless Prevention and Service Centers. These multi-service centers will provide, at one location, all of the services needed by homeless persons and those at-risk of homelessness to address disabling issues, increase their stability and self-sufficiency, and ultimately access permanent housing. Not only does this benefit the consumer and dramatically facilitate the goal of providing appropriate services and housing, but it also helps public and private agencies coordinate their services and avoid needless – and expensive – duplication. These One Stop Centers are a part of Destination: Home's efforts to create a best practice model that will provide operational efficiencies that allow for more effective service delivery and the reduction and eventually the elimination of homelessness in the region.

Because of the benefits that clients would obtain from having HSP co-located with other services, Destination: Home identified HSP as a critical component of the One Stop Centers. In order to ensure that the HSP program was one of the services offered in the One Stop Centers upon opening, the RFP for the administration of the HSP program stated that “the selected agency must be willing to locate all or some of the HSP staff at the to-be-determined one-stop homeless services center.”

## **ANALYSIS**

Two proposals were submitted in response to the City's RFP by the May 2 deadline including one from the Emergency Housing Consortium and the second from collaboration between InnVision (as the lead agency), Sacred Heart Community Services, and Catholic Charities. Each proposal was reviewed by a five-member panel and scored on the following four criteria –

- 1) Presentation of Proposal, Administrative Process, & Methodology (40 points)
- 2) Experience of Agency (20 points)
- 3) Customer Satisfaction/Agency Reputation (10 points)
- 4) Fee Structure (Cost) (20 points)

All of the agencies that responded to the RFP have extensive experience providing services to homeless and/or at-risk households and have good reputations within the community. Both proposals were comprehensive and exhibited an understanding of what it takes to administer the

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HSP program. However, the panel recommended that there be an extended review process, including in-person interviews, to better determine which agency(ies) would best meet the needs of both the region's homeless and at-risk residents and the new One Stop Centers. The extension of the current HSP contracts would allow the extended review process to take place without causing a disruption of critical HSP services.

### **FISCAL IMPACT**

There will be no fiscal impact to the General Fund. The funds for this project will be funded through the Housing Services Partnership appropriation in Housing Trust Fund (Fund 440).

### **EVALUATION AND FOLLOW-UP**

The Housing Department will update the City Council on the HSP program activities and accomplishments along with its annual homeless update to the Community and Economic Development Committee.

### **POLICY ALTERNATIVES**

In reaching the recommendation spelled out above, the following alternative was also considered:

**Alternative #1:** *The City could choose not to extend the current HSP contracts.*

**Pros:** The City could provide the funds for alternative uses.

**Cons:** San José's homeless and at-risk residents would not have access to critical services.

**Reason for not recommending** The uninterrupted provision of HSP services is critical to the City's priority of ending and preventing homelessness.

### **PUBLIC OUTREACH/INTEREST**

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a

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- **Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This memorandum will be posted on the City Council Agenda Website for the June 24, 2008 meeting.

### COORDINATION

This memorandum was coordinated with the Office of the City Attorney and the City Manager's Budget Office.

### COST SUMMARY/IMPLICATIONS

1. TOTAL COST OF PROGRAM: \$321,236
2. COST ELEMENTS OF AGREEMENTS:
  - Personnel \$101,316
  - Non-Personnel/Operations \$200,000
  - Direct Client Financial Assistance \$ 19,920
3. SOURCE OF FUNDING: Housing Trust Fund (Fund 440)
4. FISCAL IMPACT: No fiscal impact to the General Fund.

### BUDGET REFERENCE

The table below identifies the fund and appropriation proposed to fund the contract recommended as part of this memorandum and remaining project costs, including project delivery, construction, and contingency costs.

Fund #	Appn. #	Appn. Name	Total Appn.	Amt. For Contract	2008-2009 Proposed Operating Budget (Page)	Last Budget Action (Date, Ord. No.)
440	3358	Housing Services Partnership	\$1,300,000*	\$321,236	XI-46	3/24/2008

\* This appropriation is being recommended for rebudget and is subject to City Council approval. Adoption of the Proposed Operating Budget is scheduled for June 24, 2008.

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**CEQA**

Not a project.

  
LESLYE KRUTKO  
Director of Housing

For questions please contact Leslye Krutko, Director of Housing, at (408) 535-3851.

