



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Leslye Krutko

SUBJECT: SEE BELOW

DATE: June 8, 2009

Approved

Date

6-11-09

COUNCIL DISTRICT: City-wide
SNI AREA: NA

SUBJECT: APPROVAL OF AN AMENDMENT TO THE HOUSING SERVICES PARTNERSHIP CONTRACT WITH EHC LIFEBUILDERS TO PROVIDE SERVICES TO SAN JOSE RESIDENTS WHO ARE HOMELESS OR AT RISK OF HOMELESSNESS, 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 (HSP) contract with EHC Lifebuilders (EHC) to provide homeless services on behalf of the City from July 1, 2009 through June 30, 2010;
- b) Approving an increase in the HSP contract amount from \$979,372 to \$2,310,712 to cover the cost of services provided through June 30, 2010; and
- c) Authorizing the Director of Housing to negotiate and execute all necessary documents.

OUTCOME

The approval of the HSP contract amendment will ensure the uninterrupted provision of critical services for San José's homeless and at-risk residents.

BACKGROUND

On August 11, 2004, the City issued a request for Proposals (RFP) for services to be provided on behalf of the City to homeless residents and those at risk of homelessness in San José. The services included: homeless prevention counseling, financial assistance, case management, and

June 8, 2008

Subject: Approval of a 12-Month Amendment to the Housing Services Partnership Contract and Approval of an Increase in Funding

Page 2 of 5

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

In 2007, the Blue Ribbon Commission on Homelessness and Affordable Housing (BRC - now known as Destination: Home), 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 Homelessness Prevention Centers. These multi-service centers provide, at one location, the multiple services needed by persons who are homeless or at risk of homelessness to address disabling issues, increase their stability and self-sufficiency, and ultimately access permanent housing. Destination: Home's two One Stop Centers, opened last November at InnVision's Georgia Travis Center and EHC's Boccardo Reception Center, are part of the group'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.

On April 11, 2008, the City issued another RFP for the administration of the HSP program on behalf of the City. 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. Therefore, the 2008 RFP specified that the "selected agency must be willing to locate all or some of the HSP staff at the to-be-determined one-stop homelessness services center." On September 30, 2008, the City Council approved the selection of EHC as the sole administrator of the HSP program through June 30, 2009.

ANALYSIS

The existing HSP contract period expires June 30, 2009. Rather than publishing a new RFP, an extension of the current contract is recommended for the following reasons:

- Since October 2009, EHC has been administering the HSP program in an effective and efficient manner at both One Stop Centers;
- In its current form, HSP aligns with the City and Destination: Home's strategies of streamlining access to homeless services; and
- The issuance of a new RFP at this time would create potential for the interruption of essential services for persons who are homeless or at-risk of homelessness.

Under the current agreement, EHC, as the administrator of the HSP program, provides rental and move-in assistance, security deposits, housing location assistance, referrals, transportation assistance, budget management coaching, and fiscal administration. Since October, HSP staff have proven to be an invaluable component of the One Stop Centers not just by providing client services, but also as member of the planning and coordinating teams. Furthermore, the HSP receptionist serves not just the individual program but the entire One Stop Center at the

June 8, 2008

Subject: Approval of a 12-Month Amendment to the Housing Services Partnership Contract and Approval of an Increase in Funding

Page 3 of 5

Boccardo Reception Center. In the eight months that EHC has been the sole administrator of the program, HSP has:

- Housed 416 homeless households
- Prevented 350 households from becoming homeless
- Established relationships with 54 new landlords in order to encourage them to rent to homeless residents

The proposed contract extension will increase the total contract amount to \$2,310,712, and will allow HSP to continue to provide valuable assistance to San José's homeless and at-risk residents. In order to enable HSP staff to spend more of their time directly working with clients, an additional position has been added to the budget to cover the cost of a data collection/clerical worker.

To augment the HSP program, the City applied for, and was granted, \$75,000 for a three-year pilot program to provide auto repair assistance to households with transportation needs associated with employment, medical care or education. These funds will be administered by EHC as part of the HSP program. Furthermore, this year EHC received a grant of \$50,000 a year for three years from the Schwab Foundation in recognition of the success of the HSP program. The grant will be used to enhance the HSP activities funded under the City's contract.

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 HSP program.

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

Cons: San José's homeless and at-risk residents would not have access to financial assistance and services that would prevent them from becoming homeless or become housed.

Reason for not recommending: The HSP program supports the City's goals of ending and preventing homelessness.

June 8, 2008

Subject: Approval of a 12-Month Amendment to the Housing Services Partnership Contract and Approval of an Increase in Funding

Page 4 of 5

PUBLIC OUTREACH

- ✓ **Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. (Required: Website Posting)

- Criterion 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)

- Criterion 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 memo will be posted to the City Council Agenda via the City's website.

COORDINATION

This report has been prepared in coordination with the Office of the City Attorney.

FISCAL/POLICY ALIGNMENT

Funding for this proposal is consistent with the 10-Year Homeless Strategy to End Chronic Homelessness, approved by the City Council on September 9, 2003 and the Final Report of the Blue Ribbon Commission on Homelessness, approved by the City Council on March 11, 2008.

COST SUMMARY/IMPLICATIONS

There are no fiscal impacts to the General Fund arising from this proposal. Funding is from the Housing Trust Fund (Fund 440).

Total Recommended Funding	
Personnel, including salary, payroll taxes and benefits	\$405,359
Program supplies, training, and incidentals	\$ 19,760
Occupancy	\$ 14,400
Administrative expenses	\$109,880
Financial assistance (emergency rent assistance, rental deposits, Greyhound bus tickets, bus tokens)	\$781,941
Total	\$1,331,340

HONORABLE MAYOR AND CITY COUNCIL

June 8, 2008

Subject: Approval of a 12-Month Amendment to the Housing Services Partnership Contract and Approval of an Increase in Funding

Page 5 of 5

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	Total Proposed Appn	Amt. for Contract	Proposed Budget Page	Proposed Budget Action (Date, Ord. No.)
440	3358	Housing Services Partnership	\$1,400,000	\$1,331,340	XI-46	June 23, 2009

CEQA

N/A (Not a project)


LESLYE KRUTKO
Director of Housing

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