



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Leslye Krutko

SUBJECT: SEE BELOW

DATE: June 3, 2010

Approved

Date

6-4-10

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, 2010 through June 30, 2011;
- b) Approving an increase in the HSP contract amount from \$2,310,712 to \$3,710,712, an increase of \$1,400,000, to cover the cost of services provided through June 30, 2011; 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

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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.

On April 11, 2008, the City issued another RFP for the administration of the HSP program. Because of the benefits that clients would obtain from having HSP co-located with other services, Destination: Home – the implementing body of the Blue Ribbon Commission on Homelessness and Affordable Housing - identified HSP as a critical component of its One-Stop Homelessness Prevention Centers (One Stop 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. 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, and on June 23, 2009, approved the extension of this contract through June 30, 2010.

ANALYSIS

The existing HSP contract period expires June 30, 2010. Rather than publishing a new RFP, an extension of the current contract is recommended for the following reasons:

- Since October 2008, 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 late time would create potential for the interruption of essential services for persons who are homeless or at-risk of homelessness and is not practicable.

However, in order to ensure that the HSP program is being administered as effectively as possible, the Housing Department anticipates issuing a new RFP during FY 2010-11.

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 2008, 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 Boccardo Reception Center. Since the current grant period began on July 1, 2009, HSP has served over 7,000 individuals:

- Housed 652 homeless households via rental deposit assistance

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- Prevented 271 households from becoming homeless through one time rental assistance
- Provided 73 homeless individuals with long distance bus tickets to reunite them with friends or family who had agreed to provide them with housing

The proposed contract extension will increase the total contract amount by \$1,400,000 to \$3,710,712, and will allow HSP to continue to provide valuable assistance to San José's homeless and at-risk residents.

To augment the HSP program, the City applied for, and was granted, \$75,000 for a three-year pilot program, to be matched with \$75,000 from the City's Housing Trust Fund, to provide auto repair assistance to households with transportation needs associated with employment, medical care or education. These funds are being administered by EHC as part of the HSP program. Since HSP began accepting program applications in January 2010, 21 households have received auto repair assistance. Under its current funding, the auto repair assistance program will continue through FY 2011-2012.

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 and Destination: Home's goals of ending and preventing homelessness.

PUBLIC OUTREACH

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

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- 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, accepted 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	\$486,836
Program supplies, training, telephone, insurance, and incidentals	\$11,140
Occupancy	\$9,753
Administrative expenses (fiscal staff, program oversight, etc.)	\$134,036
Financial assistance (emergency rent assistance, rental deposits, Greyhound bus tickets, bus tokens)	\$758,235
Total	\$1,400,000

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	\$1,400,000	XI-45	N/A

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CEQA

Not a project, File No. PP10-066 (e), Agreements/Contracts

/s/

LESLYE KRUTKO
Director of Housing

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