



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Leslye Corsiglia  
Jennifer A. Maguire

**SUBJECT:** SEE BELOW

**DATE:** November 6, 2012

Approved

Date

11/12/12

**SUBJECT: APPROVAL OF A HOUSING TRUST FUND GRANT TO THE HEALTH TRUST AS THE FISCAL SPONSOR FOR DESTINATION: HOME AND RELATED APPROPRIATION ADJUSTMENTS**

## RECOMMENDATION

It is recommended that Council:

1. Approve a Housing Trust Fund grant of up to \$410,000 to the Health Trust for Destination: Home to cover specified operating costs; and
2. Approve the following Appropriation Ordinance amendments in the Housing Trust Fund:
  - a. Increase the Destination: Home appropriation by \$10,000; and
  - b. Decrease the Ending Fund Balance by \$10,000.

## OUTCOME

Approval of this grant will further the City's ability to reach its goal of ending homelessness as follows:

1. Enable Destination: Home to retain three case managers, originally funded by the City in 2011-2012, to continue providing up to 60 chronically homeless individuals with the support they need to obtain and maintain permanent housing;
2. Provide for the partial salary of Destination: Home's program manager who will serve as a liaison for the Housing 1000 campaign's Care Coordination Project; and
3. Provide for the salary of a full time Housing 1000 Technical Program Manager to support the technology, data collection, and evaluation needs of the Housing 1000 campaign.

## **BACKGROUND**

On June 17, 2003, Council adopted Ordinance No. 26920, which created a Housing Trust Fund as a permanent and annually renewable source of revenue to meet, in part, the housing needs of Extremely Low-, Very Low-, Low- and Moderate-income persons and households. The Ordinance further provides that eligible uses include, but are not limited to "assistance to housing development or service agencies, equity participation loans, grants, home ownership assistance, predevelopment loans or grants, participation leases, rental assistance, any other housing-related expenses, or other public/private partnership arrangements." As part of the approval of the 2012-2013 Adopted Budget, Council allocated \$400,000 in the Housing Trust Fund for Destination: Home sponsored projects and programs that will permanently house chronically homeless households with case management and other supportive services.

In 2007, Mayor Reed and County Supervisor Don Gage jointly chaired the Blue Ribbon Commission on Ending Homelessness and Solving the Affordable Housing Crisis (BRC) with the goal of providing countywide leadership to end homelessness in Santa Clara County. In 2008, Destination: Home was formed as a public-private partnership to implement the BRC's recommendations.

On February 17, 2011, Destination: Home and the Santa Clara County Collaborative on Affordable Housing and Homeless Issues joined the national 100,000 Homes Campaign on behalf of Santa Clara County. Using a health-focused strategy, this national campaign seeks to house 100,000 of the nation's most long-term and vulnerable homeless individuals by July 2013, with 1,000 of those persons being housed through Santa Clara County's local Housing 1000 campaign. In June 2011, Destination: Home completed the first stage of the Housing 1000 campaign by surveying almost 1,000 homeless individuals to assess their mortality risk. Homeless individuals continue to be surveyed; there are currently more than 2,500 persons in the Housing 1000 registry. The results of these surveys are used to prioritize the provision of housing and case management services.

One of the components of the Housing 1000 Campaign is the "HUB Model" - an assessment and case management system charged with coordinating the care of the County's most vulnerable and long-term homeless individuals, as identified through the Housing 1000 surveys. Under the HUB Model, a coordinator provides the planning and coordination necessary to secure services for HUB clients, while case managers work with each client individually to identify their needs, ensure that they receive and utilize the specific services and assistance that will address these needs, and ultimately assist them in obtaining and maintaining housing.

Last year the City committed \$380,000 from the Housing Trust Fund to The Health Trust, a Silicon Valley non-profit foundation, as the fiscal sponsor for Destination: Home to fund three case managers as part of the HUB model and the partial salary of the Destination: Home Executive Director. Upon receiving the City's funding commitment, Destination: Home issued a Request for Proposals (RFP) for agencies interested in funding to have one or more of their case managers work with the HUB clients. InnVision the Way Home (now known as InnVision

Shelter Network), the Downtown Streets Team, and New Directions were each awarded funding for one case manager through this RFP process. The three case managers are currently working with 56 clients of whom 68% are now permanently housed.

Destination: Home uses the HUB/Care Coordination Project Model for case management. It differs in several respects from other case management programs currently serving the County's homeless individuals as follows:

1. Although the HUB Coordinator works under the general direction of the County Director of Homeless Systems, the model works virtually across private and public agencies as needed to most effectively serve homeless clients. In accordance with this virtual approach, Destination: Home used an RFP process to select multiple agencies to house the HUB Coordinator and Case Manager positions;
2. The positions associated with the HUB Model will not be tied to any particular program, facility or housing, which allows the case managers and coordinator the freedom to cross agencies, disciplines, and sectors to provide their clients with the specific services that will help them obtain and maintain housing; and
3. The HUB Model case managers will have case loads of no more than 20 clients at a time, much lower than the vast majority of existing case management programs. This low case load allows case managers to provide clients with intensive individualized attention.

The HUB/Care Coordination Project's goal of convening stakeholders across sectors to provide a common standard of care through the Housing First model is a nationally recognized best practice that is being localized in Santa Clara County.

## **ANALYSIS**

The proposed grant for Destination: Home would continue to pay for three intensive case managers employed by InnVision Shelter Network, Downtown Streets Team and New Directions including salary, benefits, agency overhead and program expenses such as client rental deposits. This portion of the grant is expected to be in an amount not to exceed \$300,000. The funds would allow the case managers to continue working with up to 60 of the City's most vulnerable homeless individuals to help them secure and maintain housing and reduce their dependence on the public safety net.

The grant would also provide \$85,000 towards the salary of a Housing 1000 Technical Program Manager which will provide the capacity required to support the technology, data collection, and evaluation needs of the Housing 1000 campaign and ensure that important and timely data can be provided to the Care Coordination Project Director, intensive case managers, funding partners and project stakeholders. In its original proposal to the City, Destination: Home requested \$75,000 for this position. However, upon reviewing the salary requirements of individuals interested and qualified to successfully complete the requirements of this position, it was determined that \$75,000 would be insufficient. It is recommended that the available salary be

increased by \$10,000 to ensure that Destination: Home can secure a candidate with the desired skills and experience. This memorandum recommends allocating \$10,000 from the Housing Trust Fund unrestricted Ending Fund Balance to the Destination: Home appropriation to increase the 2012-2013 Adopted Budget appropriation from \$400,000 to \$410,000.

Finally, the grant will provide funding in an amount not to exceed \$25,000 for a Destination: Home Program Manager to coordinate resources for the Care Coordination Project, Housing 1000 client stories for the housingONE.org website and volunteer engagement to bring in additional resources to the project.

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

The Housing Department will update Council on Destination: Home's funded program activities and accomplishments during its regular homeless updates.

### **POLICY ALTERNATIVES**

As part of the development of the recommendations in this memorandum, the following alternative was also considered:

**Alternative #1:** The City could choose not to fund the proposed program.

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

**Cons:** San José's homeless individuals would not have access to the services they need to end their homelessness.

**Reason for not recommending:** The funding supports the City's and Destination: Home's goals of ending homelessness.

### **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)

Although this memorandum does not meet any of the criteria listed above, it will be posted on the City's website as part of the November 27, 2012 Council Agenda.

### **COORDINATION**

The funding recommendations will be discussed at the November 8, 2012 meeting of the City's Housing and Community Development Advisory Commission, as the advisory body for the Housing Trust Fund.

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 Council on September 9, 2003; the Final Report of the Blue Ribbon Commission on Homelessness, accepted by Council on March 11, 2008; and Destination: Home's Theory of Change Model, accepted by Council on April 5, 2011.

### **COST SUMMARY/IMPLICATIONS**

The recommended actions in this memorandum will provide a grant in the amount of \$410,000 to the Health Trust to support the Destination: Home. The appropriation actions recommended in this memorandum will provide an additional \$10,000 in funding from the Housing Trust Fund to support the costs associated with the Housing 1000 Technical Program Manager. Outlined below is a breakdown of the \$410,000 grant to the Health Trust.

<b>The Health Trust (Destination: Home) Funding</b>	
Salary, benefits, and overhead expenses for 3 Destination: Home case managers	\$300,000
Housing 1000 Technical Program Manager	\$85,000
Destination: Home Program Manager	\$25,000
<b>Total</b>	<b>\$410,000</b>

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**Subject:** Approval of a Housing Trust Fund Grant to the Health Trust as the fiscal sponsor for Destination: Home

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**BUDGET REFERENCE**

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

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	2012-2013 Adopted Budget Page	Budget Action (Date, Ord. No.)
<b>Current Funding Available</b>						
440	3834	Destination: Home	\$400,000	\$400,000	XI - 51	6/19/2012, Ord. No. 29102
<b>Additional Funding Recommended</b>						
440	3834	Destination: Home	\$10,000	\$10,000		
<b>Total Funding for Contract</b>			<b>\$410,000</b>	<b>\$410,000</b>		

**CEQA**

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

/s/  
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Director of Housing

  
JENNIFER A. MAGUIRE  
Budget Director

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