



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jacky Morales-Ferrand

SUBJECT: SEE BELOW

DATE: July 21, 2017

Approved

D. D. Syl

Date

7/26/17

SUBJECT: CONTINUATION AND AMENDMENT OF THE AGREEMENT WITH THE COUNTY OF SANTA CLARA TO SUPPORT CASE MANAGEMENT, TRANSPORTATION, AND DATA SERVICES FOR CHRONICALLY HOMELESS INDIVIDUALS IN SAN JOSE

RECOMMENDATION

Adopt a resolution authorizing the City Manager to negotiate and execute a Second Amendment to a Grant Agreement with the County of Santa Clara for case management, transportation, and data services to:

- a) Extend the term of the Grant Agreement for an additional fiscal year through June 30, 2018;
- b) Amend the scope of services to support ongoing operations of the Care Coordination Program (CCP) case management, the UPLIFT Transit Pass Program, and the Homeless Management Information System (HMIS); and
- c) Increase funding by \$1,096,000 for a total grant award not to exceed \$3,112,000.

OUTCOME

Approval of the grant to the County of Santa Clara will further the City's ability to respond to the impacts of homelessness by ensuring that chronically homeless individuals, who are currently residing in San José, receive priority supportive housing and services from the County. The grant supports the retention of nine intensive case managers that will provide up to 180 chronically homeless individuals with the support needed to obtain and maintain permanent housing. Approval of the grant will also provide transportation resources to hundreds of San José homeless persons through UPLIFT Transit Passes, and fund the City's share of the costs needed to operate HMIS.

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BACKGROUND

On January 24 and 25, 2017, 4,350 homeless individuals were counted in San José during the biennial Homeless Census. ~~This point-in-time figure represents a 7% increase from the number identified in the 2015 census, when 4,063 individuals were enumerated.~~ While the report showed a slight increase in the total homeless population, largely driven by a 2017 federal mandate to identify more homeless youth through targeted count efforts, the number of chronically homeless people counted in the City decreased from 1,409 to 1,205 between 2015 and 2017. This is attributable to the community-wide efforts to address the needs of unhoused populations in the community. Strategies to move people directly into housing through the provision of rental subsidies and supportive services have been particularly successful. An information memorandum highlighting the results of the San José and Santa Clara County reports was provided to Council on June 30, 2017.¹

As part of the City's efforts to end homelessness, the Housing Department funds an agreement with the County of Santa Clara for case management, transportation, and data services. These services are summarized below.

Case Management - Care Coordination Project

Through the Campaign led by Destination: Home, 865 chronically homeless participants were housed between 2011 and 2014. The goal of the Campaign was to prioritize case management services for those people that have been on the streets the longest, are suffering from chronic health issues, and are the most vulnerable to dying on the streets. The Countywide Housing 1000 ended in 2014. It was replaced by the Care Coordination Project (CCP). The CCP continues to provide ongoing intensive case management and permanent housing to chronically homeless people.

The CCP is made up of multiple non-profit homeless service agencies that provide individualized intensive case management matched with permanent housing. The Santa Clara County Continuum of Care (CoC), which manages the CCP partners, is a broad group of stakeholders responsible for ensuring community-wide implementation of efforts to end homelessness, as well as ensuring programmatic and systemic effectiveness. The CoC is managed by the County of Santa Clara Office of Supportive Housing (OSH).

The CCP team works to remove barriers to housing for chronically homeless individuals identified through the CoC's county-wide assessment tool. It strives to ensure a seamless transition from homelessness to Permanent Supportive Housing (PSH). PSH programs maintain a client to case manager ratio at or below twenty clients to one full-time case manager. Intensive case management includes meeting clients on a regular basis to ensure that they are getting the support services they need. It also entails taking all reasonable steps to keeping clients housed.

¹ <http://files.constantcontact.com/7a210436601/8f88f65c-12c6-4ce9-a932-a257ea0d6d23.pdf>

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The City provided \$800,000 in funding to support the CCP program in FY 2015-16 and provided \$926,000 in funding FY 2016-17.

UPLIFT Transit Pass Program

Since its inception, the UPLIFT Transit Program has provided thousands of homeless residents with access to transportation. In FY 2016-17, a total of 2,215 homeless persons in San José received UPLIFT passes. Despite its success in moving program participants towards self-sufficiency, there is still a great need for the UPLIFT program. According to the 2017 San José Homeless Census and Survey, 12% of survey respondents stated that the lack of transportation prevented them from obtaining housing. While this is down from 29% in 2015, the need for transportation continues to be a big barrier for the homeless population.

The County of Santa Clara manages the UPLIFT Program. The Housing Department committed to funding the program at \$40,000 a year for three years starting 2008. In 2011, the City Council approved the Housing Department's recommendation to continue funding this program. The Housing Department has renewed the contract in subsequent years with an increased annual award of \$51,000.

Data Services - Homeless Management Information System

The US Department of Housing and Urban Development (HUD) requires communities that submit applications for McKinney-Vento Homeless Assistance Grants have a CoC that coordinates housing and services funding for homeless families and individuals. HUD awards about \$22,000,000 annually to Santa Clara County organizations to provide housing and support to homeless persons. Additionally, HUD awards approximately \$700,000 annually in Emergency Solutions Grant (ESG) grant funds to the City to support services for the homeless. HUD requires the CoCs and ESG grantees that receive these funds to use a Homeless Management Information System (HMIS) to collect information about homelessness in their communities.

HMIS, a secure web-based data warehousing system, serves as the primary client data collection and management tool in Santa Clara County. HMIS allows service providers to better coordinate client services and collect uniform data without duplication of technology, expense, or expertise. HMIS gives policy makers an accurate count of those receiving services and helps determine which services work best to alleviate homelessness. HMIS also allows funders and policy makers to assess gaps in service.

In early 2014, the Santa Clara County CoC Board directed the County, as the community's applicant for McKinney-Vento Homeless Assistance Grants, to take on the role of HMIS Lead and identify new software to use for the CoC's HMIS. Due to changes in HUD regulations, the CoC needed increased oversight for compliance with privacy and security regulations. The County subcontracts with a qualified vendor to provide:

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1. Quarterly outcome and demographic reports, including the analysis required to produce the quarterly reports for this grant;
2. Comprehensive training procedures on data entry work flow, running and understanding reports, and collecting information for the county-wide HMIS standardized data requirements;
3. Regular reports on the community-wide performance measures; and
4. Performance and outcome data for the City's ESG-funded services to include in the Consolidated Annual Performance Evaluation Report (CAPER) due to HUD at the end of each program year.

The City has funded HMIS support since 2011, first provided through a local nonprofit, and then the County of Santa Clara's Office of Supportive Housing starting in in FY 2015-16. The City provided \$240,000 in funding to support HMIS for FY 2015-16 and \$120,000 in funding in FY 2016-17.

ANALYSIS

The proposed grant provides combined funding of \$1,096,000 to the County of Santa Clara from the period of July 1, 2017 through June 30, 2018. This grant includes funding for intensive case management for the CCP program totaling \$925,000; the UPLIFT Transit Program at \$51,000 and; the Homeless Management Information System (HMIS) at \$120,000. If approved by City Council, the grant term will be retroactive to July 1, 2017.

Case Management – Care Coordination Project

The proposed grant of \$925,000 will fund nine intensive case managers currently contracted through The Health Trust, PATH, and New Directions. City funds will pay case managers salary, benefits, agency overhead, and other resources that directly support homeless clients. The funds will allow the intensive case managers to continue working with up to 180 of the City's most vulnerable homeless individuals to secure and maintain permanent housing. Each intensive case manager will maintain active case loads of no more than 20 un-housed or newly housed clients. To date, 137 of the 180 have been permanently housed in the CCP. The funded intensive case managers will be responsible for housing the remaining 43 individuals and for achieving the following goals:

1. 80% of Clients enrolled in CCP will be housed within 60 days of enrollment in the program;
2. 80% of housed clients will remain housed for at least 12 months;
3. 100% of clients will have income greater than or equal to Social Security Income (SSI) within 180 days of being housed;
4. 80% of clients enrolled in CCP will be connected to a medical home within 60 Days of enrollment in the program;
5. 75% of clients who need behavioral health services will be utilizing behavioral health services within 90 days of moving into housing.

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The City receives significant value for its funds used to support case management services through the CCP. For example, the City paid for services for only 157 enrolled clients through the CCP in FY 2016-17, yet the program served 665 chronically homeless individuals from San José. Furthermore, while the City's contribution to the overall program was only 21% of the total budget in FY 2016-17, San José residents made up 77% of the total enrolled clients county-wide.

Source	FY17 Amount
City of Santa Clara	\$110,000
City of Mountain View	\$125,000
City of Palo Alto	\$125,000
City of San Jose	\$925,000
County of Santa Clara	\$3,557,777
Total	\$4,482,777

The City's grant includes ongoing support for eight case managers to serve chronically homeless persons referred through the CCP. In addition, the grant includes funding for one case manager from the Central County Community Reintegration Project. This program targets offenders who are homeless or chronically homeless and who significantly impact County resources and businesses and residents of downtown San José. This project, also known as Opportunity Court, leverages state AB109 public safety realignment funding to provide housing and services as an alternative for individuals with previous involvement in the criminal justice system. The City first applied for this opportunity through the County in 2014 and while no additional AB109 funding is currently available to expand this project further, the County is currently exploring other funding sources to increase the level of services in this area.

UPLIFT Transit Pass Program

The City proposes to provide funding in support of the UPLIFT program for FY 2017-18 in the amount of \$51,000. The County will continue to donate staff time to operate the program so all City funds will be used to purchase transit passes and assist 1,000 unduplicated homeless persons over the year. The County has a special agreement with VTA for the UPLIFT passes that allows them to purchase the quarterly passes for a much reduced rate.

The table below illustrates that the City contributes only 34% of the total program budget in FY 2016-17, yet San José clients received 63% of all passes allocated through the UPLIFT

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Program. This highlights the considerable value of the City investment. The County also dedicates 0.5 FTE to administer the program which is not included in the budget. This further enhances the leverage of the City's commitment.

Source	FY17 Amount
City of San Jose	\$51,000
County of Santa Clara – SSA	\$51,000
County of Santa Clara – OSH	\$48,000
Total	\$150,000

Homeless Management Information System

The proposed City grant would provide funding to the County in the amount of \$120,000 to support HMIS for FY 2017-18. The grant would be used for software licensing, user training, data quality monitoring, reporting, performing regular maintenance and installing upgrades as necessary to ensure optimal performance of system software and hardware.

As noted in the table below, 59% of the total homeless population in Santa Clara County resides in San José. However, the City contributes only 8% of the total program costs for HMIS.

Source	FY17 Amount
HUD	\$714,321
City of San Jose	\$120,000
County of Santa Clara	\$608,035
Total	\$1,442,356

As part of the agreement, the County will provide quarterly reporting on services and outcomes that will be anonymized for client confidentiality and be made available through the City's Open Data Portal.

EVALUATION AND FOLLOW-UP

The Housing Department will track contracted goals for both case management and HMIS services and provide an annual update on progress against proposed goals to the Neighborhood Services and Education Committee before the end of the next fiscal year.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the August 8, 2017 Council Meeting.

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POLICY ALTERNATIVES

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

Alternative #1: The City could choose not to award the contract to the County of Santa Clara to support case management, transportation, and data services for chronically homeless individuals in San José.

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

Cons: The 137 housed and 34 unhoused individuals in the CCP would not receive supportive services, there wouldn't be funding for 62% of the community's UPLIFT bus passes recipients and there would be a gap in the funding needed to support the maintenance of HMIS.

Reason for not recommending: Providing housing and supportive services to San José's homeless population is critical to the City's priority of ending homelessness.

PUBLIC OUTREACH

This memo will be posted to the August 8, 2017 City Council Agenda via the City's website.

COORDINATION

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

COMMISSION RECOMMENDATION/INPUT

The Housing and Community Development Commission (HCDC) advises the Housing director on the use of Housing Trust Funds only. The grant to fund HMIS was presented and accepted by HCDC as part of the Housing Trust Fund Expenditure Plan at the Commission's June 8, 2017 meeting. The remaining items were not heard by HCDC, as the funding of homeless grants do not fall under the functions, powers, and duties of the Commission delineated in Section 2.08.2840 of the San José Municipal Code.

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COST IMPLICATIONS

The recommended actions in this memorandum will grant a total of \$1,096,000 to the County of Santa Clara to support the Care Coordination Project, HMIS, and UPLIFT.

- 1. AMOUNT OF RECOMMENDATION** \$1,096,000

- 2. COST ELEMENTS:**
 - Salary, benefits, overhead and support expenses for nine (9) intensive case managers \$925,000
 - HMIS Support \$120,000
 - UPLIFT Transit Pass Program \$ 51,000

- 3. TOTAL GRANT FUNDING** **\$1,096,000**

- 4. SOURCE OF FUNDING:**
 - Fund 440 – Housing Trust Fund
 - Fund 448 – Multi-Source Housing Fund

- 5. FISCAL IMPACT:** No on-going fiscal impact.

BUDGET REFERENCE

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

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	2017-2018 Proposed Budget (Page)	Last Budget Action (Date, Ord. No.)
440	2140	Homeless Case Management and Homeless Management Information System (HMIS)	\$300,000	\$171,000	844	6/20/17, Ord. 29962
448	2062	Homeless Rapid Rehousing	\$4,000,000	\$925,000	868	6/20/17, Ord. 29962

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CEQA

Not a Project, File No. PP10-068.

/s/

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Director, Housing Department

For questions, please contact Ray Bramson, Acting Deputy Director, at (408) 535-8234.