MANAGER'S BUDGET ADDENDUM #17

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

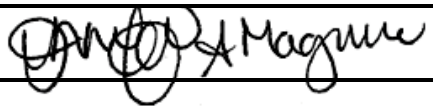
Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Matt Loesch
Erik Soliván
Omar Passons

SUBJECT: **SEE BELOW**

DATE: May 26, 2024

Approved  Date: 5/27/24

SUBJECT: LOW BARRIER SOLUTIONS TO UNSHELTERED HOMELESSNESS AND POTENTIAL SITES

BACKGROUND

This Manager's Budget Addendum responds to the following City Council direction:

- February 29, 2024, memorandum[1] from Councilmembers Doan and Batra discussed at the March 6, 2024, Rules and Open Government Committee (Rules) meeting, which was incorporated by amendment of Councilmember Torres into the approved Mayor's March Budget Message for Fiscal Year 2024-2025; and
- March 19, 2024, City Council-approved Mayor's March Budget Message for Fiscal Year 2024-2025[2].

Direction was given to evaluate the cost and feasibility of a pilot shelter program—SJ LUV (Lifting Up liVes)—as included in the February 29, 2024, memorandum from Councilmembers Doan and Batra. In addition, in the City Council approval of the Mayor's March Budget Message for Fiscal Year 2024-2025, direction was given to identify one-time and ongoing funding to bring basic, low-cost, low-barrier safe sleeping sites online by the end of December 2024 with enough capacity to significantly reduce the number of unmanaged encampments along the City's waterways. Additionally, the direction was given to include a broader evaluation of low-cost strategies and potential sites, including Valley Water sites, with the goal of moving people out of the waterways over time while preventing homeless residents from being displaced into other neighborhoods. The evaluation of potential sites beyond those provided through the Rules memorandum, including staff's recommendations for sites to prioritize for possible project development, will be brought forward in a separate City Council item anticipated to be heard on Jun 18, 2024. When evaluating congregate shelter opportunities, direction was given to consider models that prioritize the physical and mental well-being of residents.

[1] https://sanjose.legistar.com/View.ashx?M=F&ID=12725655&GUID=30E11CEF-83F9-48AE-9150-3EEA6224161B
[2] https://www.sanjoseca.gov/home/showpublisheddocument/95379/638187312633970000

The 2024-2025 Proposed Operating Budget includes $10.0 million of Measure E funding for the development and operation of safe or alternative sleeping sites (referred to as Supportive Outdoor Sleeping and Basic Services Sites below) in 2024-2025 – with an additional $5.0 million allocated in 2025-2026 – as a key strategy to address Stormwater Permit requirements. While this memorandum provides additional information regarding potential costs, it does not recommend any additional funding or specific project at this time. Further discussion on potential site selection is anticipated to be considered at the City Council's meeting on June 18, 2024.

Community Plan: Context for Shelter and Housing

The City of San José ("City"), in collaboration with regional partners, is working to establish safe and managed alternatives for residents at risk of or experiencing homelessness. While also maintaining focus on prevention and permanent housing, the City recognizes the immediate need for shelter and alternative options to support people's health and wellbeing and to benefit the overall community.

In August 2020, the City Council endorsed the 2020-2025 Community Plan to End Homelessness,[3] which outlines three strategies to address homelessness. The third strategy, "improve quality of life for unsheltered individuals and create healthy neighborhoods for all," is most relevant in considering low barrier solutions to unsheltered homelessness and identifying potential sites. This strategy directs cities and other entities to "build new partnerships to host emergency shelter, safe places to park and access services, and sanctioned encampments that are not swept and include hygiene and supportive services"[4].

Current Housing and Shelter Portfolio

The City currently operates six interim housing communities, one supportive parking program, and three converted hotels for shelter. Interim housing and supportive parking programs provide temporary solutions, while overnight warming locations and incidental shelters offer relief during the winter. Together, these forms of shelter and supportive parking make up the City's portfolio of alternative opportunities to address the homelessness crisis. **Attachment A** provides a table that outlines the makeup of the City's housing, shelters, and alternative outdoor opportunities. These programs work together and in coordination with the County of Santa Clara's Continuum of Care, along with a broad group of stakeholders, that are dedicated to preventing and ending homelessness in San José and Santa Clara County.

ANALYSIS

The following discussion addresses three types of sleeping alternatives for people experiencing homelessness. First there is an analysis of congregate sheltering options that involve a single, large tent with numerous beds and shelter services. Second, there is a Supportive Outdoor Sleeping (SOS) option that includes individual tents and a range of on-site provided support

[3] https://housingtoolkit.sccgov.org/sites/g/files/exjcpb501/files/CommunityPlan_2020.pdf
[4] https://housingtoolkit.sccgov.org/sites/g/files/exjcpb501/files/CommunityPlan_2020.pdf

services. Third, there is a Basic Service Site option that provides limited support, but does include basic services such as hygiene and waste removal.

Analysis of Sites for Congregate Shelter Pilot Program

Staff analyzed several sites for a congregate shelter pilot program site and determined that certain sites were not viable because of land use issues, environmental hazards, and land ownership concerns. **Table 1** below provides a brief evaluation of these sites.

Table 1: Brief Evaluation of Sites Considered

Site Name/Location	Viable/Not Viable	Brief Description of Viability
Santa Clara County Fairgrounds	Not viable	County of Santa Clara has determined this is not an available use for this location due to other plans for the site.
Singleton Landfill	Not viable	Post Closure Landfill Plan ("PCLP") required. Remediation of site would cost an additional $6.0 million to $9.0 million in remediation costs to make site viable.
Remillard Landfill	Not viable	Post Closure Landfill Plan ("PCLP") required. Remediation of site would cost an additional $6.0 million to $9.0 million in remediation costs.
10th and Alma Site	Not Viable	Site is a Superfund site. The deed restriction prohibits the use of the site for any residence for human habitation.
Phelan Court/Kelley Park[5]	Potentially Viable	Potential to be used for safe sleeping or RV Parking, but not for an emergency shelter site.
Tully/Monterey Property	Potentially Viable	Potential to be used for safe sleeping, RV Parking, or as an emergency shelter site.

The only site potentially viable for use as an emergency shelter site are the parcels directly adjacent to the Tully/Monterey Property (APN's 477-25-044 and 477-23-036). The Phelan Court/Kelley Park site is considered Charter Park under Section 1700 of the City Charter and would not be acceptable for the shelter pilot. The detailed findings are provided below in **Table 2**.

[5] Parks, Recreation and Neighborhood Services has determined that this location is part of a Charter Park. As a result, additional considerations will be necessary to evaluate the length and use of this site.

Table 2: Detailed Evaluation of Sites

	Kelley Park/Phelan Court	Tully/Monterey Property
Site Area	3.7 acres	1.23 acres
Land Use	Open Space, Parklands and Habitat	Light Industrial
Pavement	Primarily paved with patches of unpaved landscaped areas.	Site is unpaved with trees along northwest end and 4 billboard signs near the Tully Road frontage.
Fencing	None	Existing chain link fencing along the entire perimeter.
Driveway Access	One access road from Phelan Avenue.	Main access to the property via an alleyway from Monterey Road. No driveway access along the Tully Road frontage. Fire and RV access would be challenging unless new driveway is constructed.
Existing Lighting	One existing site light located near the entrance of the lot. Existing streetlights on Phelan Avenue near the entrance.	No existing site lighting. Existing streetlights located along Tully Road and Monterey Road.
Power Connection	Existing PG&E utility poles located along Phelan Avenue. Both poles located near the entrance of the parking lot.	Existing PG&E utility pole located along the frontage Tully Road.
Water Connection	Existing water main (SJ Water) located along Phelan Avenue.	Existing water main (SJ Water) runs along Monterey Road and Tully Road.
Fire Hydrant/Sewer	Existing hydrant located along Phelan Avenue, near the entrance of the lot. Existing sanitary and storm main runs along Almaden Road.	Hydrants located at Monterey Road/Tully Road corner and near alleyway on Monterey Road. Existing sanitary sewer along Tully Road and Monterey Road. Existing storm sewer along Monterey Road.
Flood Zone	Zone A & Zone D	Zone D
Notes	Closest amenities and public transportation are available approximately 0.4 miles away along Almaden Road.	Closest amenities and public transportation are located adjacent to the property. City does not own the property and would need to lease the land at a fair market rate.

Kelley Park/Phelan Court

The Kelley Park/Phelan Court site is approximately 3.7 acres and is located on two larger plots of land within Kelley Park. The only access point to the site is from Phelan Avenue. This site is a Charter Park under Section 1700 of the City Charter and it is therefore not a candidate for the temporary congregate shelter pilot. The site may be suitable for other temporary uses, including supportive outdoor sleeping or RV/vehicle supportive parking, so the analysis was conducted despite the Charter Park limitation. Further analysis would be needed to determine the viability of these temporary uses.

The site consists of paved drive aisles with gravel covered parking stalls and landscaping. Considering the site is primarily paved, this would help eliminate or reduce the need for new pavement installation. Individual tents built on wooden platforms can be placed within the existing parking stalls. Installation of new fencing around the perimeter of the site is recommended to close off the area from the other parts of Kelley Park.

The site would require installation of new lights and electrical systems to provide adequate lighting and power throughout the area. There is an existing light near the entrance of the site, which could serve as a potential connection point for power, if feasible. If that is not feasible, then a new electrical service would be required and can be attained from nearby PG&E utility poles.

The above considers a hard-wired option; however, staff also took into consideration the cost of using solar-powered site lights for flexibility. As an alternative, staff could use wood poles for the site lighting. This could reduce the estimate by $50,000 for Kelley Park/Phelan Court, at approximately $5,000 less for each light. For operational trade-offs, the solar-powered light would have no operational costs, since the City would not be paying PG&E. However, it is the more expensive option compared to the hard-wired lights, and the operational cost savings would be used up-front for furnishing them.

A new potable water service connection would be required to supply water throughout the site. There appears to be an existing water main along Phelan Avenue, which can serve as a potential connection point for water. There is an existing fire hydrant on Phelan Avenue; however, a new fire hydrant installed within the site would be recommended to meet the fire safety requirements.

A new trash enclosure built on a concrete pad would be required, as well as several smaller trash receptacles placed throughout the site.

The site is located within Flood Zones A and D which are considered flood hazard areas and present a flood risk. This can mean additional costs to mitigate as it would require the site to be built up at least 1 foot above the base flood elevation level. Alternatively, an evacuation and relocation plan would suffice using the site as a safe sleeping site.

Overall, the site has the potential to be used as a safe sleeping or supportive parking options. There are existing electrical and water facilities nearby that can potentially be tapped into for service. The site is primarily paved, which would help minimize the need for any new pavement

installations. However, since the site is located within a flood hazard area, there is a risk of flooding in the area which could attribute to additional costs to develop the site.

Tully/Monterey Property

The site is approximately 1.23 acres in size and is located near the intersection of Monterey Road and Tully Road. The site is currently used for vehicle and construction material storage. The main access point to the site is from a fire access lane off Monterey Road. The site also faces Tully Road; however, there is no existing driveway access along that side. There are four existing billboard sign structures located along the Tully Road side of the site, which may reduce the area of useable space.

The site consists primarily of bare dirt with sections of gravel, so installation of new asphalt concrete pavement or compacted aggregate base material would be required to provide a more solid and stable surface for the site. Individual tents built on wooden platforms can then be placed throughout. Installation of new fencing around specific parts of the perimeter is recommended to close off the area from the major roadways nearby.

Access to the site for RVs would be challenging due to current configuration of the site. Additional evaluation regarding fire and related access will be necessary to determine whether this site would be viable for RV parking.

The site would require installation of new lights and electrical systems to provide adequate lighting and power throughout the area. A new electrical service would be required and can be obtained from nearby PG&E utility poles. Alternatively, solar “parking lot” style lights can be provided throughout the area. However, it is the more expensive option compared to the hard-wired lights, and the operational cost savings would be used up-front for furnishing them.

A new potable water service connection would be required to supply water throughout the site. There are existing water mains along Monterey Road and Tully Road which can serve as potential connection points for water. The closest fire hydrants are far from the site, so installation of a new fire hydrant closer to the property would be recommended.

A new trash enclosure built on a concrete pad would be required, as well as several smaller trash receptacles placed throughout the site.

Overall, the site has the potential to be used as a safe sleeping, RV supportive parking, or emergency shelter site. Access issues would have to be addressed to accommodate this site. There are existing electrical and water facilities nearby that can potentially be tapped into for service. The site can be improved to provide a solid surface for the site; however, the existing billboard structures within the site may reduce the amount of usable space.

Feasibility and Cost of Shelter Pilot

Congregate Shelter

Feasibility: Evaluating feasibility of congregate shelter operations

Evaluating the feasibility of a shelter pilot requires analyzing the offerings necessary to maximize the use of this potential option. Congregate shelter can play a role within an effective, housing-focused crisis response system. This section provides a cost comparison of alternative congregate shelter options.

The below recommendations for amenities, services, and other details of the congregate shelter represent the Housing Department's expertise and perspective to help ensure the programs are successful and dignified. However, the Housing Department recognizes that due to budget constraints and other factors, some concessions may have to be made.

Housing Department staff, informed by people who have lived in congregate shelters, recommend the following core practices when standing up a congregate shelter:

1. Must always meet the basic needs of participants to provide a decent and safe place to reside temporarily.
2. Provide staff trained to deescalate conflict to maintain peace and order during use.
3. Physical design and layout must support people of abilities and disabilities, including those individuals needing an American with Disabilities Act (ADA) accommodations given the aging homeless population.
4. Support the City's effort to relocate unsheltered residents away from contaminated waterways for health and safety and to address Water Board concerns that the City's efforts to address the negative impact of encampments along waterways are insufficient.
5. Increase the effectiveness of existing outreach efforts by facilitating transition from encampment outreach workers to placement in the congregate shelter.
6. To maximize the likelihood of positive outcomes for participants and the congregate site as a whole, staff recommends a range of items be included in any congregate shelter offering. At a minimum, a site should include: beds, provision of meals (preferably hot), laundry/shower/restroom options, storage for personal items, charging stations, and pet accommodations.

Feasibility: Evaluating feasibility of congregate shelter building options

Staff evaluated two types of congregate shelter building options, both of which were tensioned membrane modular buildings that are used to create indoor spaces. Tensioned membrane modular buildings utilize a fabric membrane tensioned over a steel or aluminum framework, with a tensioning system for durability and a modular design.

Tensioned membrane modular buildings shelters can be assembled in about 30 days[1]. Timelines for the overall construction of an entire site can range from six to nine months depending on availability and size of utility connections and existing condition of the site. This does not include time needed for design and procurement of the contractor or material.

However, tensioned membrane modular buildings also present challenges. Their durability may degrade in severe weather, posing risks of tears or punctures without proper maintenance[2]. Customization options are limited due to prefabricated elements and specific designs. Additionally, insulation deficiencies may impede energy efficiency, requiring supplementary heating or cooling that adds additional habitability considerations and utilities costs.

Though the initial cost of these types of structures is less than traditionally-built congregate shelters, long-term expenses for upkeep and repairs may accumulate, and participants and service providers can perceive tensioned membrane modular structures as temporary or less substantial compared to traditional buildings. While suitable for temporary or semi-permanent shelter needs, they might not meet criteria for situations demanding high durability or long-term build standards.

Cost: Evaluating cost of congregate building options

City staff conducted research on the shelter options described above and provided further information about the construction cost, expected useful life, maintenance cost, and space requirements. **Table 3** includes the median estimated costs for a congregate building of this type. These project estimates were developed from build experience from another municipality, made current, and for the specific locations. The budgetary estimate for a project that can support 100 occupants range from $9 - 11 million, and the budgetary estimate for a scenario that can support 200 occupants range from $12 - 13 million.

[1] This timeline was determined through direct communications with a vendor.
[2] https://blog.legacybuildingsolutions.com/disadvantages-of-monocover-fabric-structures

Table 3: Shelter Options and Build Cost

	100 Occupant Capacity	200 Occupant Capacity
Building Cost	$1,495,000 Note: Includes tent structure, HVAC, electrical, and labor & materials. Does not include beds or site preparation. Assumes existing paved parking lot.	$2,776,000 Note: Includes tent structure, HVAC, electrical, and labor & materials. Does not include beds or site preparation. Assumes existing paved parking lot.
Total Site Build Cost[6]	$ 9,451,000	$12,168,000
Expected Useful Life	17-30 years	17-30 years
Structure Annual Maintenance Cost	$75,000	$140,000
Space Requirement	60ft wide x 100ft long x 26ft tall	90ft wide x 120ft long x 26ft tall
Total First Year Startup Cost (estimate):	$9,526,000	$12,308,000

Cost: Evaluating shelter operating costs

The operating budget of congregate homeless shelters typically includes various expenses necessary for running and maintaining the facility and providing services to residents. The operating budget of congregate homeless shelters includes personnel costs for staff such as case managers, security, and administrative personnel. It also includes expenses for utilities, food, and essential supplies to maintain a comfortable living environment for residents.

Table 4 below outlines the ongoing operating costs for a congregate shelter that is designed to serve 100 people. The greater the number of people per congregate shelter space, the higher the administrative costs, as well as unforeseeable costs due to higher concentration levels of persons experiencing homelessness with known and unknown needs in a densely concentrated single area without physical separations amongst the clientele.

[6] Structure, site development, showers, laundry, and furnishings.

Table 4: Congregate Shelter Annual Operating Budget

Budget Item	Cost	Notes
Program Manager	$100,460	1 full time employee, supervisor
Site Management	$145,600	2 full time employees, $35 per hour
Shift Supervisor	$218,400	3 full time employees, $35 per hour
Shelter coordinators	$619,216	24/7 coverage, 3 shifts per day, Monday- Sunday (9 full time employees, 3 for each shift) @ $26 per hour at 40-hour weeks over 52 weeks a year
Staff Subtotal	**$1,083,676**	
Payroll (10%)	$108,368	
Benefits (15%)	$162,551	
Staff Total	**$1,354,595**	
Food (3 meals/day)	$109,500	
Security	$815,556	3 grave shifts, 2 each day and swing, $39.90/hour
Janitorial service	$300,000	Contracted service once a week
Dumpster service and rental (12 months)	$60,000	
Utilities and water	$78,000	Utilities $2,000 a month, water $4,500 a month
Hotbox	$3,800	2 at $1,900 each
Computers, cell phones, walkie talkies	$30,000	Computers $1,000 each, Cell phone $50/month/each, Walkies-talkies 15 at $400 each
Uniforms	$3,750	$250 each
AED Device	$5,000	2 at $2,500 each
Program supplies, linens, blankets	$15,000	
Flex funds to assist participants	$50,000	
Storage units	$8,000	
Hotel isolation and quarantine stays	$22,950	$980/stay (7 nights at $140/night), damages/deposits, travel/transportation
Operational Costs	**$1,501,556**	
Total Budget (for 100 participants)	**$2,865,200**	**Cost per person for 100 people: $28,652**

Supportive Outdoor Sleeping

Supportive Outdoor Sleeping ("SOS") sites can add additional infrastructure and service opportunities for individuals living in encampments by creating a quickly developed alternative to encampments that can provide a combination of services and case management for a supportive environment until participants access housing opportunities. SOS sites would primarily consist of a secured and managed individual tent area for adults 18+ with food, potable

water, toilets, showers, waste disposal, and case management and social service supports that would not just sustain life but would allow participants to pursue employment and other activities that lead to self-sufficiency.

A: Operationalization: SOS site characteristics and feasibility

The SOS site is a sheltering opportunity comprised of individual tents in a fenced community for single adults 18+ and couples that offers two meals per day, water, toilets, showers, laundry, storage, and other amenities that meets the needs of residents experiencing homelessness. The site will be staffed with case management and healthcare professionals and will operate using the same core values and principles as the City's other housing and services programs. It will have low-barrier entrance using harm reduction principles in a trauma-informed environment. Participants can also remain until they acquire permanent housing.

The SOS site meets a number of the City's objectives for enhanced services:

1. They will provide a dignified and supportive environment for those who are currently living without basic life-sustaining items;
2. They will be cost-effective and quickly erected without the need for extensive infrastructure;
3. They will help to address Water Board concerns about the impact of encampments on City waterways; and
4. They will provide an opportunity for service connection, enrollment in the County's Homeless Management Information System (HMIS), and access to permanent housing opportunities.

More detailed information on SOS site operationalization, characteristics, options, and considerations can be found in **Attachment B**. It is important to note that the construction and other one-time costs for an SOS will vary considerably depending upon site location and characteristics. For initial planning purposes, the 2024-2025 Proposed Operating Budget considers development costs ranging from $18,000 to $40,000 per individual space. Additional consideration regarding these costs will be discussed at the City Council's meeting on June 18, 2024 that will outline potential SOS locations.

Cost: Evaluating SOS site operating costs

Supportive outdoor sleeping programs require careful budgeting to ensure the effective provision of essential services and support for individuals experiencing homelessness who sleep outdoors. By allocating resources across specific key components, supportive outdoor sleeping programs can provide a consistent location for individuals experiencing homelessness.

The specific cost model will undergo further refinement and cost projections, as staff is in the process of soliciting input from service providers throughout the state while delivering a level of basic site provision for site participants. **Table 5** outlines the ongoing operating costs for a SOS designed to serve 100 people:

Table 5: Supportive Outdoor Sleeping Annual Operating Budget (based on 100 people)

Budget Item	Cost	Notes
Program Manager	$100,460	1 full time employee, supervisor
Case Management	$145,600	2 full time employees, $35 per hour
Shift Supervisor	$218,400	3 full time employees, $35 per hour*
Lot monitors	$400,816	10 full time employees (5 teams of 2). Work in pairs for safety. Daily site presence safety checks. Day shift only.*
Staff Subtotal	*$865,276*	**Exact staffing may be refined upon further evaluation and budget considerations*
Payroll (10%)	$86,527	
Benefits (15%)	$129,791	
Staff Total	**$1,081,594**	
Food (2 meals/day)	$80,000	
Equipment, cell phones, computers	$20,000	
Security	$110,000	Drive by services overnight, not stationed at any one site
Shower & Laundry (mobile)	$900,000	Contracted service 3x/week. Compared to a fixed building installation of $2.5 million per site (not including maintenance)
Dumpster rental (12 months)	$60,000	
Tent and Supporting Costs ($1500/tent)	$300,000	All participants receive a new tent; this amount includes replacement costs for 100% turnover
20 Portable Restrooms and 10 Handwash w/cleaning	$784,350	20 per 100 participants
Operational Costs	**$2,254,350**	
Total Budget (for 100 people)	**$ 3,335,944**	**Cost per person for 100 people: $33,359**
Lighting	$150,000	$15,000 each; recommended 10 per site
Charging Station	$15,000	$15,000 each; recommended 1 per site
Staff Office - RV Purchase	$400,000	Includes purchase and modification to ADA accessibility but not maintenance; compare to approximately $1.0 million for a stationary office
One Time Startup Costs Total	**$565,000**	

Basic Services Sites

A: Operationalization: Basic Service Sites characteristics and feasibility

Providing a lower level of support, Basic Service Sites would still provide trash services, portable toilets, hand washing stations, showers and laundry, trash disposal, and some form of site security or monitoring. However, these sites would allow for limited physical infrastructure – for example, tents are not included – and no enhanced supportive services would be provided. Basic Service sites would, though, allow participants to have a space with access to basic hygiene services and the capability to pursue employment and other activities that lead to self-sufficiency.

Cost: Evaluating Basic Service Sites operating costs

Below is a table of costs for amenities, services, and other components of a Basic Service Site to ensure that the site is meets the needs of participants and helps maintain their dignity. The table assumes the capacity needed to serve 100 participants at any given time and operated from 8am to 6pm every day. Unhoused people can sleep overnight at these locations, but the locations are not staffed outside of these hours.

Table 6: Basic Service Site Annual Operating Budget

Budget Item	Cost	Notes
Lot Monitors	$400,816	10 full time employees (5 teams of 2). Work in pairs for safety. Daily site presence safety checks. Day shift only.*
Staff Subtotal	*$400,816*	**Exact staffing may be refined upon further evaluation and budget considerations*
Payroll (10%)	$40,082	
Benefits (15%)	$60,122	
Staff Total	**$501,020**	
Shower & Laundry (mobile)	$900,000	Contracted service 3x/week
Dumpster Rental (12 months)	$60,000	
20 Portable Restrooms and 10 Handwash w/cleaning	$784,350	20 per 100 participants
Operational Costs	**$1,744,350**	
Total Budget (for 100 people)	**$2,245,370**	**Cost per person for 100 people: $22,454**

Outcomes

Analysis of outcomes for shelter is based on Santa Clara County Office of Supportive Housing's System 2023-2024 Performance Measures report[7]. This system performance measurement enables the Continuum of Care to assess the effectiveness of individual programs and the entire system of care. In the report on System Performance Measures, staff used Measure 2: Returns to Homelessness[8] to assess the efficacy of various forms of shelters and safer alternatives to homelessness. The Continuum of Care report measured the proportion of people who exited homelessness from each program type into permanent housing *and* returned to homelessness within six, 12, and 24 months. Additional detail about outcomes can be found in **Attachment C**.

COORDINATION

This memorandum was coordinated with the Parks, Recreation, and Neighborhood Services Department and the City Manager's Budget Office.

/s/
MATT LOESCH
Director of Public Works

/s/
ERIK SOLIVÁN
Housing Director

/s/
OMAR PASSONS
Deputy City Manager

For questions, please contact Garrett Stanton, Senior Executive Analyst, City Manager's Office, at garrett.stanton@sanjoseca.gov.

[7] https://osh.sccgov.org/sites/g/files/exjcpb671/files/documents/SPM_Benchmarks23-24.pdf
[8] Included in Attachment C.

Attachment A

City Sponsored Housing/Sheltering Options

Program	Description	Locations	Number of active[9] Beds (as of 5/1/24)
Permanent Supportive Housing (PSH)	Longer-term rental assistance with case management and supportive services	Indoor non-profit, business, or faith-based properties	610[10]
Emergency Interim Housing (EIH)	Short-term shelter managed by a non-profit	Indoor City or other public agency properties	499 beds*
Supportive Parking Program (PP)	Short term locations for vehicle occupants to park, managed by a non-profit.	Outdoor City, private, or other public agency properties	42 lived-in RVs**
Supportive Outdoor Sleeping (SOS) or Basic Needs Sites	Sites where the City provides supportive services and basic needs managed by a non-profit.	Outdoor City, private, non-profit, interjurisdictional partner (e.g., Valley Water), business, or faith-based properties	N/A***
Overnight Warming Location (OWL)	City-owned properties used as emergency overnight shelters during the cold weather season (November-April)	Indoor city-owned properties	60 beds at two locations
Project Homekey and Converted Hotels	Converted underutilized hotels used as short-term shelter.	Indoor city-owned properties	233

*Approximately 780 beds are expected to come online in 2024-2025 and early 2025-2026.
**The Berryessa Supportive Parking project will bring online an additional 85 supportive parking sites in 2024-2025.
***Up to 500 spaces anticipated to come online in 2024-2025

[9] The term "active" is used to differentiate between PSH that is open as of 05/10/2024 and "active" compared to the many others that are in the pipeline: 89 under construction and 100 in the pipeline.
[10] Units are counted since January 1, 2018. This not the entire City portfolio; there are affordable buildings not in the City's portfolio because they did not receive City funding.

Attachment B

SOS Site Operationalization, Characteristics, Options, and Considerations

The below recommendations for amenities, services, and other details of the SOS sites represent the Housing Department's perspective to help ensure the programs are successful and dignified. However, the Housing Department recognizes that due to budget constraints and other factors, some concessions may have to be made.

SOS sites meet a number of the City's objectives for enhanced services:

- Support the City's effort to relocate unsheltered residents away from contaminated waterways for health and safety and to address Water Board concerns that the City's efforts to address the negative impact of encampments along waterways are insufficient. Unless the Water Board approves a new mitigation plan submitted by the City, the Water Board could begin imposing substantial fines beginning June 2025.
- Provide trauma-informed services that promote harm reduction.
- Increase opportunities for SOS residents to secure employment and healthy community engagement because their belongings will be secure at the SOS site.
- Increase the effectiveness of existing outreach efforts by facilitating a warm handoff between encampment outreach workers and social service staff at the SOS sites, thus providing a continuum of care that will increase HMIS enrollment for housing opportunities and connection to other services.
- Allow former encampment residents to maintain community relationships formed prior to relocating to the SOS site.
- Need to be in close proximity to abated encampments to minimize distant relocations.

Operationalizing SOS Sites

SOS sites will supply:

1. New tents on pallets or an elevated surface for single adults or adult households (Families should be directed to family resources via the Here4You hotline.)
2. Daily lunch and dinner, preferably hot on most occasions
3. Port-a-Potty toilets serviced daily (20/100 people at United Rental's recommendation)
4. Handwashing stations (10/100)
5. Mobile shower services 2 – 3 times weekly
6. Mobile laundry services 2 – 3 times weekly
7. On-site 5-day/week case management services that are administered out of an RV office space to minimize infrastructure costs.
8. Consistent and adequate waste management through dumpster service and easily accessible trash receptacles near tenting areas
9. Mobile charging stations for cell phones and other electronic devices
10. Adequate tenting and surrounding space for storage of personal items (Each designated tenting and surrounding space should be larger than 12' x 12'.) to help encourage participation, providing a larger footprint is ideal. However, this is contingent upon site selection, and total square footage of the site.
11. Large storage containers for storage of excess personal items

12. Pet care resources (Animals may be serviced through partnerships with non-profit partners like the Humane Society for vaccinations.)
13. 24/7 staffing, 7-days/week

SOS sites should operate in the following ways:

1. Have low barrier access.
2. Allow participants to remain at the site until they access housing. There should be no abatements from these sites except for violations of the house rules.
3. Meet basic human needs and foster an environment that allows people to experience community through social and emotional support
4. Allow participants to access the level of services that they choose. All services are voluntary.
5. Support harm reduction and have Narcan, Sharps containers, etc., onsite.
6. Provide mail services for staff and participants
7. Supply inclement weather services, clothing, warm blankets, etc.
8. Prohibit on-site cooking.

SOS Site Requirements

Identify NEW attractive SOS sites by evaluating locations on the following critical, advisable, and desirable criteria:

Critical Criteria

1. **Safety and Cleanliness:** Locations should be free from harmful contaminants, hazards, and pose no immediate threat to the health and well-being of residents in the location. The location should be easily navigable for cleaning and removal of debris, garbage, and other waste materials.
2. **Accessibility and Inclusivity:** Locations should, to the greatest extent possible, be accessible by emergency vehicles, ADA compliant, close to food, transportation, civic amenities and not isolate residents. Consider siting locations near existing unhoused communities to help maintain community continuity and build on existing outreach.
3. **Sanitation and Waste Management:** Locations should have services for waste disposal, sewage management, and access to clean (potable) water. Improve support for BSJ and DPW to provide and frequently maintain semi-permanent water, sanitation and hygiene services in current and new locations.
4. **Environmental Protection:** Locations should have measures to ensure clean air, water, and a healthy environment for all residents and wildlife. Locations should have access to well-lit areas while not exposing residents and wildlife to excessive lights or sounds, particularly during night-time hours. Locations should be outside potential disaster sites such as areas prone to flooding and fire. Measures should be taken to protect residents and their property from damage or disease due to rodents, birds, and insects. Ensure protection from extreme weather conditions and unhealthy air quality by providing access to designated areas equipped with heating, cooling and ventilation systems.

Advisable Criteria

1. **Access to Healthcare and Social Services:** Locations should have access to basic healthcare services, including medical assistance and mental health support. Assist individuals in transitioning out of public spaces into permanent housing by providing access to supportive services such as individual and family counseling, employment assistance, workforce development, housing navigation and case management.
2. **Community Support:** Look for opportunities to support existing community partnerships that provide and/or support livable spaces for unhoused people. Work with Community Advisory Committees and neighborhood groups to develop pilot locations with advising panels including the local housed *and* unhoused community. Consider using pilot programs that partner with local businesses or agencies to provide space for these locations, that could include buffer-spaces around business or service entrances.
3. **Transportation Access:** Locations should have accessible essential infrastructure such as safe roads, potable water, electricity, and communication networks. Access to reliable public transportation options, including buses, trains, and pedestrian-friendly infrastructure, is necessary for easy mobility. Consider connecting residents with centralized health care, services, and housing assistance case management employing on-site social service navigators, siting near public transportation, providing free passes, and/or shuttles to ensure access with.

Desirable Criteria

1. **Privacy and Quality of Life:** Locations should provide adequate spacing between living units to ensure privacy for residents. Locations should be livable with outdoor amenities such as shaded areas, recreational facilities, green spaces, and areas for animal companions.
2. **Access to Social Amenities:** Locations should provide opportunities for social interaction, recreational activities, and community involvement for all. Locations should be nearby amenities such as parks, community centers, schools, pools, and libraries to enhance the quality of life for residents.

Further Considerations for SOS sites

1. Evaluate opportunities for the Lived Experience Advisory Board of Silicon Valley (LEABsv) and others with lived experience to participate in outreach to those in encampments by the waterways and in SOS site development and possible operations.
2. Seek to create employment opportunities for participants and those with lived experience (i.e., site monitors)
3. Allow participants as many opportunities to personalize their tent and designated living space as possible.
4. Provide recycling opportunities for participant revenue.
5. Security services could be removed from the budget if too expensive.
6. SOS sites could be subdivided with each division having no more than 100 tents. A new division in the primary site should be opened or a new site located when a site exceeds 100 participants.

Attachment C

Santa Clara County Office of Supportive Housing Continuum of Care 2023-2024 Report & Staff Analysis

Table 1: Continuum of Care Data on Shelter Efficacy

Form of shelter	% of individuals returning to homelessness
Emergency Shelter	26.4%
Transitional Housing	21.8%
RRH & PSH	13.4%

In the above, staff highlights the difference in outcomes for individuals who utilized emergency shelters as opposed to RRH and PSH. Through the County of Santa Clara's Continuum of Care 2023-2024 report, people who exited homelessness through RRH and PSH were about twice as likely not to return to homelessness as those exiting shelter within two years of exit.

The following table compares the cost for each type of homelessness intervention to the outcomes associated with each:

Table 2: Analysis of Shelter Efficacy and True Cost

Form of shelter	% of individuals not returning to homelessness	Cost per person per year
Emergency Shelter	73.6%	$28,467 to $39,589
RRH & PSH	86.6%	$41,600

It is important to understand how many emergency shelter beds may be needed for the City to relocate people from impacted waterways while preventing unhoused residents from being displaced into neighborhoods. The City must weigh the expediency in constructing shelters against the long-term efficacy of shelter options and what the cost will be both one time and ongoing.

Attachment D

Santa Clara County Office of Supportive Housing's System Performance Metrics, Measure 2, 2023-2024

The following table compiles data from the Continuum of Care report on the proportion of individuals who participated in Emergency Shelter (ES), Transitional Housing (TH), or Rapid ReHousing (RRH) and Permanent Supportive Housing (PSH); were subsequently housed; and yet, returned to homelessness after two years:

Measure 2

Returns to Homelessness

Returns to Homelessness within 12 months

	2021		2022		
	# Exits to PH	% Returns to Homeless	# Exits to PH	% Returns to Homeless	CY 23 Benchmark
Street Outreach	306	16.7%	417	10.0%	13%
Emergency Shelter	981	18.9%	1224	14.7%	17%
Transitional Housing	363	14.0%	243	10.0%	12%
Safe Haven	16	12.5%	9	11.1%	N/A
RRH & PSH	1,199	8.4%	1128	8.6%	8% RRH/5% PSH
CoC System	2,865	13.7%	3021	11.4%	12%

Returns to Homelessness within 2 years

	2021		2022		
	# Exits to PH	% Returns to Homeless	# Exits to PH	% Returns to Homeless	CY 23 Benchmark
Street Outreach	306	21.2%	417	17.3%	19%
Emergency Shelter	981	26.0%	1224	26.9%	26%
Transitional Housing	363	21.5%	243	22.2%	21%
Safe Haven	16	25.0%	9	33.3%	N/A
RRH & PSH	1,199	12.4%	1128	14.4%	14% RRH/10% PSH
CoC System	2,865	19.2%	3021	20.5%	19%

2 Report Details:
This measure is defined by the HUD System Performance Measure (SPM) specification, measure 2. The report measures the extent to which persons who exit homelessness to permanent housing destinations return to homelessness within 6, 12, and 24 months by project type. The reports looks at data up to 2 years prior to the reporting period.

Note: 2018 and 2019 data points have been recorded in the above table and are in hidden from the current view.