

2023-2024 Proposed Budget
BUDGET DOCUMENT COST ESTIMATE REQUEST

To request a Budget Document (BD) cost estimate, please complete the first page of this form (use as much space as required) and submit it to Kate Handford in the City Manager’s Budget Office starting April 24th, 2023 and by no later than May 10th, 2023.

City staff will return the form with the cost estimate provided on the second page of the form by May 19, 2023. The BDs with the cost estimates are due to the Mayor’s Office by **May 25, 2023**.

Please note that the number of budget document cost estimate requests is limited to **five requests per City Council District**. Additionally, all Budget Documents that recommend a City-provided service or project must be based on a Cost Estimate Response.

TO BE COMPLETED BY COUNCILMEMBER:

Councilmember: Omar Torres

Council District: 3

BD PROPOSAL: One-Stop Shop for Unhoused

City Department (if known): Housing/OED

Program/Project Title:

Proposal Description, including anticipated outcomes (describe how change would affect services for San Jose residents, businesses, community groups, etc.):

We are in the middle of a humanitarian crisis when it comes to the number of unhoused residents we have in the City of San José. The city has partnered with other agencies to provide services unfortunately, they are scattered throughout the city, making it difficult for the unhoused to get all the services they need. The City owns vacant locations that can be looked at to host the one-stop shop which allows our partner agencies to be located to provide seamless service to our unhoused who want to get help.

Position Changes (include classifications, if known):

Estimated Amount of City Funding Change (to be validated by the cost estimate):

Fund(s) Impacted (e.g. General Fund, C&C Tax Funds, etc.): General Funds

Ongoing or One-Time: One-Time

BD PROPOSAL OFFSET/FUNDING SOURCE (identify the offsetting action to fund the BD proposal identified above):

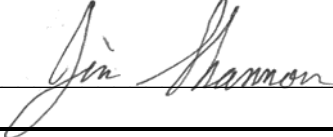
Essential Services Reserve: \$3,000,000

Other (Program/Project/Fund):

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Cost Estimate #: 37

TO BE COMPLETED BY CITY MANAGER'S OFFICE:

Cost Estimate Approved By  Date 5/19/2023

CITY DEPARTMENT:

Staff Person Completing Cost Estimate: Greg Pensinger | Homelessness Response Mgr. Date: 5/18/2023
Name/Title

Department Approval of Cost Estimate: Jacky Morales-Ferrand, Housing Director Date: 5/18/2023
Department Director or Designee

BD PROPOSAL:

There is currently no one-stop program being operated in the City of San José and so there is no direct reference to develop a detailed cost estimate. The cost estimates are based on prevailing rates for real estate leases and estimates for standard wages for nonprofits.

The Housing Department estimates that a One Stop Service Center where services would be provided for 14 hours per day (8am – 11pm) would require approximately 7,000 square feet of space to accommodate common areas, case management, and administrative offices.

The Office of Economic Development and Cultural Affairs' (OEDCA) Real Estate Division confirmed there may be a City-owned space available temporarily located at S. Third Street and San Carlos. This space does not have all the amenities required and may be used for business pop-ups in the future. The Housing Department and OEDCA will explore if this space could be used for a One Stop Service Center. For the long-term, a lease of privately-owned space would be required. The rate for leasing space in the downtown area is approximately \$3.00 per square foot not including utilities. Based on the space needs for this program and the anticipated lease, the Housing Department estimates that the cost for the space would be approximately \$21,000 per month or \$252,000 annually. Additionally, utilities including electricity, internet, waste management, and others are estimated to cost approximately \$10,500 per month (estimated at \$1.50 per square foot of building space).

The existing nonprofits that provide City-funded services such as outreach, case management, and rapid rehousing have contractual obligations and activities; it is unlikely they would have the capacity to dedicate staff to also work at a One Stop Service Center. Therefore, the site would require an operator to provide day-to-day management, security, on-site services staff, food provision, and other tasks and services as needed. This operator would also be required to carry insurance to cover the program as well as other associated costs. Because there is no existing program within the City of San José, it is difficult to estimate the total costs for the full operation of this proposed project. For example, security may be required at the site. Table 1 below provides an estimate.

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Table 1: One Stop Service Center Annual Budget (12 months)

Personnel	FTE*	Cost
Program Manager	1.0	\$94,000
Case Manager	2.0 (\$65,000 per FTE)	\$130,000
Resident Advocate/Client Services	4.0 (\$55,000 per FTE)	\$220,000
Employee Benefits and Ass. Costs	30% average	\$133,200
Total Personnel		\$577,200
Non-Personnel		
Rental/Occupancy	\$3 per sq foot x 7,000 sq ft = \$21,000 per month	\$252,000
Utilities	\$1.50 per sq foot x 7,000 sq ft = \$10,500 per month	\$126,000
Furniture		\$10,000
Technology/computers/licenses		\$27,825
Client flex funds/direct assistance		\$15,000
Client food/snacks		\$20,000
Total Non-Personnel		\$450,825
Administration	11.5%	\$118,223
Total		\$1,146,248

* These positions will not be City employees but will be positions provided by the nonprofit service provider.

The Housing Department does not have the existing staff capacity to design a “One Stop Service Center” program, manage the implementation or develop and monitor service contracts. The Department would need to hire a time-limited temporary Development Officer for program design, project implementation and oversight (\$151,562) as well as a time-limited temporary Analyst for the service procurement, contract development and monitoring (\$129,489). Operations and services provided at the One-Stop Services Center would need to be competitively procured through a Request for Proposal (RFP) process, which would add time to the development of this resource. There are some providers of daytime services downtown, including Recovery Café, that may respond to a competitive process to provide these services on behalf of the City.

Potential Alternative:

OEDCA’s Business and Economic Development Division is attempting to implement a downtown “Case Management Storefront.” The goal of this initiative is the establishment of a ground floor location in downtown to provide key connection to services, private service assessment, case-conferencing, and real-time proactive team response by the social service and community partners that work with downtown’s unhoused and most vulnerable population.

The effort combines identifying people in need and coordinated, regular case conferencing to ensure all necessary providers are in the room and able to offer real-time support and build trust with clients. It

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also includes access to weekly behavioral health counseling support, a quiet and private place to administer VI-SPDAT or other assessments, connection to available resources, and housing navigation. Primary partners include PATH - the City’s downtown outreach provider, Santa Clara County behavioral health services and the Downtown Property Based Improvement’s Social Impact Team. The space will be utilized for regular 1-1 outreach and assistance provided by PATH and the PBID Social Impact Team, as an alternative to having to conduct case management on the street. The space will also be used for case conferencing with the larger team, which will likely include participation from other service partners such as housing and health providers and law enforcement. Social Impact team members, as well as PATH CARE team members may utilize the storefront location as their base of operations to have a visible ground floor presence in the core close to St. James Park and Santa Clara Street.

A potential location for this storefront has been identified and staff is currently working on securing a lease for the site. The current plan does not include drop-in services or staffing of the center from 8am – 11pm, nor does it account for multiple agencies providing services on site. However, an increase from a current one-time commitment of \$100,000 to \$250,000 would enable the site to be improved and leased for two years rather than one.

BD Cost Estimate:

Fund	2023-2024 Cost	Ongoing Cost
General Fund	\$1,427,299	\$1,146,248
TOTAL	\$1,427,299	\$1,146,248

Position Changes (if applicable):

Position Classification	2023-2024 FTE	Ongoing FTE
Development Officer	1.0	
Analyst I/II	1.0	
TOTAL	2.0	

BD Cost Estimate Notes (if applicable – provide any notes only if necessary to clarify the cost estimate):