



Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: Jon Cicirelli
 Jacky Morales-Ferrand
SUBJECT: SEE BELOW
DATE: May 29, 2023

Approved  Date: 5/30/2023

SUBJECT: SERVICE ENHANCEMENTS AND NO ENCAMPMENT ZONES SURROUNDING EMERGENCY INTERIM HOUSING

BACKGROUND

At the [November 29, 2022, City Council meeting](#)¹ City Council approved the staff recommendation to consider service enhancements surrounding Emergency Interim Housing (EIH) locations as part of the 2023-2024 budget process. Approved with this item were memoranda from former Mayor Sam Liccardo² and Councilmember Cohen³ directing the City Manager to include modified cost estimates for adjustments to potential service enhancements, and cost estimates that add current and future safe parking sites to the scope of the sites where service enhancements will be considered.

The City Council’s approval of the Mayor’s March Budget Message for Fiscal Year 2023-2024 set aggressive goals related to unsheltered homelessness, including delivering at least 500 new EIH units by the end of the calendar year to meet the City’s collective goal of operating 1,000 interim housing units citywide, and allocating sufficient resources and funding to create new capacity to move at least 1,000 people who are currently living in the most environmentally-destructive and unsafe encampments into safer alternatives by the end of the calendar year.

Based on this direction to provide direct services to our most vulnerable residents, the lack of specific direction in the March Budget Message to prioritize new resources for blight reduction and enforcement of no encampment zones surrounding EIH locations, and the limited availability of General Fund resources needed for other critical City Council priorities, the 2023-2024 Proposed Operating Budget does not include the allocation of funding for service enhancements and no encampment zones surrounding EIH sites. Resources generated from Measure E are instead reallocated – in response to City Council direction – for EIH siting,

¹ [11/29/2022 City Council Update, Item 8.3, File 22-1488](#)
² [22-1748 - Memorandum from Liccardo, 11/29/2022 \(legistar.com\)](#)
³ [22-1748 - Memorandum from Cohen, 11/21/2022 \(legistar.com\)](#)

design, construction, and operations (\$20.9 million); homeless outreach services and related staffing (\$10.5 million), homeless prevention (\$4.8 million); and staffing to facilitate and coordinate the work to reduce unsheltered homelessness (\$1.8 million).

Other General Fund resources, as directed by the City Council-approved March Budget Message, are allocated to the Beautify San José team, including: providing an ongoing baseline allocation for contractual services for trash pickup, encampment abatement work, Cash for Trash, trash disposal fees, interagency work and support for creek clean-up partners (\$8.1 million, ongoing); piloting a program to remove trash from waterways (\$1.6 million, one-time); piloting a program to reduce blight from ten designated gateways (\$1.5 million, one-time); piloting a “Beautify Your Block” program to engage residents on focused cleanup efforts in neighborhoods most impacted by blight (\$504,000, one-time)); as well as funding to increase the number of Cash for Trash Program participants from 500 to 700 (\$382,000, one-time).

ANALYSIS

This Manager’s Budget Addendum details the costs for the original staff response to the request to provide service enhancements as presented to City Council on November 29, 2022, and provides cost estimates for the direction approved by City Council from memoranda authored by former Mayor Liccardo (Attachment 1) and Councilmember Cohen (Attachment 2). The costs are summarized in the table below, and additional narrative is included in subsequent sections (Table 1).

Table 1: Summary of Service Enhancement costs including the staff response to Council direction from the 11/29/22 City Council Update, and the adjusted service enhancement costs from direction by the Mayor and Council from the memos authored by former Mayor Liccardo and Councilmember Cohen.

ALTERNATIVES			
	Staff Response to Council Direction	City Council Alternative (Authored by Mayor Liccardo)	City Council Alternative (Authored by Councilmember Cohen)
	Service Enhancements	Service Enhancements & No Encampment Zones	Service Enhancements
<i>Service Coverage</i>	0.5-mile, 10-minute walkshed	0.25-mile, 5-minute walkshed, ~1,320 ft	0.5-mile, 10-minute walkshed
<i># Sites, Site Type</i>	6 Emergency Interim Housing Locations	6 Emergency Interim Housing Locations	3 Safe Parking Locations
<i>Total Annual Cost</i>	\$2,134,000	\$1,378,500	\$1,072,500

The cost estimates provided in Table 1 include a reduced walkshed, no encampment zones, re-examined community liaison, and vehicle abatement costs. Cost estimates for onsite security, outreach, and employment programs are not included in the table above or attachments. Additional information on these considerations is provided below.

The memorandum from former Mayor Liccardo included the following elements:

- 2(c) *Repurpose some or all onsite security costs for Bridge Housing Communities (BHC) and EIH’s towards enhanced neighborhood services, as a transition from “security” to “stewardship”*
- 2(e) *Consider employing participants living in interim housing communities (with appropriate abilities) to help provide some of the contemplated enhanced services at the direction of a managing non-profit, consistent with our “San Jose Bridge” model, e.g.,:*
 - i. *outreach to nearby encampments,*
 - ii. *cleanup the surrounding neighborhood,*
 - iii. *neighborhood patrols to notify police of safety concerns, and*
 - iv. *communication with neighbors, e.g., attending neighborhood meetings.*

The Housing Department does not support having participants (or former participants) serve as security, enforcement bodies, or in maintenance roles for several reasons, including power dynamics, favoritism, effectiveness, liability, risk of harm, and high turnover of participants. Further, if participants were able to engage in such a role they should be fairly compensated for their work, resulting in a redistribution of costs instead of significant cost savings. The San Francisco Foundation Homebase study – which analyzed all existing EIH sites – includes potential improvements and costs savings around security and employment opportunities. The Housing Department will bring a full report and recommendations to City Council in August 2023.

Security

Onsite security costs for EIH communities range from approximately \$260,000-\$600,000, for an average cost of approximately \$446,000 annually (Table 2). Initial findings from the San Francisco Foundation Homebase study⁴ on EIH operations found that EIH participants greatly value how safe they feel at sites and desire security services. If security is removed or reduced at EIH sites, this could have an unknown financial and service impact to police calls for service.

Table 2: EIH Security Costs

Site and Service Level	Annual Cost
Rue Ferrari (two 24/7 guards and one guard for 12 hours)	\$600,000/year
Monterey Bernal (two 24/7 guards)	\$480,000/year
Felipe (one 24/7 guard and one guard for 12 hours)	\$384,000/year
Mabury (one 24/7 guard)	\$264,000/year
Evans Lane (one to two 24/7 security staff)	\$505,000/year
Guadalupe (security TBD)	\$178,000/year (estimate)

⁴ The SF Foundation/Homebase study will be brought to the City Council in August 2023

Outreach

Housing outreach resources were removed from staff's initial response to the City Council direction due to a redesign of the outreach program. When abatements must occur, BeautifySJ Program staff will notify encampment residents of upcoming abatements and send requests for Outreach Services to the Housing Department. To employ individuals experiencing homelessness for outreach, existing outreach contracts could be updated to include language about competitive proposals including employing those with lived experience of homelessness. Employing people who are currently or formerly experiencing homelessness to do outreach work would not reduce costs as they would be paid the same as any other employee.

Cleanup

Funds to expand the SJBridge program for cleanup surrounding EIH sites would be in addition to those for the illegal dumping, graffiti, and encampment trash programs because the core functions are different. The role of the encampment trash program is one of enforcement, which ensures encampments are kept to small footprints, that rights of way are kept clear, and that encampments are abated in the case of a no encampment zone. SJBridge focuses on litter pick-up (meaning items that can fit in a trash bag).

Neighborhood Communication

Community Advisory Committees have been successfully established at some EIH sites, and some are attended by EIH participants. If EIH participants are employed to broaden the scope of their involvement within the surrounding community, they should be compensated for their time. It is not recommended to place EIH residents in a position to speak on behalf of City services.

COORDINATION

This memorandum was completed in coordination with the Planning Building and Code Enforcement Department, Department of Transportation, Police Department, Fire Department, and City Manager's Budget Office.

/s/
JACKY MORALES-FERRAND
Director of Housing

/s/
JON CICIRELLI
Director of Parks, Recreation and
Neighborhood Services

Attachment 1 – Service Enhancement Cost Estimate and for Mayor Liccardo Alternative
Attachment 2 – Service Enhancement Cost Estimate and Councilmember Cohen Alternative

Attachment 1

Adjusted service enhancement ongoing costs presented to the City Council on 11/29/22, and costs to align with the approved memorandum authored by former Mayor Liccardo.

STAFF RESPONSE TO COUNCIL DIRECTION			CITY COUNCIL ALTERNATIVE (FORMER MAYOR LICCARDO)		
<i>6 EIH locations, 0.5 mile or 10 minute walkshed Service Enhancements Only*</i>			<i>6 EIH locations, 0.25 mile or 5 minute walkshed Service Enhancements and No Encampment Zones</i>		
Enhanced Service and Dedicated Service Level	Cost Item Description	Annual Cost	Enhanced Service and Dedicated Service Level	Cost Item Description	Annual Cost
Attend neighborhood meetings, liaison between neighborhoods, council offices, and city departments, assess surrounding neighborhoods, and report issues.	Community Engagement Liaisons (2.0 Community Coordinator)	\$365,000	N/A	N/A	-
	Vehicles	\$ 60,000			
Create dashboard to report quality of life and safety data to Council Offices and the public monthly	Create dashboard leveraging existing staff	-	Create dashboard to report quality of life and safety data to Council Offices and the public monthly	Create dashboard leveraging existing staff	-
Resolve reported graffiti within 48 hours on the City's jurisdiction, and privately owned property within 5 days	Increase funding for graffiti abatement vendor	\$15,000	Resolve reported graffiti within 48 hours on the City's jurisdiction, and privately owned property within 5 days. Funds would be limited to removing 9,300 square feet of graffiti	Increase funding for graffiti abatement vendor	\$7,500
Address illegal dumping within 48 hours	2.0 Maintenance Worker II	\$315,000	Address illegal dumping within 48 hours	1.0 Maintenance Worker II	\$157,500
	Vehicle	\$30,000		Vehicle	\$30,000
Conduct proactive vehicle abatement and safety parking compliance patrols at least once a month Respond to SJ311 requests within 2-3 days instead of 3-5 days	Proactive vehicle abatement enforcement 1x per month for 5 locations	\$13,000	N/A	N/A	-
	Expand vehicle abatement contract staffing by 0.5 FTE	\$40,000			
	1.0 Sr. Parking and Traffic Control Officer	\$150,000			

	1.0 Parking and Traffic Control Officer	\$115,000			
	Vehicle + Equipment	\$42,000			
	Disposal fees for Junk vehicles	\$35,000			
Encampments receive trash service 2x per week (to be started in Fall 2023)	1.0 Community Coordinator	\$183,000	Abate tent/structure encampments	1.0 Community Coordinator	\$183,000
	1.0 Maintenance Worker II	\$159,000		1.0 Maintenance Worker II	\$159,000
12x12 encampment footprint maintained	Vehicle	\$30,000		Vehicle	\$30,000
	Materials/Supplies	\$35,000		Materials/Supplies	\$35,000
Keep right of way clear of encampments	Vendor Support	\$140,000		Vendor Support	\$400,000
N/A	N/A	-		1.0 Therapeutic Specialist	\$142,000
				Therapeutic Specialist Supplies	\$7,500
				Storage for Personal Belongings	\$30,000
				Police Officers present at abatements (20 hrs/week)	\$197,000
	Total	\$1,727,000*			Total

*This cost is less than the initial staff response to Council direction, which had a total cost of \$2,134,000, because outreach services were removed as a result of a service level redesign as discussed in the memorandum.

Attachment 2

Adjusted service enhancement ongoing costs presented to the City Council on 11/29/22, and costs to align with the approved memorandum from Councilmember Cohen for service enhancement costs for three safe parking sites.

STAFF RESPONSE TO COUNCIL DIRECTION			CITY COUNCIL ALTERNATIVE (COUNCILMEMBER COHEN)		
<i>6 EIH locations, 0.5 mile or 10 minute walkshed Service Enhancements Only*</i>			<i>3 Safe Parking locations, 0.5 mile or 10 minute walkshed Service Enhancements Only</i>		
Enhanced Service and Dedicated Service Level	Cost Item Description	Annual Cost	Enhanced Service and Dedicated Service Level	Cost Item Description	Annual Cost
Attend neighborhood meetings, liaison between neighborhoods, council offices, and city departments, assess surrounding neighborhoods, and report issues.	Community Engagement Liaisons (2.0 Community Coordinator)	\$365,000	Utilize EIH community liaison position	N/A	-
	Vehicles	\$ 60,000			
Create dashboard to report quality of life and safety data to Council Offices and the public monthly	Create dashboard leveraging existing staff	-	Create dashboard to report quality of life and safety data to Council Offices and the public monthly	Create dashboard leveraging existing staff	-
Resolve reported graffiti within 48 hours on the City's jurisdiction, and privately owned property within 5 days	Increase funding for graffiti abatement vendor	\$15,000	Resolve reported graffiti within 48 hours on the City's jurisdiction, and privately owned property within 5 days. Funds would be limited to removing 9,300 square feet of graffiti	Increase funding for graffiti abatement vendor	\$15,000
Address illegal dumping within 48 hours	2.0 Maintenance Worker II	\$315,000	Address illegal dumping within 48 hours	1.0 Maintenance Worker II	\$157,500
	Vehicle	\$30,000		N/A	-
Conduct proactive vehicle abatement and safety parking compliance patrols at least once a month	Proactive vehicle abatement enforcement 1x per month for 5 locations	\$13,000	Conduct proactive vehicle abatement and safety parking compliance patrols at least once a month	Proactive vehicle abatement enforcement 1x per month for 3 locations	\$6,000
	Expand vehicle abatement contract staffing by 0.5 FTE	\$40,000		Expand vehicle abatement contract staffing by 0.5 FTE	\$40,000
Respond to SJ311 requests			Respond to SJ311 requests		

within 2-3 days instead of 3-5 days	1.0 Sr. Parking and Traffic Control Officer	\$150,000	within 2-3 days instead of 3-5 days	1.0 Sr. Parking and Traffic Control Officer	\$150,000
	1.0 Parking and Traffic Control Officer	\$115,000		1.0 Parking and Traffic Control Officer	\$115,000
	Vehicle + Equipment	\$42,000		Vehicle + Equipment	\$42,000
	Disposal fees for Junk vehicles	\$35,000		N/A	-
Encampments receive trash service 2x per week (to be started in Fall 2023) 12x12 encampment footprint maintained Keep right of way clear of encampments	1.0 Community Coordinator	\$183,000	Encampments receive trash service 2x per week (to be started in Fall 2023) 12x12 encampment footprint maintained Keep right of way clear of encampments	1.0 Community Coordinator	\$183,000
	1.0 Maintenance Worker II	\$159,000		1.0 Maintenance Worker II	\$159,000
	Vehicle	\$30,000		Vehicle	\$30,000
	Materials/Supplies	\$35,000		Materials/Supplies	\$35,000
	Vendor Support	\$140,000		Vendor Support	\$140,000
Total		\$1,727,000*	Total		\$1,072,500
*This cost is less than the initial staff response to Council direction, which had a total cost of \$2,134,000, because outreach services were removed as a result of a service level redesign as discussed in the memorandum.					