



**County of Santa Clara
Office of the County Executive
Office of Supportive Housing**

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DATE: April 3, 2018
TO: Board of Supervisors
FROM: Ky Le, Director, Office of Supportive Housing
SUBJECT: Sunnyvale Shelter Pilot Expansion

RECOMMENDED ACTION

Under advisement from March 20, 2018 (Item No. 9): Consider recommendations relating to year-round operations at the Hamlin Court Shelter in the City of Sunnyvale. (Office of Supportive Housing)

Possible action:

- a. Approve Request for Appropriation Modification No. 148 - \$644,000 transferring funds from the General Fund Contingency Reserve to the Office of Supportive Housing budget relating to implementing a pilot program to make operations at the Sunnyvale Shelter year-round. (4/5 Roll Call Vote)
- b. Amend the existing authorization of the Sunnyvale Shelter as a homeless shelter from the current authorization of October 15 to April 15 to add temporary authorization from April 16, 2018 through October 14, 2018.
- c. Approve Third Amendment to Agreement with HomeFirst Services of Santa Clara County relating to providing shelter operations services at the Sunnyvale Shelter, increasing the maximum contract amount by \$644,000 from \$10,508,602 to \$11,152,602 with no change to the term of the Agreement, that has been reviewed and approved by County Counsel as to form and legality.

FISCAL IMPLICATIONS

The County has a multi-year agreement with HomeFirst Services of Santa Clara County (HomeFirst) to operate cold weather shelter programs including the Sunnyvale Shelter. HomeFirst projects underspending their FY 2018 budget by \$224,000. These funds would partially fund operations of the Sunnyvale Shelter from April 16, 2018, through October 14, 2018. To fully fund the operations, the recommended actions would transfer \$644,000 from the General Fund Contingency Reserve to the Office of Supportive Housing's (OSH) budget.

Table 1 below outlines the estimated expenditures and funding sources.

	Estimated Expenditures	Funding Source	
		Unspent Funds	Contingency Reserve
FY 2018: April 16, 2018, through June 30, 2018	\$379,000	\$224,000	\$155,000
FY 2019: July 1, 2018, through October 14, 2018	\$489,000	\$0	\$489,000
Total	\$868,000	\$224,000	\$644,000

The current Sunnyvale Shelter budget for six months of operations is about \$1,150,000. HomeFirst estimates that the cost to operate the Sunnyvale Shelter for 12 consecutive months is only about \$2,000,000 because some of HomeFirst's six-month budget was related to ramping up for a seasonal operation (e.g., recruiting, onboarding and training seasonal staff). However, the Administration would use the pilot period to determine the true operating budget.

The original budget for the FY 2017-18 General Fund Contingency Reserve was \$142,585,595. Board policy 4.3 states that the contingency reserve should be 5% of general revenues net of pass-through revenue. Since the use of contingency reserve impacts compliance with this policy, the midyear budget analysis included a \$11,785,561 replenishment of this reserve. The balance of this reserve as of March 20, 2018, was \$132,014,130 indicating that \$22,357,026 has been allocated for other purposes. There may be additional pending actions that will impact this balance once they are approved and processed.

CONTRACT HISTORY

After a formal competitive process in 2016, the Office of Supportive Housing (OSH) selected HomeFirst to provide shelter, outreach and support services in North and South County during the cold weather season. The Board approved the agreement with HomeFirst on September 13, 2016 (Item No.16).

On April 11, 2017 (Item No. 68), the Board approved the First Amendment to this agreement in order to temporarily lengthen the duration of shelter operations for the 2016-2017 cold weather season.

On August 29, 2017 (Item No. 25) the Board approved the Second Amendment to this agreement in support of permanently lengthening the cold weather season by about 60 days and to implement a cold weather shelter at Trinity United Methodist Church (TUMC) in Mountain View ("Mountain View Shelter").

REASONS FOR RECOMMENDATION

Administration is seeking approval to continuously operate the Sunnyvale Shelter through April 15, 2019, with no change to maximum number of people served. HomeFirst would operate a year-round pilot project at this location. OSH staff will conduct community outreach in April 2018 and convene a working group of service providers, representatives from neighboring business and other stakeholders to evaluate program operations, design, client needs and community impact. OSH will return to the Board in December 2018 with recommendations related to year round shelter operations.

As reported in the 2017 Santa Clara County Homeless Census and Survey, the number of homeless individuals and families in Northern Santa Clara County rose by 19% from 2015 to 2017. In the current CWSP period, over 680 individuals and 57 families have been referred to the Sunnyvale Shelter, only 38% of the individuals referred could be accommodated. An additional 50 people can be sheltered at the Mountain View Shelter, a majority of whom are elderly women with no other shelter options once the winter period is over.

The project is exempt from the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15301 because continuous operation of the existing Sunnyvale Shelter with no expansion in capacity would represent negligible or no expansion of an existing use.

Before the end of FY 2018, the Administration will return to the Board with recommendations related to capital improvements for 999 Hamlin Court. These improvements would support the permanent expansion of the Sunnyvale Shelter from serving 125 persons to 175 persons as directed by the Board on June 6, 2017 (Item No. 13). The recommendations would include any improvements that are needed to operate the Sunnyvale Shelter in the summer months. For example, the existing shelter space may not have a sufficient cooling system. Finally, the report would highlight any impact that the year-round operation would have on construction schedules.

CHILD IMPACT

The recommended actions will have a positive impact on children and youth. On a nightly basis, the County Winter Shelter in Sunnyvale provides emergency shelter and supportive services for approximately four to six families with children.

SENIOR IMPACT

The recommended action will have a positive impact on homeless seniors. Approximately 9% of the individuals served in the Sunnyvale shelter are seniors.

SUSTAINABILITY IMPLICATIONS

The recommended action will have no/neutral sustainability implications.

BACKGROUND

The CWSP has been in operation for over 30 years. For most of those years, a community-based organization (HomeFirst) operated emergency shelters from three facilities, one each in

Sunnyvale, San José and Gilroy. For more many years, the CWSP operated out of National Guard armories. California law states that National Guard Armories “shall be made available to the county...for the purpose of providing temporary shelter for homeless persons during the period from October 15 through April 15 each year.” Over the years, the operations have shifted to other sites due to closure of armories. Currently the Gilroy Armory is the only armory used for emergency shelter during the cold weather season.

In 2015 the Sunnyvale Armory was torn down to allow for development of permanent supportive housing. After two seasons of temporary settings, the County purchased and renovated the warehouse, allowing for a permanent location of vital shelter services for North County.

CONSEQUENCES OF NEGATIVE ACTION

The County would not be able operate for the site for a pilot period of April 16, 2018 through October 14, 2018.

STEPS FOLLOWING APPROVAL

Upon approval, the Clerk of the Board is requested to send an email notification to Michelle Covert (michelle.covert@hhs.sccgov.org), Alejandra Herrera Chavez (alejandra.herrera@hhs.sccgov.org), and Ky Le (ky.le@hhs.sccgov.org) at the OSH.