



**CITY OF MILPITAS  
MEMORANDUM  
CITY COUNCIL HOUSING  
SUBCOMMITTEE**

<b>Item Title:</b>	<b>Plan for Homeless Outreach Services</b>
<b>Category:</b>	Community Development
<b>Meeting Date:</b>	9/22/2020
<b>Staff Contacts:</b>	Sharon Goei, 408-586-3260; Robert Musallam, x3275; Adam Marcus, x3244
<b>Recommendations:</b>	<ol style="list-style-type: none"><li>1. Provide feedback on proposed plan for homelessness outreach services.</li><li>2. Provide recommendation to the City Council on pursuing an agreement for homeless outreach and assessment services with the Santa Clara County Office of Supportive Housing.</li></ol>

**Executive Summary:**

With the urgency of the homelessness crisis in the region, the Milpitas City Council and Housing Subcommittee are committed to address the critical needs of the unhoused residents in the community. Staff has been exploring options to increase homeless outreach and case management services in Milpitas. Staff has interviewed four nonprofit service providers and Santa Clara County and has identified three options:

- 1A. Pool resources through a proposed \$75,000 revenue agreement with the County for part-time outreach and assessment services.
- 1B. Increase the proposed \$75,000 budget and negotiate a revenue agreement with the County for intensive project-based case management services and dedicated permanent supportive housing slots for Milpitas residents.
2. Increase the budget and contract directly with a nonprofit service provider for full-time outreach, assessment, and intensive mobile case management services.

With a proposed budget of \$75,000, staff recommends option 1A as an initial implementation step. Staff believes this option would be cost-effective and would help the City to better understand the specific needs and service gaps of its unhoused residents, and it would improve coordination with County services. In future years if more funding is available, the City could focus on intensive case management services that dedicate slots in permanent supportive housing developments, and this could be timed with upcoming projects such as Sango Court in Milpitas.

**Background:**

During the FY 2019-2020 budget process, the City Council approved a \$75,000 budget for a nonprofit agency homeless case manager dedicated to Milpitas. With limited staffing capacity at the time, staff explored this idea with LifeMoves. LifeMoves identified the possibility to support residential services coordinators at a shelter but did not find a feasible option for a dedicated case manager. Further research was delayed due to a prolonged staffing vacancy due to the labor market and the urgent priorities of rent relief, rent review, Community Development Block Grant, and COVID-19 response. With the full housing team on board in 2020, staff has been able to explore further options to provide homeless outreach and case management services.

On June 29, 2020, the Housing Subcommittee discussed homelessness issues in Milpitas. The Subcommittee asked staff to return with an update on options for increasing homeless outreach and case management services in Milpitas.

On September 17, 2020, the City published an Information Memorandum to the City Council providing an update on homelessness response efforts in Milpitas and the various actions that the City has taken to address the issue since 2017. The memorandum is included for reference as [Attachment A](#)

On August 25, 2020, the Santa Clara County Board of Supervisors adopted the 2020-2025 Community Plan to End Homelessness, and the Plan's Executive Summary is included as part of Attachment A. The County's response to homelessness depends on regular outreach, assessment, and case management of unhoused individuals and families. This process helps local jurisdictions and service providers understand client needs and to prioritize and coordinate services. Outreach and assessment are highlighted as part of strategy number three in the 2020-2025 Community Plan to End Homelessness – improve quality of life for unsheltered individuals and create healthy neighborhoods for all.

Before considering outreach options, it is important to understand the larger coordinated assessment process.

### **Santa Clara County Coordinated Assessment Process**

To address homelessness in a comprehensive way and to access state and federal funding, a Continuum of Care (CoC) was created by a broad group of stakeholders led by the County Office of Supportive Housing (OSH) to ensure that homeless programs and systems are responsive and effective. The CoC uses a standardized Coordinated Assessment process to prioritize and match people experiencing homelessness with the resources that best fit their situation.

The assessment process begins with direct outreach on the street or at access points like shelters, social service centers, or transitional housing sites. This outreach is addressing the homeless population in the Homeless Census point-in-time count. It does not connect with all of the homeless children and youth in the School District McKinney Vento program. For a detailed explanation of the different definition of homeless for the point-in-time count versus McKinney-Vento, refer to [Attachment A](#). For Milpitas, the point-in-time homeless count was 95 in 2013, 122 in 2015, 66 in 2017, and 125 in 2019.

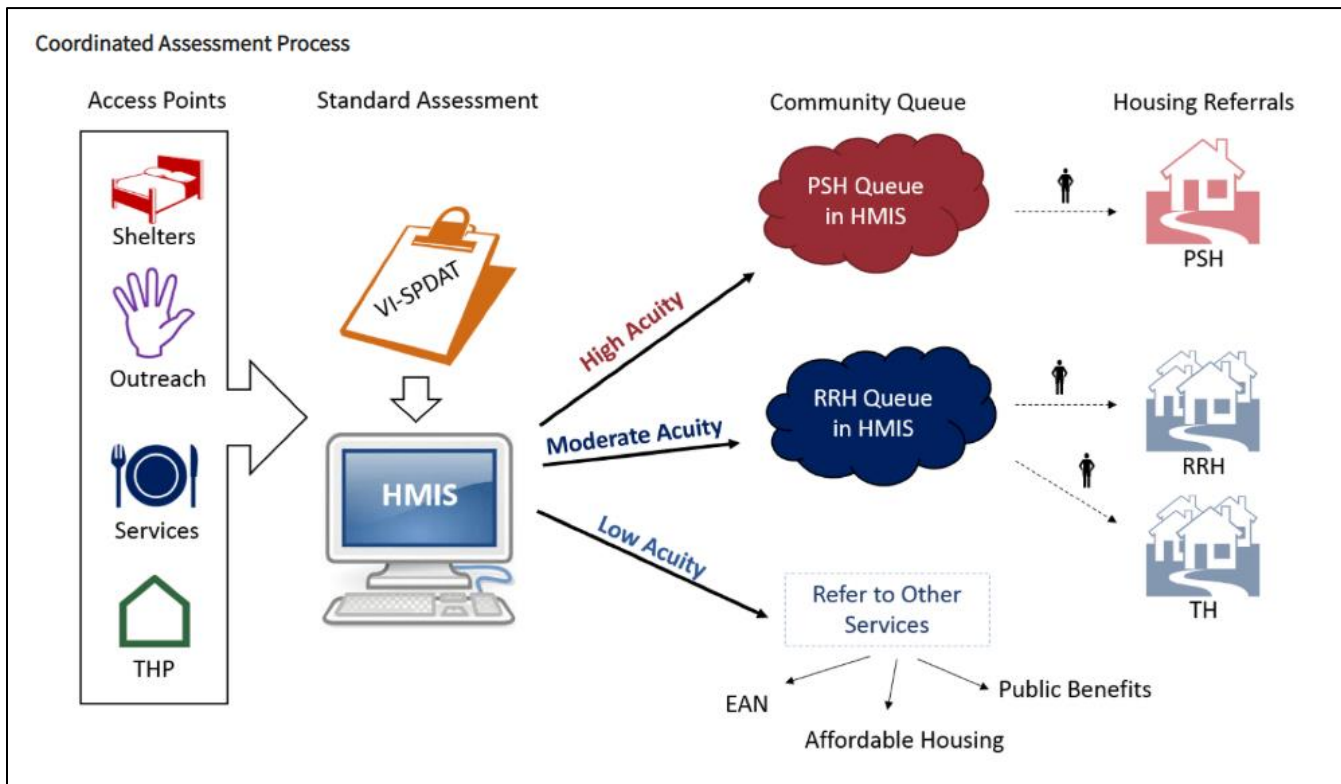
Clients who wish to be evaluated are assessed using a risk and vulnerability index known as the Vulnerability Index – Service Prioritization Decision Assistance Tool (VI-SPDAT). The assessment usually takes approximately 1-2 hours. The VI-SPDAT is an assessment, triage tool for frontline workers that work with homeless clients, helping to inform the type of support that may be most beneficial. The VI-SPDAT was developed as a brief survey to determine and assign clients with an acuity score based on their vulnerability, risk factors, and history of homelessness. This acuity score determines client eligibility and priority for enrollment in the “community queue” for transitional housing, rapid rehousing, and permanent supportive housing programs as described below:

- **Transitional Housing (TH):** This program is targeted toward transition aged youth (16-24), domestic violence survivors, people leaving jail or prison, and people recovering from substance use disorders who desire more intensive support to achieve recovery goals. TH provides a temporary rent subsidy, case management and/or counseling for the duration of participation, and help with other life skills and supports. Participants can stay in TH for up to 24 months and are required to pay a portion of their monthly income for rent.
- **Rapid Rehousing (RRH):** This program helps residents who are episodically homeless but who can generate enough income to afford long-term housing. RRH helps to quickly identify housing opportunities, provides shallow or declining subsidies for deposits, rent, and utilities for 4-6 months. RRH also provides time-limited case management to help clients resolve conflicts with landlords, find

and train for employment, access to childcare, access to health care, and help accessing income supports and benefits.

- **Permanent Supportive Housing (PSH):** This program helps residents who are chronically homeless and who have disabling conditions. PSH provides a long-term rental subsidy, intensive case management, health care and behavioral health, and streamlined access to benefits.

Once the VI-SPDAT is completed, client information is entered into the County's Homeless Management Information System (HMIS), which keeps track of the services provided to clients experiencing homelessness or for those who are at risk of becoming homeless. Clients are encouraged to update their VI-SPDAT at least once per year and to continue pursuing other housing options and services while they wait in the community queue. The graphic below summarizes this process:



Graphic courtesy of the Santa Clara County Office of Supportive Housing

## Outreach and Case Management Services

In Santa Clara County, outreach and mobile case management are generally performed by County staff or specialized community-based organizations such as HomeFirst, Abode, PATH, the Bill Wilson Center and others. These specially trained teams work to build trust and rapport sometimes over multiple visits to understand each client's needs and to perform an assessment. Street outreach and case workers typically work in pairs and often bring along hygiene products, snacks, blankets, and other essential supplies to help build trust with clients. They conduct a standard VI-SPDAT assessment and enter or update each client's needs in the County's HMIS database. Outreach workers often visit encampments before jurisdictions disperse them to prevent loss of possessions and to offer services.

Case management goes beyond outreach and assessment and may include regular communication, evaluation of different options, helping the client make and implement a plan, advocating for the client, coordinating access to programs and resources, and monitoring progress on the client's plan. A full-time case manager can work with about 20 clients at a time. Some providers offer light case management while others

offer more intensive services such as meeting more regularly, providing transportation to appointments, or attempting to mediate conflicts to reunify families. The degree of case management depends on the needs of the client and often continue once a client is housed.

### **Homeless Outreach in Milpitas**

In 2017, the Milpitas Police Department received California Board of State and Community Corrections (BSCC) grant funding and \$80,568 of this grant was designated towards establishing a Homeless Outreach Team. This team performs outreach on an ancillary basis to public safety responsibilities. The funding also covers essential supplies such as nourishment kits, hygiene equipment, clothing, blankets, temporary housing vouchers, travel vouchers, bus tokens, and referral information for shelters. The Homeless Outreach Team uses the County's Mobile Crisis Response Team for homeless residents with mental health issues and provides courtesy transportation to Valley Medical Center Emergency Psychiatric Services for those wanting to speak with a clinician. Officers do not perform assessments or provide case management services. Due to COVID-19 safety protocols, the Homeless Outreach Team deployments have been limited to an as-needed basis. The grant funding for this program was a one-time allocation and there is no sunset date. The Police Department indicated that it is difficult to project timing for grant depletion due to several factors affecting the rate of grant usage, but currently they still have grant funding for this program. When the grant nears depletion, the City will have to identify a new source to continue the program.

The Homeless Outreach Team's work has been beneficial, but additional resources would allow for more frequent contacts, trust building, on-site clinical support, VI-SPDAT assessments, client information entry into HMIS, and specialized housing navigation and case management services.

As mentioned above, with the full housing team on board in 2020, staff has been able to explore further options on homeless outreach and case management. Staff is providing this update on possible options to increase homeless outreach and case management services in Milpitas.

### **Analysis:**

During the last two months, City staff has conducted interviews with the County Office of Supportive Housing, the City of Morgan Hill, the City of San José, the Bill Wilson Center, HomeFirst, Abode, and PATH. This memorandum evaluates in-house and outsourced staffing models and considers the trade-offs in choosing a full-time versus part-time service provider given a proposed one-year budget of \$75,000.

### **In-house vs. Outsourced Outreach and Case Management Services**

Staff reviewed the study prepared by Koff & Associates that was discussed at the Housing Subcommittee meeting in February 2020. The Koff study compiled a list of homeless and unsheltered programs that have been implemented in the South Bay. Of the eleven agencies surveyed, only Redwood City retained in-house staff to provide homeless outreach and case management services for homeless residents, and Palo Alto provided "linkage services." Milpitas staff also polled Santa Clara County jurisdictions and found that no jurisdictions retained dedicated in-house homeless outreach staff. City staff who work on homelessness tend to serve other functions including policy development and implementation, grant writing, interagency coordination, contract management and oversight, and logistics for encampment abatement. The fact that most cities do not retain in-house outreach teams indicates it may be more cost-effective and efficient to outsource this service.

The table below lists the jurisdictions in Santa Clara County that have indicated they outsource homeless street outreach and assessment services through partnerships with the County or through a community-based organization. Other cities have indicated they support nonprofit organizations, but they have not indicated if they specifically support street outreach and assessment or services at shelter locations.

## Homeless Street Outreach and Assessment in Santa Clara County (2018-2020)

Jurisdiction	2019 Homeless Point-in-Time Count	In-House	Outsourcing	
		In-House Homeless Outreach	Revenue Agreement with County	Direct Contract with Community-Based Organization
Morgan Hill	114		x	
Mountain View	606		x	
San José	6,097		x	x
Santa Clara	326		x	
Sunnyvale	624			x
		0	4	2

### Outsourcing Options

Five out of fifteen Santa Clara County jurisdictions have outsourced homeless outreach and case management. These cities have chosen one of the following options:

1. Revenue Agreement with the County: In the recent years, four jurisdictions in Santa Clara County have pooled resources through revenue agreements with the County's Office of Supportive Housing. There are two revenue agreement options available with the County.
  - A. The first is for outreach and assessment provided by the County's Homeless Engagement and Assessment Team (HEAT). The HEAT team specializes in connecting with and stabilizing homeless persons in Santa Clara County who are living with mental illness. The team is staffed by eight outreach workers and County mental health clinicians and focuses on areas of the County that are outside of San Jose. The team seeks to build trust with clients through repeated visits and works to first link the client to mental health or behavioral health services before conducting a VI-SPDAT assessment and helping to enroll clients into the community queue. Response times average 24 to 48 hours depending on the day.
  - B. Another revenue agreement option is for intensive case management services for clients who will be placed into permanent supportive housing. This option dedicates permanent supportive housing slots for clients that are affiliated with the City. Affiliated means the client lived, worked, attended school, or spent most of their time in Milpitas before becoming homeless. Clients meet regularly with a case manager to develop and implement a plan to ensure they are connected to services and remain housed. The current cost for these services is approximately \$11,000 per client per year.
2. Direct contract with community-based organization: Two cities in Santa Clara County have contracts directly with community-based organizations. Milpitas housing staff interviewed representatives from HomeFirst, PATH, Abode Services, and the Bill Wilson Center. Each organization was clear that outreach teams must have a minimum of two people for safety reasons and that they could not offer part-time coverage in Milpitas. A two-person team can generally handle a case load of 20-25 clients depending on the acuity of client needs. Teams spend most days in the field finding clients, conducting assessments, conducting case management, and in some instances offering transportation to important appointments. Teams are supervised by a program manager who coordinates closely with city staff. This option provides a dedicated full-time team, faster response times, more intensive case management, and a choice on which provider the

City wants to work with. However, unless the City finds providers who are willing to provide part-time coverage, a direct contract would cost at least \$200,000 per year.

### **Examples of Revenue Agreements with the County**

In recent years, the County has partnered with four cities through signed revenue agreements ranging from \$75,000 to over \$1 million per year.

The City of Morgan Hill has partnered with the County through a revenue agreement since 2017. While smaller than Milpitas, Morgan Hill has a similarly sized homeless population. During an interview with Milpitas staff, Morgan Hill staff reported that the County's HEAT team has been highly responsive with requests for service. Also, in a year-end summary, the County reported that the HEAT team exceeded its goals for client contacts, referrals made to the County's clinical team, and VI-SPDAT assessments administered.

In some cases, the city's investment yields a greater return than expected, as experienced with the City of Santa Clara where they invested \$125,000 to provide case management to 20 permanent supportive housing clients. The program provided outreach services to target individuals in the city and enrolled them into a Permanent Supportive Housing program. The outreach efforts contributed to an additional 84 households being served in the housing system.

### **Full-time vs. Part-time Services**

At the time of this memorandum, there were 128 Milpitas households that had active assessments in the County's HMIS system. Most of these clients were unsheltered and 79 needed permanent supportive housing. Approximately 117 of these clients would qualify for rapid rehousing or permanent supportive housing, but only 27 have been enrolled in the community queue for housing. This low rate of enrollment suggests that there are barriers that prevent clients from navigating the system.

A full-time outreach and case management team could potentially remain busy for a year providing outreach and intensive mobile case management to the roughly 79 Milpitas residents who need permanent supportive housing. The decision to procure full-time vs. part-time services depends on whether the City funds \$200,000 per year and the scope of the outreach that is desired (light versus intensive case management). As noted above, staff has not found any service providers who are willing to provide part-time coverage except for the County's HEAT team which provides outreach and assessment services.

### **Recommended Option**

Considering the number of homeless residents in Milpitas, the specialized nature of homeless outreach and assessment services, the cost of contracting for a full-time team, and the assumed budget of \$75,000, staff recommends moving forward with option 1A (outsourcing part-time services with the Santa Clara County Office of Supportive Housing). As an initial step, staff believes this option would be cost-effective and would help improve coordination with the County.

The County Office of Supportive Housing works with cities to jointly design and oversee programs that respond to local needs. Together, County and city staff determine service levels, deliverables, performance measures and outcomes, and develop a revenue agreement accordingly. To ensure that funds contributed by each city are serving its homeless population, the County provides regular reports to cities on the number of contacts that have been made in each city, the number of clients that have been assessed, and the number of clients that have enrolled in housing programs.

If Milpitas pursues a County revenue agreement, the County would evaluate the HEAT team's capacity and staff the team accordingly to ensure Milpitas' requirements are met. The scope of services for a 12-month, \$75,000 contract might include the following:

- Kick-off meeting among Santa Clara County Office of Supportive Housing, Milpitas Building Safety and Housing Department, and Milpitas Police Department to coordinate on the location of existing encampments so outreach workers can get started immediately.
- Monthly interagency meetings to further report findings and improve coordination and communication on homelessness response in Milpitas.
- Establish the team's deployment process, target response time, and referral criteria that are consistent with the County's Continuum of Care Coordinated Assessment System.
- Specify a minimum number of hours the outreach team would spend in the field in Milpitas each week or each month.
- Identify ways and resources the program can more effectively use County-funded rental subsidies, provide interim housing, or provide other support services.
- The HEAT team would provide outreach, essential supplies, VI-SPDAT assessment, HMIS client information entry, and light mobile case management services with the goal of connecting clients to mental health clinicians and ensuring they have been added to the community queue for housing placement.
- Establish success and outcome measures and provide written reports on a quarterly basis.

After one year of part-time outreach and assessment the City could assess the impact of the program and determine whether to continue or to adjust. The first year would provide a more in-depth understanding of the specific needs of unhoused residents in Milpitas and would help derive the level and type of services that would be most beneficial. In subsequent years, one potential shift might be to increase the budget and invest in intensive project-based case management services that dedicate slots in permanent supportive housing developments. The timing for this could also be aligned with the development of upcoming supportive housing projects in Milpitas. In collaboration with the County, the City could design a future year agreement accordingly.

### **Policy Alternatives:**

Alternative 1B: Pursue a larger contract with the Santa Clara County Office of Supportive Housing for intensive project-based case management services and dedicated slots in permanent supportive housing.

Pros: A contract for case management services would allow the City to reserve slots in permanent supportive housing for unhoused Milpitas residents.

Cons: A case management contract is more resource intensive than outreach and costs approximately \$11,000 per client, per year. A contract for \$75,000 would house and support approximately 6 clients, while a contract for \$200,000 would house and support about 18 clients.

Reason not recommended: As an initial step, street outreach and assessment are a good place to start as it can boost understanding of the specific needs of unhoused residents in Milpitas, motivate service-resistant clients into action, and position more clients in the community queue for supportive housing. After one year of part-time outreach and assessment services, the City could add or shift funding to case management and permanent supportive housing slots.

Alternative 2: Pursue a direct contract with a community-based organization to provide full-time outreach, assessment, and intensive case management services.

Pros: A full-time outreach team would provide a higher level of service with faster response times, more assessments in less time, and more in-depth case management than what the HEAT team offers. A direct contract would allow the City to select and work with a specific provider.

Cons: The minimum cost for a two-person team would be \$200,000 annually unless another provider is found that is willing to offer part-time coverage. In addition, a direct contract may not leverage mental health clinicians that are embedded in the County's HEAT team. This option would not guarantee slots in permanent supportive

housing.

Reason not recommended: A direct contract would cost more and may not leverage mobile mental health support or other services coordinated through the County.

**Fiscal Impact:**

If the Housing Subcommittee recommends pursuing a one-year \$75,000 revenue agreement with the County and the Council subsequently approves it, there will be a \$75,000 fiscal impact to the City and funding will need to be appropriated.

**Recommendations:**

1. Provide feedback on proposed plan for homelessness outreach services.
2. Provide recommendation to the City Council on pursuing an agreement for homeless outreach and assessment services with the Santa Clara County Office of Supportive Housing.

**Attachment:**

[Attachment A: Progress Report on City of Milpitas Homelessness Response and Affordable Housing Initiatives](#)