



City Council AGENDA REPORT

DATE: 05/05/2022

AGENDA OF: 05/10/2022

DEPARTMENT: City Manager's Office

SUBJECT: Homelessness Response Quarterly Update (CM)

RECOMMENDATION:

Motion to:

- 1) Receive updates regarding Council-directed homelessness response programs and services, including Council-requested Homelessness Response Action Plan implementation details, objectives, and outcomes; and
- 2) Adopt resolution amending the Classification and Compensation Plans by administratively implementing staffing to support the City's new Homelessness Response Action Plan and appropriate funds for the positions from the State of California \$14 million and the General Fund; and
- 3) Authorize staff to pursue purchasing options and appropriate funds for the services identified in the expenditure plan for the State of California \$14 million including: County Mental Health Liaison, land and resource management services, legislative advocacy, planning and proposal development, and vehicle abatement, and return to Council as needed, consistent with standard purchasing procedures.

BACKGROUND:

In 2021, the City Council passed the Camping Standards and Services Ordinance (CSSO) and Oversized Vehicle Ordinance (OVO). These two ordinances contain programmatic elements aimed at providing alternative shelter and parking locations for those living unhoused on City streets. In addition, the City Council adopted the City's first comprehensive Homelessness Response Action Plan (HRAP) on March 8, 2022. With these new policies and plans in place, staff has been diligently working on developing best practice programs and identifying funding and partnerships to ensure long-term sustainability. To keep Council and the public abreast of the new programs coming online, program outcomes, and the means by which the programs are funded, staff has committed to providing quarterly homelessness response programming updates to the Council.

DISCUSSION:

Traditionally, the City's role in the area of homelessness response has been one of support to the County both as a partner in the region's Continuum of Care and through in-kind contributions to County-funded health and human services programming. However, the passage of the Camping Services and Standards Ordinance (CSSO) and the Oversize Vehicle Ordinance (OVO), and the associated programming, have ushered the City into the new realm of ongoing service provision for homelessness response. The establishment of additional City infrastructure and resources are needed to support the significantly increased requirements and responsibilities that come with a comprehensive and holistic approach to homelessness response.

In recognition of this fact, staff created the Homelessness Response Action Plan (HRAP) that was adopted by Council on March 8, 2022. The HRAP is a living breathing, action-oriented plan to help guide the City's homelessness response for the next three years. Embedded in this new HRAP are steps necessary to help ensure: 1. Growth of City organizational capacity to execute the plan; 2. The necessary coordination with the County and regional partners; 3. Identification of funding sources to support ongoing programming; 4. Appropriate data collection and reporting for tracking success; 5. Adequate alternative shelter options throughout the region; and 6. Effective land stewardship by the City. Upon the adoption of the HRAP, Council requested the plan be augmented with additional objectives and metrics to create a more concrete road map.

As the City takes on significant new shelter service provision, the need to collaborate and align with the County and other local jurisdictions becomes even more essential. To this end, the City and County have established regular collaborative meetings focused on north county homelessness response. These meetings have allowed both agencies to better understand their respective efforts and intentions, as well as to share insights on provision of services, successes, and resource identification. One example of this recent collaboration is the joint efforts underway to create a north county navigation center and an expanded Coral Street campus. The planning steps for this joint venture are reflected in the City's newly adopted HRAP.

The City-County collaboration does not ensure that both agencies always see eye-to-eye on the best path forward. Although the goal of minimizing homelessness is shared, there is not always agreement on the means to get there, particularly as limited funding is available. As the County shifts its investments from emergency shelter provision to a focus on more permanent supportive housing and service-rich shelter beds focused on improved outcomes, the number of emergency shelter beds for individuals in the City remains a significant challenge. The County's coordinated entry system has been fully subscribed for some time now, making access to the limited number of existing shelter beds difficult. The County's shift should provide more stable shelter options and better overall outcomes for homeless in the long run, but in the short term, the City is left to carry a significant burden as the number of County-run emergency shelter sites continue to close in our region. These challenges are compounded by the concentration of regional homelessness service located within the City and fewer services elsewhere in the County, creating a concentration of the number of unhoused in the City of Santa Cruz.

The City continues to acquire the resources and infrastructure needed to supplement the County's emergency shelter facilities. This has taken time as the City builds capacity for proactive homelessness response efforts and as funding is identified. The CSSO was passed in June 2021, and the City was successful in acquiring a one-time State allocation of \$14 million to support the homelessness response efforts in late 2021. These funds are being leveraged, along with federal American Rescue Plan Act (ARPA) funding, to launch and expand the City's safe

sleeping and safe parking programs, stand up additional emergency shelter sites, and bolster our organization's overall homelessness response capacity and effectiveness.

Contained in this agenda report is a description of the Council-requested additions to the City's adopted HRAP; a detailed description of the ongoing City-County collaborations, including the allocations of the State funding; and a comprehensive update on the City's homeless response programming.

UPDATES:

Homeless Response Action Plan

In recognition of the City's expanded role in homelessness response, a three-year HRAP was developed and approved by Council. This plan also provides a comprehensive list of actions to ensure the City has the necessary infrastructure to successfully implement the programs associated with the CSSO and OVO. This includes the establishment of data collection mechanisms to ensure the programming can be evaluated and outcomes can be tracked. In addition, the HRAP contains detailed steps in the areas of permanent affordable and supportive housing, basic support services, care and stewardship, and community safety.

Although the Council adopted the HRAP, they requested more detailed objectives and outcomes, strategies for targeting and supporting the different homeless populations, and a more comprehensive explanation of some of the proposed staffing and contracted consultant needs. The accompanying detailed implementation plan addresses the issues raised by Council and will serve as a functional guiding document for staff across City departments.

Objectives and Outcomes

The Homeless Response Action Plan consists of five Action Areas, each with multiple supporting goals. The HRAP implementation plan (attached) now includes desired outcomes associated with each goal, as well as the objectives that need to be accomplished to make progress towards the desired outcome. A timeline for each objective has also been added, as has the lead department.

In the process of developing the specific outcomes, the lack of local and regional data collection and data integration became clear. Since the City has not traditionally overseen health and human services, it does not presently have the necessary infrastructure and systems for data collection, nor in many cases, access to systems at the County level. In the first Action Area of the HRAP, "Building Capacity & Partnerships," several of the goals and objectives are focused on City-County collaboration, including the establishment of more comprehensive data collection and data sharing mechanisms across jurisdictions and local agencies. This goal is extremely important for evaluation and evidence-based assessments to determine effectiveness of our efforts. In the meantime, the outcomes listed in the HRAP implementation plan are only metrics-based when City-managed or accessible data exists. Additional metric-based outcomes will be added to the implementation plan, as appropriate, once the City has data collection and data sharing infrastructure in place. In addition, staff in the Finance Department and City Manager's Office have been working on developing an integrated, Citywide budget tracking system and homelessness response budget for Fiscal Year (FY) 2023. Together, these tools will improve the City's ability to make effective financial decisions on homelessness response and make efficient use of resources.

Strategies for targeting and supporting the different homeless populations

The consideration of specific target populations has been integrated in the planning for expanded shelter options, including the possibility of shelter space specifically for disabled individuals, women, or a sober living environment. For example, staff are considering focusing the second Transitional Community Camp on serving those who have special needs with respect to mobility and access. The Action Areas and goals in the HRAP also delineate strategies for supporting persons experiencing homelessness who are in need of substance abuse treatment and mental health services.

Staffing to support the City's Homelessness Response

Homelessness response has been a Citywide effort touching nearly every department, and as such, the workload delineated in the HRAP exceeds the current capacity of City staff. The homelessness response efforts outlined in the CSSO and OVO, in addition to the continued demand brought on by the ongoing homelessness crisis, requires an expansion of Citywide resources and staffing. The HRAP outlines the development of new and expanded services and programs, as well as the infrastructure expansion needed for successful implementation. In recognition of this added workload, the HRAP includes several staff positions and contracted consultant and vendor roles.

City staff positions already approved by Council on March 8, 2022:

- **Deputy City Manager** (1.0 Full Time Equivalent (FTE)): This position is not new, but rather a replacement of the current Deputy City Manager II who will return to his previous position as Director of Planning and Community Development. This position will provide the executive-level oversight of homelessness response. Human resources has posted this position, and applications are currently under review. This position is being funded through the general fund.
- **Homelessness Services Coordinator** (0.65 FTE): This position is a new classification and will oversee the operational management of the City's homelessness response. A similar role has existed for over three years in the form of a temporary position. This new, permanent position will solidify this role in the City Manager's Office. This position was posted internally, and the recruitment is in the interview stage. This position is being funded by the general fund.
- **Homelessness Response Outreach and Shelter Specialist** (2.0 FTE): These positions will provide oversight and case management of the City's Transitional Community Camps and offer outreach services to unhoused individuals throughout the City limits. Similar roles have existed for the past year in the form of temporary positions. These new, permanent positions will solidify these roles in the City Manager's Office. Human resources has posed this position and applications are currently under review. These positions are being funded with ARPA funds for the first year. Additional funding allocation will be needed moving forward.
- **Community Service Officer** (2.0 FTE): Similar to the existing Community Service Officer (CSO) classification, these homelessness response CSOs will support in the enforcement of laws and regulations and promote public safety. Human resources is working with the Police Department in the recruitment of these additional CSO positions and aims to have these positions filled in the summer of 2022. These positions are being funded for one year by the State's \$14 million in funds provided to the City. Additional funding allocation will be needed moving forward.

In addition, the HRAP outlined several other City staff positions that have not yet been approved. Staff is recommending that Council adopt a resolution (attached) authorizing the below City positions. For FY 2023, these positions will be funded through the State's \$14 million in funds at a total cost of \$564,791. Presently, there is not a funding source in place for subsequent years.

- **Community Relations Specialist (0.5 FTE):** This position will work with the Communications Manager in developing and disseminating information on the City's homelessness response activities and programs to residents and individuals experiencing homelessness in the City of Santa Cruz. The Community Relations Specialist will also lead the implementation of community engagement efforts to collect community input and build community consensus on specific homelessness response projects. A draft Homeless Response Action Plan Community Engagement Plan is attached with more details for the Council's information. (Budget: \$111,836)
- **Public Works Building Maintenance Worker II (0.5 FTE):** This position has been created to provide maintenance support to facilities and equipment related to all homelessness support services. The City's shelter programs require ongoing maintenance to keep the structures, showers, and facilities operational. This new position will become a part of the newly created homelessness division within the Public Works Department, which is further described below. (Budget: \$67,094)
- **Public Works Homelessness Response Field Worker (2.0 FTE):** These positions will be responsible for mitigating the community impacts of encampments within the City, working on homelessness-related clean-up and refuse management, and proactively working in coordination with the homelessness response team for resource management. (Note: These positions were originally brought to Council on March 8, 2022 with the title of "Land and Resource Management.") (Budget: \$173,128)
- **Public Works Field Supervisor and Senior Homelessness Response Field Worker for Homelessness Response Field Division (2.0 FTE):** To most effectively coordinate these functions, Public Works will create a homelessness response field division. Two existing positions within Public Works that are not currently filled will be deleted and funding used toward creating a supervisor and senior worker for this new division. These changes will be brought to Council as part of the FY 2023 budget process. These new positions, along with the Building Maintenance Worker II position, will create a new team of five within Public Works that will be a critical part of the integrated citywide homelessness response. (Budget: \$212,733)

These proposed new positions will work across all City departments as part of the City's integrated approach to homelessness response. Although these positions will reside across multiple departments (e.g., Homelessness Response Field Worker positions in Public Works, Community Service Officers in Police Department), the work of these employees will be part of a coordinated effort supported by the City Manager's Office. An organizational chart depicting the relationship of these new positions and their respective departments is included as an attachment to this report.

The HRAP also identified the need for several contracted roles with speciality expertise to augment the City's homelessness response capacity. At the March 8, 2022 meeting, Council requested staff to return with more information on the the following consultant/vendor roles identified as line items in the expenditure plan for the \$14 million in State funding:

- **Contract with County of Santa Cruz for additional Mental Health Liaisons:** This will expand the contract with the County to increase the Mental Health Liaisons, who

work closely with the Police Department, from 2.0 FTE to 4.0 FTE. This will allow for expanded hours of County behavioral health staff available to assist first responders and will increase the number of calls where a behavioral health specialist can make an initial response with law enforcement. (Budgeted: \$188,000)

- **Planning & Proposal Development Consultant:** This contracted role will provide specialized technical and professional support for the development and evaluation of requests for proposals for the City, preparation of operational plans and processes, return on investment analyses, feasibility studies, cost forecasting models, and templates for homelessness response activities. As can be seen with the complexity of the implementation plan, the steps to support the HRAP are significant and managing the components requires additional help for the team. Additionally, the team wants to proceed with partner contractors and consultants based on a measured, financially responsible and operationally practical basis. This scope of work may include more than one consultant. (Budgeted: \$336,000)
- **Legislative Advocacy Consultant:** This consultant will support the development of annual targeted state and federal legislative asks for policy reform and funding related to homelessness response, mental health, and substance use disorders; track legislation and support advocacy efforts for the City on these issues; and support and facilitate efforts to build a statewide coalition of municipalities for legislative change and funding requests. (Budgeted: \$150,000, reduced from \$216,000)
- **Land & Resource Management Contractor:** These contracted vendors will provide refuse management, sanitation, and land restoration services to mitigate the environmental impacts of encampments in the City. (Budgeted: \$520,000)
- **Vehicle Abatement Contractor:** This contracted role will support in the abatement of abandoned and in-operable vehicles and will work with City staff to address and resolve other issues associated with abandoned vehicles. (Budgeted: \$37,500)

Specific agreements for these services will be brought to Council for consideration at future meetings in a manner consistent with the City's purchasing policies and procedures.

Regional Collaborations on Homelessness

At the March 8, 2022 City Council meeting, staff presented an expenditure plan for the State of California \$14 million appropriation that was developed collaboratively with the County of Santa Cruz. The use of these funds was integrated into and supports the goals and objectives in the HRAP. It is important to note that the evolving context in homelessness response requires ongoing flexibility - including in the specific uses of the State funds. The broad categories of funding will remain consistent, however, the specifics may need to change based upon the availability of other funding opportunities, the development of other programs and services by the County, or as a result in shifting needs and priorities. For example, eviction prevention emerged as a critical need with the expiration of the State eviction moratorium, so Council authorized (April 12, 2022) the allocation of \$150,000 of the State funds to be used to support eviction prevention efforts.

State of California Funding - Implementation

Staff has continued to work collaboratively with the County to begin implementation of several of the items detailed in the plan funded by the State of California \$14 million, including:

- **Hygiene Bay Remodel:** Public Works released the Request for Proposals on April 14, 2022, and the pre-bid meeting for potential bidders was held on April 26, 2022. The

submission deadline is May 12, 2022. The remodel project consists of ground floor work including selective demolition for the installation of new walls, floors, moisture barriers, partitions, and fixtures. A new reception desk, cabinets, and lockers will be installed for a new reception area. New electrical work includes new lighting, power supply for various new components, and a new electrical panel. The new HVAC work will include new ducts and exhaust fans installation, among other tasks. A building permit has been issued for the project. The project is estimated to cost between \$1.5 - \$1.8 million, and will be funded through ARPA funds, with the \$14 million from the State also providing funding, as needed. The funding for this was included in both ARPA and the \$14 million from the State, with the expectation that the funding would shift from ARPA to the \$14 million from the State. As noted above, flexibility will be needed in how the \$14 million is spent, as homelessness response remains dynamic. It has subsequently been determined the hygiene bay will be funded through ARPA, so the remaining money from the \$14 million from the state that was previously allocated to the hygiene bay is currently expected to go to sheltering.

- **Pre-Development Funding:** Staff is finalizing a Request for Proposals (RFP) to provide financial support to local entities to complete pre-development work that is necessary in order to successfully compete for state and/or federal funding (e.g., Project HomeKey) for a permanent support housing, shelter, or transitional housing project. There has been \$500,000 allocated for this fund, with individual awards expected to be in the \$50,000 - \$125,000 range. Release of the RFP is expected by the end of May 2022. The applications will be reviewed on a rolling basis while funding is available. Staff worked collaboratively with the County on the application criteria and scoring rubric and will also collaborate with the County in the review process.
- **Coral Street Master Planning & Design Services:** Staff is finalizing a RFP for Design Services to select a consulting firm to lead a master planning design charrette for the Coral Street campus. A later RFP will be issued to provide design services as part of the development process, which is anticipated to include a navigation center and permanent supportive housing, though the ultimate uses will be explored as part of the design charrette and master plan process. A total of \$710,000 was allocated for these services, with \$110,000 dedicated to the master planning and \$600,000 for the subsequent design work associated with the development.
- **Eviction Prevention:** In partnership with the County of Santa Cruz and other local jurisdictions, there was an agreed-upon need to augment eviction prevention efforts given the impending expiration of the State eviction moratorium and a backlog in the processing of applications for relief that tenants and landlords submitted to the State. The Council authorized (April 12, 2022) the allocation of \$150,000 of the state funds be used to support eviction prevention efforts in alignment with the County's commitment of \$500,000. This funding will expand an existing contract with Community Action Board to provide assistance in to support legal education and mediation services to reduce potential evictions and prevent homelessness.

Housing for Health Partnership

The regional Continuum of Care (CoC) organization "launched" under its new governance structure on April 20, 2022. Formerly the Homeless Action Partnership, the CoC is now called the Housing for Health Partnership (H4H). The City has two representatives (Vice-Mayor Martine Watkins, and Director of Planning & Community Development Lee Butler) on the 15-person Policy Board that is responsible for high level planning and decision-making. It sets overall policy direction, provides system oversight, and delegates implementation, operational,

and planning responsibilities to specific Operational Committees and Working Groups. Staffing for the H4H Partnership continues to be provided by The County of Santa Cruz Human Services Agency, Housing for Health Division.

Collaboration on Recent County Grant-Funded Programs

Santa Cruz County was one of four counties in the state to participate in the most recent encampment-focused cohort of the Governor's 100-day Challenge to reduce homelessness and connect persons experiencing homelessness to stable housing. City staff participated as part of the project team. The planning began in November 2021, and the 100-day challenge kicked-off in January 2022. In the 100-Day Challenge, the agencies and organizations that make up the homelessness response system in a community work together to set goals, streamline systems and relationships, and explore new ways to support community members experiencing homelessness. At the conclusion of the 100-day in April 2022, 33 people experiencing unsheltered homelessness were placed in housing and another 54 people were put on the pathway to housing, using a combination of shelters and managed encampments. City staff were integral partners in this initiative with 29 of the 54 people reported to be on a path to housing being participants in the City's 1220 River Transitional Community Camp.

As reported at the March 8, 2022 quarterly update to Council, the County received a \$2.3 million Encampment Resolution Grant from the State of California focusing on connecting persons living in encampments along the San Lorenzo River to permanent and stable housing. This new program will combine outreach and case management with flexible "housing scholarships" to help eliminate financial barriers to the services and supports they need to successfully transition to stable housing. The County expects to have the staffing in place to launch this program in July 2022.

CSSO/Safe Sleeping Program

Implementation of the CSSO calls for an 24/7 sanctioned sheltering location and/or available homeless persons' storage, with 150 safe sleeping spaces identified as a minimum. The Homelessness Response Team has continued its work to stand up sanctioned sheltering locations, as directed by Council. The need for safe sleeping capacity has taken on further urgency in recent months following the Countywide reductions of County shelter options due to the expiration of pandemic related funding. The City is working in collaboration with the County to further expand capacity in the City.

Armory City Overlook:

After a three-month delay, the City received a signed contract from the Salvation Army (TSA) for six-month operation of a 24/7 emergency shelter. This tent-based managed camp will be located at the Armory on the south lawn and will shelter up to 75 individuals. Since receipt of the signed contract, City and TSA staff have worked jointly to ensure the shelter can open as soon as possible. TSA currently operates a County-funded emergency shelter at the Armory and is leveraging staff from that program, as well as the recently closed Pavilion program also at the Armory site, to allow the City Overlook program to have a soft opening of 20 individuals. As TSA is able to increase their staffing to support additional capacity, more individuals will be enrolled in the program. The estimated date of full capacity is late May. Outreach efforts are actively underway by City and TSA staff to enroll interested individuals in the new City Overlook program.

The existing contract with TSA was set for operations from January – June 2022. Because of the delay in processing the contract, a contract adjustment is being drafted to shift the operational timeline to May – October 2022. TSA is also requesting a contract adjustment to request additional funding to support their human resource efforts. Currently the County funds 1.0 FTE human resource staff member and 0.5 FTE accountant. TSA is requesting the City take on these costs, as the County is ending their contract with TSA at the end of the current fiscal year. The existing County-funded emergency shelter inside the Armory building, with a current capacity of 65, will close on June 30. While the above position requests have been made by TSA, City staff is currently in negotiations with TSA to determine what if any budgetary adjustments will be made to the current contract. As soon as those adjustments are agreed upon, a revision will be brought to Council for approval.

Transitional Community Camps:

The City's first Transitional Community Camp (TCC) has been open and operational since the beginning of this calendar year. It is located at the City-owned 1220 River St. property and currently has 30 participants. This low barrier camp offers basic services such as showers and cooking facilities, with staff providing daily oversight and case management. A cohesive camp community and camp council has been established with participants working together to maintain the facilities and support one another in adhering to the rules and expectations.

Since its opening, the 1220 TCC has supported 43 individuals who have participated in weekly case management meetings with staff to identify goals and connect participants to services. All current 1220 TCC participants are enrolled into the Homeless Management Information System (HMIS), so services and outcomes can be tracked. All participants have been provided access to on-site County benefits specialists. In addition to vital records and benefit acquisition, some other noted outcomes from the pilot program include: six participants have moved onto more stable shelter/housing (two rehoused, two to sober living environments, two to Rebele Family Shelter); five have acquired housing vouchers since entering the program; three have enrolled in the County's medication assistance treatment (MAT) program; four have been connected to mental health support; and six have obtained employment.

Given the initial success of the 1220 TCC, the City intends to open a second TCC in the coming months. This site will be designed for those with mobility challenges and will therefore need to be placed in a location accessible to services. Funding for this additional TCC has been identified as part of the \$14 million from the State, and efforts to open the site, including participant and neighborhood outreach, will begin as soon as staff capacity allows. The goal is to enroll a minimum of 15 participants in this new TCC, and potentially up to 30 if the location and site design can accommodate the greater numbers.

Shelter Expansion:

In addition to the opening of a second TCC, the City continues to pursue additional shelter programs to expand the number of emergency shelter spots available. There may be some available allocations from the State funding that can be used to fund additional shelter in the near term. The following shelter options are currently being explored by City staff as well as regional partners:

- **Armory Building:** The closure of the County's shelter program at the Armory is set for June 30. This will leave the inside of the building available for a new program. The City is currently reaching out to local vendors to explore interest and capacity to operate a

replacement program at this site. This facility has the capacity for approximately 75-80 cots for an overnight only program or approximately 60 spots for a 24/7 program.

- **Housing Matters' Expansion:** As was reported at our last homelessness response update, the City, the County, and Housing Matters have engaged in collaborative discussions around expanding the current capacity at Housing Matters. This proposed capacity increase will utilize Pallet Shelters (or similar sleeping cabin structures) purchased by the City and will include the other necessary infrastructure to support the program. It is anticipated that this new 24/7 shelter will be operated by Housing Matters, through a contract with the County, offering program participants access to Housing Matters' staff who will provide case management and housing navigation. The plans for this initial new expansion are underway with the hope to have additional bed capacity as soon as July 2022. We are also analyzing the best use of the currently vacant River Street Shelter, a City-owned property on the Housing Matters campus, to see how best to further expand the number of shelter beds. The options include renovating the structures to accommodate up to 15 persons or demolishing the structures and replacing them with either mobile trailers or Pallet Shelters (or similar) that could further increase capacity.
- **Motels/Hotels:** Using COVID-19 funding, the County has funded temporary shelter operations in a number of hotels and motels throughout the County, including some in the City. Some of those have since ceased operations. Others are expected to cease operations in the coming months (Oceana Inn). The County is exploring whether and how some of those buildings or additional hotels/motels could be leased for medium-term shelter operations (one to three years). It is currently anticipated that the shelter operations would be staffed 24/7, and services would be provided to connect individuals to permanent housing options. To support this effort, the City and County have engaged in conversations about potential hotels that could be used for these purposes. Staff have analyzed locations, surrounding land uses, number of rooms, transient occupancy tax revenues, and various other factors as a means to identify various options for the use. Preliminary analysis has the City and County considering a range of potential hotels/motels (e.g., Ocean Lodge, Continental Inn, Oceana Inn, The Islander, or others), though it is likely that only one or two would actually be used for such purposes. It is also important to note that the County has made some initial inquiries, but not all of these property owners have even been contacted to gauge interest in such a program. Further analysis will be needed as this potential approach is explored. Of note, the County has been awarded Project Homekey funding for a hotel conversion in Ben Lomond, and it is also pursuing Project Homekey funding for converting the Rodeway Inn in Watsonville into housing to serve the homeless.
- **Sober Living Shelter:** The County is exploring plans to add a sobering center and an addiction recovery facility on County property in the City of Santa Cruz, adjacent to the County Jail.

OVO Implementation and Safe Parking Program (Tier 1, Tier 2 and Tier 3)

The OVO was adopted by Council on November 9, 2021. Several key elements of the OVO include parking restrictions on City streets between midnight and 5 a.m., a new residential permit program, and the restriction of discharging sewage or greywater on streets or in storm drains. The Council also directed staff to launch a three-tier safe parking program to allow oversized vehicles a legal, overnight parking option within the City limits.

Upon passage of the OVO, staff applied and received initial approval for the necessary Coastal Development Permit and the Design Permit. The decision by the Zoning Administrator to approve these permits was appealed to the Planning Commission for review. The Commission met on March 3, 2022 and upheld the permit approval with additional requirements to the safe parking program design. On April 12, 2022, the City Council reviewed the Commission's decision and modified the conditions of approval. As of the drafting of this report, an appeal of the Council's action to the Coastal Commission has not been filed, however, it is expected that one will be filed prior to the deadline of May 5, 2022. It is expected that a Coastal Commission hearing to consider the Coastal Permit will take place on June 8, 9, or 10, 2022, though that has not yet been confirmed. It is expected that implementation of the OVO will begin following the conclusion of the appeals process, assuming permits are approved, and following completion of these steps: establishment/expansion of the safe parking programs (see updates below); establishment of a rate structure for residential permits via Council resolution; rollout of the residential permit program, including public education; augmentation of staffing and operations for safe parking; and installation of applicable signage.

Although the OVO has not been fully implemented, the initial Safe Parking programming portions of the ordinance have been activated and will be expanded in the coming months.

Tier 1 Emergency Safe Parking (3 spaces total): Emergency, night only parking spots continue to be available in the SCPD parking lot. SCPD is administering the Tier 1 program and interested participants can contact SCPD directly.

Tier 2 Multiple Safe Parking Sites (30 spaces total): The Tier 2 program is currently operational in two downtown City lots with six spots total. Each of these parking lots has capacity to increase the number of spaces at that location, and each currently has available capacity. Program participants are able to stay overnight for up to 30 days as part of the initial pilot, with extensions having been granted thus far based on availability, with one participant approaching 60 days as of the drafting of this report. It is anticipated that said participant will be granted another extension if requested. The number of nights that participants can be continuously enrolled at a location will be evaluated as the full program is implemented. Program parking spots have designated signs and participants are given permits to display in their windshield. Trash facilities are provided on-site, and a portable restroom and hand-washing station is available. Staff have identified additional City-owned lots, so expansion to 30 Tier 2 spots can occur as program demand increases. Outreach regarding the Tier 2 program is currently being done by parking and SCPD staff as well as through City and County outreach workers. The only requirement to participate in this program is that participants must sign the participant agreement and adhere to the rules of conduct to participate in the program.

Tier 3 Operator Supported 24/7 Safe Parking Site (15-20 spaces total): The third tier of the Safe Parking Program is designed to provide more stability to participants through a 24/7 parking program tied to case management. An operational vendor was selected through the City's open Homeless and Housing Services Request for Qualifications process. Staff is now working with this vendor to determine scope of work and operational budget so a contract can be drafted. The site location has been identified and can accommodate 20 oversized vehicles, with more possible depending on the size of vehicles. Once the contract is finalized, it will be brought to the Council in early June. The goal is to open the Tier 3 program at the beginning of the fiscal year.

Encampment Management

CalTrans Closures of Camps in Right-of-Ways

In the last several weeks, CalTrans has engaged in a series of encampment abatement efforts on their property within the City of Santa Cruz. Most notably, this included the large “Hell’s Trail” encampment situated between Highway 1 and the Santa Cruz Memorial Cemetery. The closure of this camp displaced between 60-70 persons, and while a significant number of persons relocated to the Benchlands, many persons established tents along the San Lorenzo River levee. Since this time, City staff have been working to keep the levee and riparian areas clear of camping and have encouraged and supported campers to relocate out of these areas.

Benchlands Camp

As a result of the closure of the Cemetery and Hell’s Trail camps, the number of persons camping in the Benchlands has increased significantly compared to the beginning of the year. Earlier this year, Council provided staff direction to work toward closing the Benchlands to camping, and on April 12, 2022, the City Manager reported to Council that staff are working towards a closure in July 2022. Staff is in the process of developing an operational plan for the closure to camping on this timeline, along with a plan for the restoration of the area to its intended use as a park that is utilized by the entire community. Several factors are critical to the success of this effort are already underway, including expansion of existing shelter capacity in the City, along with collaboration with the County to expand case management, service connections, and rehousing efforts for persons camping in the Benchlands in advance of the closure. City and County staff are already working to expand their efforts in these regards, and the County is expected to set up a mobile office for its outreach workers behind the County building to serve the Benchlands. In the coming weeks, City and County outreach staff hope to engage every person camping in the Benchlands and work with them to develop a rehousing/sheltering plan.

Health in All Policies (HiAP)

HiAP is a collaborative approach to improving the health of all people by incorporating health considerations into decision-making across sectors and policy areas. HiAP is based on 3 pillars: equity, public health, and sustainability. The goal of HiAP is to ensure that all decision-makers are informed about the health, equity, and sustainability impacts of various policy options during the policy development process. The actions and approaches discussed herein support the pillar of equity by providing services, such as safe sleeping, safe parking, and case management services that support individuals experiencing homelessness. They support public health by providing mental health, case management, and hygiene resources to those experiencing homelessness. The actions and approaches support sustainability by providing resource and land management staff, shelter, and hygiene resources, thereby decreasing the amount of litter, debris, and human waste that is disposed of improperly. Therefore, these actions and approaches are consistent with the three pillars of HiAP.

FISCAL IMPACT:

The recommended actions in this report were included in the expenditure plan for the \$14 million received from the State of California that was authorized on March 8, 2022, as well as the ARPA funds that were authorized on December 14, 2021. The personnel actions included in the attached resolution have a total cost of \$564,791 for FY 2023, with \$352,058 from the State of California \$14 million and \$212,733 from the General Fund. However, the net impact to the

General Fund will be \$39,605 in FY 2023, as two vacant positions in Public Works will be deleted as part of these position changes. The contracted/vendor roles recommended in this report were also included previously as part of the State of California \$14 million expenditure plan, and specific contracts and agreements will be brought back to Council as needed, consistent with City purchasing policies and procedures. Post-FY 2023 funding for ongoing services identified herein will need to be identified as part of future budget cycles.

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ATTACHMENTS:

- 1) Resolution - Human Resources Homelessness Response Position Changes
- 2) HRAP Implementation Plan
- 3) Homelessness Response Staffing Organizational Structure
- 4) Draft Homelessness Response Action Plan Community Engagement Plan
- 5) Homelessness Response Three-Year Action Plan Cost Projections (Revised)