



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 03/19/2024

DATE: March 13, 2024
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Receive an Update on Unhoused Initiatives, Authorize Revenue and Expenditure Budget Adjustments in the Amount of \$1,417.50 to Recognize a Reimbursement, and Provide Any Direction

RECOMMENDATION:

Receive an update on unhoused initiatives, authorize revenue and expenditure budget adjustments in the amount of \$1,417.50 to recognize a reimbursement, and provide any direction.

BACKGROUND:

On January 24, 2023, the Town Council confirmed its Strategic Priorities and added a new one to support the unhoused residents of Los Gatos. This addition was reaffirmed on February 13, 2024.

On April 4, 2023, the Town Council allocated \$50,000 to support unhoused residents. Of those funds, \$10,000 was allocated to the Shower Ministry, \$20,000 was allocated to a temporary restroom, and \$20,000 was allocated to the Hotel Program to provide hotel rooms for unhoused residents during instances of extreme weather, unhealthy air quality, and certain medical needs.

In December 2023, the Town received a \$50,000 grant from Santa Clara County (County) to use towards support for unhoused Los Gatos residents. Supervisor Simitian worked with the Town Manager's Office to create the proposal in light of the Town's \$50,000 investment in services for unhoused residents.

PREPARED BY: Katy Nomura
Assistant Town Manager

Reviewed by: Town Manager, Town Attorney, and Finance Director

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SUBJECT: Update on Unhoused Initiatives

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BACKGROUND (continued):

While initial discussions regarding the grant indicated the funds would be used for case management for the unhoused, the County confirmed the funds can be used for any support services for residents experiencing homelessness. Council subsequently authorized up to \$20,000 of these funds to be used for the Hotel Program. The grant funds must be expended by the Town by June 30, 2024 and are one-time funds.

This agenda item provides an update and an opportunity for the Town Council to provide any budgetary and programmatic direction for next fiscal year.

DISCUSSION:

Shower Ministry

The additional \$10,000 in grant funding for the shower program administered by the Los Gatos United Methodist Church extended the weekly shower services through December 5, 2024. Over 500 visits to the showers occur in a year. Clients regularly express their gratitude and appreciation for the shower, lunch, and supplies, which enable them to be cleaner and healthier, resulting in a greater sense of dignity and self-worth.

Since the current funding supports the program through December 5, 2024, only an estimated \$4,350 would be needed to continue the program support through Fiscal Year (FY) 2024/25.

Food Pantry

As part of the Community Grant process, the Town provided Saint Luke's Pantry with a \$6,000 grant for the period from July 1, 2023 to June 30, 2024. Each week, the Pantry gives out grocery bags of canned and fresh food to the unhoused neighbors, with up to 18 participants in any given week. Participants are very grateful for the support provided.

It is estimated that \$6,000 would be needed to continue supporting the program in FY 2024/25.

Temporary Restroom

In July, the Town initially partnered with Los Gatos Music and Arts to provide temporary restroom services. The Town received \$1,417.50 back from Los Gatos Music and Arts in unused funds. It is recommended to authorize budget adjustments in this amount to recognize the reimbursement.

DISCUSSION (continued):

Starting in August, the Town began providing an independent portable restroom and handwashing station at Plaza Park. Originally, the Town started with two services a week and found that three services were necessary after receiving community concerns regarding cleanliness. Three services a week costs \$1,439.14 every four weeks. The community in general has benefited from having access to the restroom, including customers of the farmers' market. The initial \$20,000 in funding will sustain the restroom through September 2024.

Since current funding will support the restroom through September 2024, only an additional \$14,400 would be needed in FY 2024/25 to continue this service.

Hotel Program

The Hotel Program (Program) launched in December 2023. The Program is only available to regular members of the Los Gatos unhoused community who actively participate in the Food Pantry and Shower Ministry hosted by the faith community. Currently, there are 19 people that may participate and are on a pre-screened list that is managed by the faith community. The Program is only activated in the following emergency circumstances: extreme heat, extreme cold, extreme wind, extreme rain, unhealthy air quality, and/or medical needs for a short-term stay.

Since launching, the Program has activated for 21 nights due to weather related events and had three qualifying medical stays, resulting in 211 rooms booked total over the course of the program. Of the 19 individuals that may participate, 14 have utilized the Program. Participants have expressed sincere gratitude for the shelter provided during inclement weather. The Program has been a success in large part due to support from the Town Council, faith community, dedicated Town staff, and our hotel partners which include the Los Gatos Lodge, the Garden Inn, and the Best Western.

Of the total \$40,000 that Council authorized for the Program, approximately \$11,000 remain. Given that winter weather has been the primary driver of activations, it is recommended that the Program convert to a winter program by removing the air quality and extreme heat activations. Air quality concerns could be addressed through N-95 masks without requiring hotel stays. For extreme heat, the Library serves as a cooling center that is available to the community and can provide respite during the day. If the Program is converted to a winter program and N-95 masks are provided to the unhoused community, staff estimates that \$25,000-\$35,000 could be sufficient to fund the program in FY 2024/25. If air quality and extreme heat remain factors in the Program, the Program could cost significantly more.

DISCUSSION (continued):

\$50,000 County Grant for Unhoused Los Gatos residents

Council authorized up to \$20,000 of the County Grant to be used for the Hotel Program. The remaining \$30,000, and any unused funds from the Hotel Program, are intended for case management services for the Los Gatos unhoused community. Staff have been coordinating with the County's Office of Supportive Housing to determine the best way to expend these funds by the June 30, 2024 deadline to provide meaningful support in a short span of time.

Future Funding Opportunities

Staff continue to work with the County's Office of Supportive Housing and other partners to position the Town as an ideal candidate to receive future funding for the unhoused. As part of this effort, it is recommended that Council continue to fund unhoused initiatives in FY 2024-25 to demonstrate continued dedication to serving our unhoused community. As was seen this year, the Town's investment in unhoused services resulted in the County providing additional funding to match the Town's efforts. Continuing this investment and dedication could result in additional funding being provided, though nothing is confirmed at this stage.

CONCLUSION:

Staff recommends that the Council remove the air quality and extreme heat factors from the Hotel Program and authorize revenue and expenditure budget adjustments in the amount of \$1,417.50 to recognize the reimbursement for the temporary restroom services. It is also recommended that Council consider including \$50,000 for unhoused initiatives in the FY 2024/25 budget. This would be sufficient to fund the shower ministry with \$4,350, the food pantry with \$6,000, the temporary restroom with \$14,400, and the Hotel Program with \$25,250.

COORDINATION:

The preparation of this report was coordinated between the Town Manager's Office and the Finance Department.

FISCAL IMPACT:

The revenue and expenditure budget adjustments of \$1,417.50 would be offsetting and would replenish those funds to be used towards the temporary restroom as originally intended. If the Council chooses to fund unhoused initiatives with \$50,000 next fiscal year, this will be considered as part of the FY 2024/25 budget. Continuing to invest in unhoused initiatives could contribute to additional outside funding opportunities.

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PUBLIC COMMENT:

Attachment 1 contains public comment received on this topic.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

ATTACHMENT:

1. Public Comment