



CITY OF  
**PALO  
ALTO**

## **CITY COUNCIL STAFF REPORT**

**From: City Manager**

**Report Type: CONSENT REPORT**

**Lead Department: Planning and Development Services**

**Meeting Date: January 23, 2023**

### **TITLE**

Approval of Contract with Downtown Streets Team, Inc. (C23186552) for a Total Not-to-Exceed Amount of \$160,477 for Fiscal Year 2023 for Workforce Development Services

### **RECOMMENDATION**

Staff recommends the City Council approve and authorize the City Manager or their designee to execute Contract C23186552 (Attachment A) with Downtown Streets Team, Inc. to provide Workforce Development Services for a term of one year for FY2023 and a total amount not to exceed amount of \$160,477.

### **BACKGROUND**

On June 20, 2022, City Council approved allocating \$160,477 from the General Fund for workforce development services to be provided by Downtown Streets Team, Inc. (DST). Historically, DST has been funded through the Department of Housing and Urban Development's Community Development Block Grant (CDBG) program. During Fiscal Year 2022, staff was notified that DST no longer qualified as a community based development organization due to a change in its board membership and, as a result, was no longer eligible to receive CDBG funding in FY2023. Due to this change of status and to provide continued support to the program in FY2023, staff recommended and City Council approved funding DST from the General Fund.

Staff reported at the time that it would seek opportunities to potentially resolve the issue by applying for an exemption as provided for by the federal department for Housing and Urban Development. This research took several months and recently concluded with a finding that the exemption process was not likely to result in a favorable outcome and therefore will not be pursued. Accordingly, staff will continue to explore other options and return to Council.

More background information is available from the June 20, 2022 staff report.<sup>1</sup>

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<sup>1</sup> June 20, 2022 Staff Report: <https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/agendas-minutes/city-council-agendas-minutes/2022/20220620/20220620pccsm-amended-final-final.pdf#page=907>.

## **ANALYSIS**

This action follows through on the Council's direction to fund DST services from the General Fund; DST has continued to provide services to the City in reliance on this funding. The attached contract authorizes allocating \$160,477 from the General Fund for workforce development services to be provided through an agreement with the DST for Fiscal Year 2023.

### **Downtown Streets Program**

The DST program provides homeless and/or extremely low-income individuals with job readiness training and employment opportunities through job search skill instruction, supportive services, and direct employment placements with partnering companies. The objective of this program is to help previously homeless individuals rebuild their self-esteem and confidence through the dignity of work. The primary goal of the program is to transition people from a state of non-worker readiness and unemployment into regular paid employment.

The program provides counseling and training to assist participants develop a plan for self-sustainability by procuring housing or shelter, address physical/mental issues, receive transportation assistance, or providing other services. Training primarily focuses on building successful work habits, job readiness skills, resume writing, and employment search skills. DST will additionally recruit and work with a network of local businesses to identify and increase the number of job opportunities suitable for the targeted population from the private sector.

## **FISCAL/RESOURCE IMPACT**

Funding for this service was approved by City Council through the Fiscal Year 2023 budget adoption. Ongoing funding for this contract and services remains to be determined as staff continued to explore options.

## **STAKEHOLDER ENGAGEMENT**

City and DST staff have been working collaboratively to ensure service delivery continues while exploring options to develop a long term funding strategy solution.

## **ENVIRONMENTAL REVIEW**

The recommended action is CEQA exempt under the California Environmental Quality Act pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility of a significant effect on the environment.

## **ATTACHMENTS**

Attachment A: Downtown Streets Team Contract, C23186552

## **APPROVED BY:**

Jonathan Lait, Planning and Development Services Director

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