



City of Sunnyvale

Agenda Item

21-0067

Agenda Date: 2/24/2021

REPORT TO HOUSING AND HUMAN SERVICES COMMISSION

SUBJECT

Consider Approval of Draft Third Substantial Amendment to the 2019 Housing and Urban Development (HUD) Action Plan

BACKGROUND

Sunnyvale receives an annual allocation of Community Development Block Grants (CDBG) and Home Investment Partnership Program (HOME) funds from the federal government to be used for community development programs and local housing strategies designed to increase opportunities for low and very low-income residents. As a result of the COVID-19 pandemic, on March 27, 2020 the Federal Government signed the Coronavirus Aid, Relief and Economic Security Act (CARES Act). The CARES Act provides up to \$5 billion in CDBG supplemental funding. Of that amount, \$2 billion are being distributed to states and entitlement jurisdictions using the same statutory formula used to distribute the annual CDBG allocations.

Sunnyvale is an entitlement jurisdiction; the City received, in two allocation rounds, about \$1.7 million from HUD in CDBG CARES ("CDBG-CV") funds through the CARES Act. The CARES Act funds are designed to provide emergency assistance and healthcare response for individuals, families and businesses affected by the 2020 Coronavirus pandemic. Of the funds received to date, \$350,000 have been awarded to Sunnyvale Community Services (SCS) for rent relief.

Since the beginning of the 2020 Coronavirus pandemic, the City, County and other local jurisdictions with CDBG programs have been coordinating on bi-weekly conference calls to discuss priority needs in each community, specific to the 2020 Coronavirus response, and coordination around utilization of CDBG-CV funds. Several priority needs have been identified including, but not limited to, rent relief, financial assistance (i.e., basic needs), hotel/motel vouchers, vaccinations/testing, food/hot meal distribution, small business support, and protective equipment for frontline workers.

All CDBG-CV funds received must be allocated and planned under the 2019 Action Plan, meaning any funding award made, no matter what year the funds are actually received in, must amend the 2019 Action Plan using the approved HUD streamlined approach. The City made the first substantial amendment to the 2019 Action Plan in December 2019 to assist Sunnyvale Community Services in acquiring a new, larger facility to administer their services to the Sunnyvale community. The second amendment occurred shortly after receiving the first allocation of CDBG-CV funds, and the City awarded Sunnyvale Community Services \$350,000 to launch an emergency financial assistance and rent relief program. Funding recommendations approved by the Housing and Human Services Commission (HHSC) were used to draft the third amendment to the 2019 Annual Action Plan (Attachment 3). The City Council is scheduled to consider this item on March 30, 2021.

EXISTING POLICY

2015-2020 HUD Consolidated Plan:

Goal A: Assist in the creation, improvement, and preservation of affordable housing

Goal B: Alleviation of Homelessness

Goal C: Provide essential human services, particularly for special needs populations

Goal D: Expanding Economic Opportunities

ENVIRONMENTAL REVIEW

The action being considered does not constitute a “project” with the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378 (b) (4) in that it is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment. The action is also exempt under the National Environmental Policy Act (“NEPA”) pursuant to 24 CFR 58.34 (a)(1) and (3) as it relates to the development of plans and strategies and is an administrative and managerial activity. Although site-specific projects may be identified in the Action Plan, approval of the Plan does not constitute a formal commitment for those projects.

DISCUSSION

The City received approximately \$1.7 million from HUD in CDBG CARES (“CDBG-CV”) funds through the CARES Act. Of those funds, \$350,000 was awarded to Sunnyvale Community Services (SCS) for rent relief on June 9, 2020 after City Council (RTC No. 20-0526) approved a second Substantial Amendment to the 2019 Action Plan.

The RFP released in December 2020 included \$1.3 million available for new programs that support those impacted by COVID-19.

Funds Available	CDBG-CV
Round 1 Funding Allocation	\$696,975
<i>Round 1 Funding Awarded (RTC No. 20-0526)</i>	<i>(\$350,000)</i>
Round 1 Funding Remaining	\$346,975
Round 2 Funding Allocation	\$1,014,190
Total Available	\$1,361,165

CDBG-CV Funding Proposals Received

The projects proposed to be funded through the Third Substantial Amendment to the FY 2019/20 Action Plan are shown in Table 1 below. The activities are eligible for CDBG funding based on federal regulations associated with the funding source, including new unique guidance on the use of CDBG-CV funds; and that activity meets one or more priority needs as identified in the City’s 2020-2025 Consolidated Plan.

Proposed CDBG-CV Activities

- *Ravenswood Family Health Network (RFHN) - COVID-19 Testing and Vaccine Administration*

RFHN, a federally qualified health center that offers a full scope of healthcare services to its patients, applied for \$203,930 in CDBG-CV funds to build the capacity to administer COVID-19 tests and vaccines at MayView Community Health Center sites, including their Sunnyvale

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location at the Columbia Neighborhood Center (785 Morse Ave). RFHN will provide vaccines to both their patients and residents of Sunnyvale two-days per week from their mobile health center, which will be parked at the Sunnyvale site. The requested funding will ensure RFHN has the personnel dedicated to administering COVID-19 tests and vaccines to primarily low-income residents of Sunnyvale.

- *Silicon Valley Independent Living Center (SVILC) - Financial Assistance for Persons with Disabilities*

SVILC, a local non-profit organization that serves persons with disabilities and/or chronic health conditions, applied for \$91,671 in funding to operate a financial assistance program that focuses on providing aid for individuals with disabilities who have been impacted by the pandemic. The program intends to assist about 22-households (up to 60 residents) by issuing rent/mortgage/utility payments to avoid evictions - and SVILC will assess each case to evaluate other household needs (i.e. food, protective equipment, etc.). SVILC has been operating a financial assistance program throughout the pandemic - and has systems in place to continue administering the program.

- *WeHope - Portable Showers, Laundry, Restrooms and Case Management*

WeHope, a local non-profit organization with the tag-line: "Healthy, Employed and Housed", applied for \$50,000 to continue operating their Dignity on Wheels program at Trinity Church (477 North Mathilda Avenue) in Sunnyvale. Dignity on Wheels plays a crucial role in ensuring that unhoused residents in Sunnyvale, and other Bay Area cities have an opportunity to take a shower, launder their clothes, use the restroom and meet with a Case Manager. The Dignity on Wheels team operates a mobile unit and serves about 20-homeless individuals once a week in Sunnyvale. The requested funding will assist in filling a funding gap, and ensure this important service continues in Sunnyvale, with City and Federal support.

- *2020 Coronavirus Rent Relief and Community Support Program*

Sunnyvale Community Services (SCS), a local non-profit organization with a mission to prevent homelessness and hunger in the local community applied for \$1.3 million in funds to continue administering a rent relief and community support program for Sunnyvale households directly impacted by the 2020 Coronavirus pandemic. The program will continue to support households by first assessing their situation, then creating an individual plan for each household to resolve their crisis. Support can include, but is not limited to, rental assistance, basic needs (i.e., food), ongoing case management and protective equipment for outreach workers.

- *Santa Clara County Isolation Quarantine Program*

The City, in partnership with Santa Clara County's Office of Supportive Housing, is partnering to minimize the spread of COVID-19 by assisting low-income residents with isolating and quarantining resources if they have tested positive for COVID-19 or have been exposed to the virus. The City is currently partnering with the County on this program through April 2021. This new allocation of \$135,000 in CV funding will allow the City to extend the program throughout 2021 and continue to assist low income household by funding motel vouchers so they can quarantine safely for up to 14-days. Note that this is a new funding allocation previously not considered by the HHSC in February, but was recently identified by the City as a critical program

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in need of additional funds to continue operating.

In addition, the City set-aside \$104,399 in administrative expenses (about 8% of total CDBG-CV funds) to cover the staff cost for action items associated with staff administering this significant increase in funding and new programs. The City can allocate up to 20% of the total CDBG-CV funding toward administrative expenses.

Overall, the City received four proposals, totaling about \$1.6 million in funding requests. The available allocation is about \$1.3 million, which is the full amount cited in the RFP. It is important to note that despite SCS receiving a high-score for the Rent Relief and Financial Assistance Program, the Evaluation Committee did not recommend fully funding the request. The Evaluation Committee made that decision because SCS previously received a \$350,000 allocation of CDBG-CV funds for the same program and the other proposals evaluated requested a smaller amount of funding, and offered other forms of support (i.e. vaccines, testing, mobile hygiene) that will assist in alleviating the impact of the pandemic for local residents. Reducing funds from these smaller projects has a bigger risk of jeopardizing the feasibility of the proposed projects.

Table 1

FY 2019/20 CDBG-CV Draft Funding Recommendations

Agency Name	Program	Average Staff Rating	Funding Amount Requested	STAFF RECOMMENDATION
Ravenswood Healthcare	COVID-19 Testing and Vaccinations	90	\$ 203,930	\$ 203,930
Sunnyvale Community Services CDBO	Rent Relief and Financial Support	89	\$ 1,300,000	\$ 776,165
Silicon Valley Independent Living Center	Emergency Assistance for Households W/ Disabilities	89	\$ 91,671	\$ 91,671
Project WeHope	Mobile Showers and Laundry	80	\$ 50,000	\$ 50,000
City of Sunnyvale	Santa Clara County Isolation and Quarantine Program	N/A	N/A	\$ 135,000
CDBG-CV Administrative Expenses	Administrative and Contract Management Cost	N/A	N/A	\$ 104,399
Total Funding Recommendations				\$ 1,361,165
Total Funds Available				\$ 1,361,165
Remaining Funds *				\$ -

FISCAL IMPACT

This action has no impact on the General Fund. Approval of the Third Substantial Amendment to the FY 2019/20 Action Plan is necessary for the City to continue programming the CDBG-CV funds, in an effort to provide relief to households directly impacted by the 2020 Coronavirus pandemic. These CDBG-CV funds will be managed by the City’s Housing Division, along with our annual CDBG entitlement.

PUBLIC CONTACT

Public contact was made through posting of the Housing and Human Services Commission agenda on the City’s official-notice bulletin board, on the City’s website, and the availability of the agenda and report in the Office of the City Clerk. While HUD requires a 5-day public comment and review period, staff published the public comment period in the Sunnyvale Sun newspaper on March 19, 2021 which will be open until the Council considers this item on March 30, 2021. The draft Third Substantial Amendment to the FY 2019/20 Action Plan was also made available for public review on the City’s website for well in excess of the required review period.

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ALTERNATIVES

Recommend that the City Council:

1. Approve the Third Substantial Amendment to the FY 2019/20 Action Plan as shown in Attachment 3 of the staff report.
2. Approve the Third Substantial Amendment to the 2019 Action Plan as shown in Attachment 3 of the staff report with modifications.

RECOMMENDATION

Alternative 1: Recommend that the City Council Approve the Third Substantial Amendment to the 2019 Action Plan as shown in Attachment 3 of the staff report.

The Third Substantial Amendment to the 2019 Action Plan is required to allocate the remaining CDBG-CV funding. The staff recommendation for the amendment, which includes the allocation of the CDBG-CV funding, supports three additional CARES related community services and continues support for rent relief and financial support from Sunnyvale Community Services.

Prepared by: Leif Christiansen, Housing Programs Analyst

Reviewed by: Jenny Carloni, Housing Officer

Reviewed by: Trudi Ryan, Director of Community Development

Reviewed by: Teri Silva, Assistant City Manager

Approved by: Kent Steffens, City Manager

ATTACHMENTS

1. Reserved for Report to Council
2. Draft Summary of the Substantial Amendment to the 2019 Action Plan
3. Draft Substantial Amendment to the 2019 Action Plan