



# City of Sunnyvale

## Agenda Item

25-0662

Agenda Date: 7/23/2025

### REPORT TO HOUSING AND HUMAN SERVICES COMMISSION

#### **SUBJECT**

Consider Approval of Fifth Substantial Amendment to the 2019/20 HUD Annual Action Plan to Allocate Remaining COVID-19 CARES Funds (CDBG-CV)

#### **BACKGROUND**

Sunnyvale receives an annual allocation of Community Development Block Grants (CDBG) and Home Investment Partnership Program (HOME) funds from the federal government to support community development programs and local housing strategies that aim 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 provided up to \$5 billion in CDBG supplemental funding. Of that amount, \$2 billion was distributed to states and entitlement jurisdictions using the same statutory formula used to distribute the annual CDBG allocations.

Sunnyvale is an entitlement jurisdiction and received approximately \$1.7 million from HUD in CDBG CARES ("CDBG-CV") funds through the CARES Act in two allocation rounds of funding. The CARES Act funds were designed to provide emergency assistance and healthcare response for individuals, families, and businesses affected by the 2020 Coronavirus pandemic.

All CDBG-CV funds received must be allocated and planned under the FY 2019/20 Action Plan, meaning any funding award made, no matter what year the funds are actually received, must amend the FY 2019/20 Action Plan using the approved HUD streamlined approach.

- The City made the first substantial amendment to the FY 2019/20 Action Plan in December 2019 to assist Sunnyvale Community Services (SCS) in acquiring a new, larger facility to administer their services to the Sunnyvale community (RTC No. 19-0991). This amendment was not related to CDBG-CV funds.
- In June 2020, 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 (RTC No. 20-0526).
- The third amendment occurred in March 2021 (RTC No. 21-0381) to allocate \$1.7 million CDBG-CV funds to programs to prevent, prepare for, and respond to the Coronavirus, and City administration costs to allocate the funds and provide contract management.
- The fourth amendment occurred in July 2023 (RTC No. 23-0715) to allocate remaining CDBG-CV funds for administrative activities and contract management.

After the initial completion of the previously awarded programs, several programs have remaining budget balances. As of June 18, 2025, \$190,104.17 of CDBG-CV remains available to allocate to

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new programs. As part of a recent Notice of Funding Availability (NOFA) in December 2024, the City made \$150,000 in CDBG-CV funds available for public services programs. The remaining \$40,104 was previously allocated to fund City administration expenses, outlined below, that will be spent over the course of the 25/26 Fiscal Year (FY). The funding recommendations that were approved by the Housing and Human Services Commission and City Council in March and May 2025, respectively, were used to draft the fifth amendment to the FY 2019/20 Annual Action Plan (Attachment 3).

The City Council is scheduled to consider this item on August 12, 2025.

## **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

### **Council Policy 5.1.3 Human Services**

The City shall make its best efforts to provide supplemental human services, which include but are not limited to emergency services, senior services, disabled services, family services, and youth services.

### **Sunnyvale Housing Element**

**Policy H-5.13: Housing and Services to Address Homelessness.** Participate in the County Collaborative on Affordable Housing and Homeless Issues to support its efforts to prevent and end homelessness. Facilitate and sponsor the provision of permanent supportive housing for homeless people. Support local service providers that offer facilities and support services to homeless individuals and families, and persons at risk of homelessness.

## **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-CV funds through the CARES Act. Of those funds, a variety of public service programs were funded, as further described in Table 2, to support the community during the pandemic. Over \$1.1 million was awarded to SCS for a rent relief program.

Due to certain programs not needing all previous funding, or being cancelled (described below), the City had \$150,000 in available funding, which was released in a December 2024 NOFA.

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Table 1

<b>CDBG-CV Funding</b>	<b>Total Funds</b>
CDBG-CV Rounds 1-3 Funding Awarded	\$1,711,165.00
CDBG-CV Program Funding Spent	(\$1,513,174.34)
CDBG-CV Funding Unspent	\$190,104.17
Reserved for Administrative Costs and Grant Management	(\$40,104.17)
<b>Remaining Unspent Program Funds</b>	<b>\$150,000.00</b>

**CDBG-CV Original Programs**

The proposals that adjust funding through the fifth Substantial Amendment to the FY 2019/20 Action Plan are shown in Table 2 below. The activities are all existing and 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.

- *Public Services*

Each year, the City uses 15% of CDBG funds to support public services programs that provide safety-net services and assistance to the community. Budgets were not constrained to the 15% cap in years 2019/20, 2020/21, or for CDBG-CV funds. Due to the pandemic, the demand for public services in the City has increased. The original allocation for the 2019/20 Action Plan was \$191,568.00. This amendment will increase that allocation by \$150,000 to fund the one-time expansion of the Sunnyvale Community Services Food Program.

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

The Ravenswood Family Health Network provided vaccines to its patients and residents of Sunnyvale twice a week from a mobile health center parked in Sunnyvale. They were originally allocated \$203,930 in CDBG-CV funds and there is \$103,095 remaining. The project is now closed, and this amendment will correct the program's budget to match its actual costs.

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

The Silicon Valley Independent Living Center, a local nonprofit organization that serves individuals with disabilities and/or chronic health conditions, assisted households by issuing rent, mortgage, and utility payments to prevent evictions. The program originally allocated \$91,671 in CDBG-CV funds, and \$2,264.23 remains. The project is now closed, and this amendment will correct the program's budget to match its actual costs.

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

WeHope, a local non-profit organization that supports unhoused individuals through street outreach, mobile hygiene programs, and shelter operations, operated its Dignity on Wheels mobile hygiene program. The program was originally allocated \$50,000 in CDBG-CV funds, with \$6,575 remaining. The project is now closed, and this amendment will correct the program's budget to match its actual costs.

- *Santa Clara County Isolation Quarantine Program*

Santa Clara County's Office of Supportive Housing applied to partner with the City to minimize the spread of COVID-19 by assisting low-income residents with isolating and quarantining

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resources if they have tested positive for COVID-19 or have been exposed to the virus. The City allocated \$135,000 in CDBG-CV funding, but due to other funding sources becoming available to the County, the funding from Sunnyvale was not needed. This amendment will unallocate this entire amount to be used for other programs.

Additionally, the City set aside \$251,333 in administrative expenses (approximately 14% of total CDBG-CV funds) to cover the costs associated with staff administering this significant increase in funding and new programs. Administration costs have not been as much as anticipated, and the City has spent \$161,229.06 to date. This fifth amendment will decrease this budget by \$49,999.23 (totaling about 12% of total CDBG-CV funds). The City can allocate up to 20% of the total CDBG-CV funding toward administrative expenses.

### **New Proposed Programs**

The original budget for Public Services funded several community programs, including the SCS Year-Round Food Assistance program. During the FY2025/26 CDBG Request for Proposals, SCS was the only agency that applied for the remaining \$150,000 available and, in their application, illustrated the lingering economic effects of COVID-19, especially for low-income families. With the funds, SCS would use approximately \$40,000 to fund the salary of their existing Food & Nutrition Manager, accounting for 50% of the position's expected annual salary. This position manages food inventory, coordinates food resources, and helps prevent any disruptions to the program. The remaining \$110,000 would be used for food purchases, to provide approximately 3,400 additional bags of nutritious food for low-income households. This program proposal was approved by HHSC in April 2025 and City Council in May 2025.

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**Table 2**  
**Adjustments (5<sup>th</sup> Substantial Amendment)**

Agency Name	Program	Original Allocation	Staff Recommended Adjustment	Total
Various	Public Services	\$191,568	\$150,000	\$341,568
Ravenwood Healthcare	COVID-19 Testing and Vaccinations	\$203,930	(\$103,095)	\$100,835
Silicon Valley Independent Living Center	Emergency Assistance for Households w/ Disabilities	\$91,671	(\$2,264.23)	\$89,406.77
Project WeHope	Dignity on Wheels	\$50,000	(\$6,575)	\$43,425
City of Sunnyvale	Santa Clara County Isolation and Quarantine Program	\$135,000	(\$135,000)	\$0
CDBG-CV Administration	Administration and Contract Management	\$251,333	(\$49,999.77)	\$201,333.23

The recommended adjustments total (\$146,934), which balances with the Fourth Substantial Amendment that made an adjustment of +\$146,934.

### **FISCAL IMPACT**

This action has no impact on the General Fund. Approval of the Fifth Substantial Amendment to the FY 2019/20 Action Plan is necessary for the City to exhaust the CDBG-CV funds before they sunset at the end of June 2026. These CDBG-CV funds will be managed by the City's Housing Division, along with the City's 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 July 11, 2025 which will be open until the Council considers this item on August 12, 2025. The draft Fifth Substantial Amendment to the FY 2019/20 Action Plan was also made available for public review on the City's website for the required review period.

### **ALTERNATIVES**

Recommend to City Council:

1. Approve the Fifth Substantial Amendment to the FY 2019/20 Action Plan as shown in Attachment 3 of the staff report.
2. Alternative 1 with modifications.
3. Do not amend the existing FY 2019/20 Action Plan.

### **RECOMMENDATION**

Recommend to City Council Alternative 1: Approve the Fifth Substantial Amendment to the FY

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2019/20 Action Plan as shown in Attachment 3 of the staff report.

**LEVINE ACT**

The Levine Act (Gov. Code Section 84308) prohibits city officials from participating in certain decisions regarding licenses, permits, and other entitlements for use if the official has received a campaign contribution of more than \$500 from a party, participant, or agent of a party or participant in the previous 12 months. The Levine Act is intended to prevent financial influence on decisions that affect specific, identifiable persons or participants. For more information see the Fair Political Practices Commission website: [www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html](http://www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html)

An "X" in the checklist below indicates that the action being considered falls under a Levine Act category or exemption:

**SUBJECT TO THE LEVINE ACT**

- ☐ Land development entitlements
- ☐ Other permit, license, or entitlement for use
- ☐ Contract or franchise

**EXEMPT FROM THE LEVINE ACT**

- ☐ Competitively bid contract\*
- ☐ Labor or personal employment contract
- ☐ Contract under \$50,000 or non-fiscal
- ☐ Contract between public agencies
- ☒ General policy and legislative actions

\* "Competitively bid" means a contract that must be awarded to the lowest responsive and responsible bidder.

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Reviewed by: Inderdeep Dhillon, Accounting Manager  
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Reviewed by: Connie Verceles, Deputy City Manager  
Approved by: Tim Kirby, City Manager

**ATTACHMENTS**

1. Reserved for Report to Council
2. Draft Summary of the Fifth Substantial Amendment to the FY 2019/20 Action Plan
3. Draft Fifth Substantial Amendment to the FY 2019/20 Action Plan