



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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File #: 16-0422, Version: 1

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### REPORT TO COUNCIL

#### **SUBJECT**

Approve Urgency Measures to Assist Residents Displaced by Fire at Twin Pines Manor Apartments and Approve Budget Modification No. 32

#### **BACKGROUND**

On Friday, April 15, a two-alarm fire occurred at Twin Pines Manor Apartments, an 81-unit apartment complex located at 1066 Sunnyvale-Saratoga Road in Sunnyvale. A total of 110 residents have been displaced from the building due to the damage caused by the fire. A press release with further details is provided in **Attachment 1**.

#### **EXISTING POLICY**

##### **General Plan Safety Element**

Policy SN-3.1 Provide rapid and timely response to all emergencies. (Previously Law Enforcement Policy 4.1A.1)

#### **2015-2020 HUD Consolidated Plan**

##### **Goal B: Alleviation of Homelessness**

*Action 1.F:* To the extent that local (non-HUD) funding is available for this purpose, provide funding for a Sunnyvale homelessness prevention and rapid re-housing program.

#### **ENVIRONMENTAL REVIEW**

The actions being considered are exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15061 (b) (3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

#### **DISCUSSION**

In response to this fire, staff, in coordination with Sunnyvale Community Services (SCS), has sought to rapidly identify resources that can be offered to the displaced households to help them obtain alternate housing, replace personal items lost in the fire, and access other services they may need due to the fire. A number of agencies have also responded quickly to this emergency, including the Red Cross, South Bay Church, several housing and homeless services providers, the Housing Authority, the County of Santa Clara, the Valley Transportation Authority, and others.

Information gathered to date indicates that many of the displaced households may be lower-income, and some may have Section 8 rental vouchers. It also appears that the damage will require significant time to repair and/or rebuild, so it is more likely than not that most of the tenants will need to move permanently to a new location. Housing Authority staff has notified the City that they will expedite requests by the affected residents to move their vouchers to another dwelling unit. Staff and

local service providers anticipate that it may be difficult to timely assist, if at all, this large number of households to obtain alternate housing in the local area at prices comparable to the rents at the damaged complex. SCS needs time to work with its network agencies to assess and provide resources where available. Therefore it may be necessary for many of the families to remain in motels or other accommodations, for several weeks if not longer, until they can locate alternate housing that they can afford or utilize other resources (e.g., shelter, etc.). As of Monday, April 18, displaced households were occupying 58 motel rooms in local hotels. Some of these families may require assistance in paying for their motel stays. Other displaced households were able to stay with friends or family in the area. Given the unprecedented magnitude of households requiring SCS assistance, SCS needs time to assess the needs of these families and providing motels was the option that stabilized the situation before us.

Lastly, Sunnyvale Community Services has expressed concerns that the magnitude of this event is unprecedented and exceeds its existing capacity to provide case management and emergency services. Generally, SCS provides services for about 100 families per year: it is now in a situation where there are 81 households dependent on SCS for stabilizing their transition. Staff has discussed several options for addressing these concerns with SCS, such as: requesting in-kind assistance from other agencies providing case management services, and requesting former and/or retired staff of SCS to provide additional case management services, either on a volunteer or temporary staffing basis, to address the short-term urgent needs. Some of the HPRR funds can be used for short-term staffing and/or sub-contracting for specialized services from other agencies. Staff's goal is to support the transition of services from the Red Cross over to SCS and ensure that additional resources are available, given the magnitude of this event staff is advancing a number of measures.

### **Addressing Needs for Short-Term Shelter and Replacement Housing**

Several existing City programs are available to address some of the relocation needs of the affected residents, including the Homelessness Prevention and Rapid Re-Housing (HPRR) Program, and possibly the Tenant Based Rental Assistance (TBRA) Program, which has some more restrictive regulations than HPRR due to its federal funding source.

The HPRR Program funds, administered by Sunnyvale Community Services (SCS), can be used to provide clients with monthly rental assistance for terms of two to 18 months, as needed, and for incidental expenses related to preventing homelessness, such as case management, credit counseling, moving costs, security deposits, legal assistance, utility deposits, and/or short-term motel stays while waiting for a unit to become ready for move-in. The existing HPRR Program budget does not have the capacity to assist all of the tenants, however, an additional \$250,000 of Low Moderate Income Housing Successor Agency Funds will become available on July 1 as part of the FY 2016/17 Budget, providing the needed resources. The existing HPRR contract with Sunnyvale Community Services has an allocation of \$250,000 for a two-year term, through June 30, 2017. Currently there is slightly over \$165,000 remaining under that contract, although some of that amount may already be obligated for upcoming rental assistance payments for clients already enrolled in the program. Staff recommends amending the contract to increase the contract funding by \$250,000 to reflect the additional funds coming available in FY 2016/17. Staff also recommends extending the term to June 30, 2018, in case any of the affected residents require assistance beyond FY 2016/17.

Staff recommends establishing an emergency program to provide Temporary Housing Support to the displaced households, in the form of motel vouchers, to be funded with Housing Mitigation Funds (HMF). Although this is not a standard use of the HMF, it is not unusual for cities with such funds to

use a small portion of them from time to time for homelessness prevention programs to address urgent local needs. This one-time, short-term program would offer assistance to displaced households for motel stays through May 8.

Staff has also reached out to the County of Santa Clara and federal agencies to determine if additional resources can be made available to the affected residents, potentially including urgency uses of local CDBG funds. Staff will update Council on this research as information becomes available.

### **Addressing Related Needs**

In addition, in an effort to alleviate the trauma experienced by many of the families displaced by the fire by providing access to healthy recreational activities in the coming months, the City Manager also seeks City Council approval to issue up to \$30,000 in fee waivers to eligible youth age 17 and under impacted by the fire to allow them to attend summer camps, youth recreation classes and after-school programs offered by the City's Library and Community Services (LCS) Department. The City Manager has also authorized the Senior Care Managers at the Senior Center to provide case management assistance, for SCS, to any of the affected households as needed to assess needs and convey those needs to SCS.

### **FISCAL IMPACT**

Budget Modification No. 32 appropriates \$150,000 from the Combined Housing Fund - Fund Balance to fund temporary accommodations for families impacted by the fire. A new special project has been created to account for the costs associated with the temporary housing support. Budget Modification No. 32 also appropriates an additional \$30,000 to the budget for fee waivers.

#### **BUDGET MODIFICATION NO. 32 FISCAL YEAR 2015/2016**

	<b>Current</b>	<b>Increase (Decrease)</b>	<b>Revised</b>
<b>Housing Fund:</b>			
<u>Expenditures:</u>			
New Project - Twin Pines Fire	\$0	\$150,000	\$150,000
Temporary Housing Support			
Reserves:			
Housing Mitigation Reserve	\$18,403,082	(\$150,000)	\$18,253,082
<b>General Fund:</b>			
<u>Expenditures:</u>			
Project 831360 - Recreation	\$46,932	\$30,000	\$76,932
Fee Waiver			
Reserves:			
Budget Stabilization Fund	\$50,173,334	(\$30,000)	\$50,143,334

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of

the City Clerk and on the City's website.

### **ALTERNATIVES**

1. Approve the following urgency measures to assist residents displaced by fire:
  - A. Approve Budget Modification No. 32 to: appropriate \$150,000 in Housing Mitigation Funds for Temporary Housing Support and appropriate \$30,000 from the General Fund Budget Stabilization Fund for additional recreation fee waivers; and
  - B. Authorize the City Manager to: i) execute an amendment to the existing HPRR Agreement with Sunnyvale Community Services to increase the contract limit by \$250,000 and extend the term through June 30, 2018; and ii) to make direct payments for emergency procurements (e.g., food, water, necessary supplies and motels that were procured on April 18) and iii) to take other actions as needed to provide this assistance to the displaced households, including awarding the \$150,000 of Housing Mitigation Funds for Temporary Housing Support and transferring this duty, motel voucher program, to SCS for motel vouchers through May 8, 2016 or as the HPRR program services allow, and as determined by SCS; and
  - C. Direct staff to work with the Department of Housing and Urban Development and Congressman Honda to explore options for using federal funds, such as Community Development Block Grant or other available funds, to provide any additional eligible assistance that may be needed by the displaced residents.
  - D. Direct staff to work with the County of Santa Clara and various local agencies and/or private donors to identify additional resources and sources of assistance for the displaced residents.
  - E. Direct staff to return to Council on May 3 with a status report and presentation from SCS on its progress in addressing the needs of the displaced residents, and any additional staff recommendations related to this matter.
2. Approve other urgency measures as directed by Council.

### **STAFF RECOMMENDATION**

Alternative 1: Approve the following urgency measures to assist residents displaced by fire:

- A. Approve Budget Modification No. 32 to: appropriate \$150,000 in Housing Mitigation Funds for Temporary Housing Support and appropriate \$30,000 from the General Fund Budget Stabilization Fund for additional recreation fee waivers; and
- B. Authorize the City Manager to: i) execute an amendment to the existing HPRR Agreement with Sunnyvale Community Services to increase the contract limit by \$250,000 and extend the term through June 30, 2018; and ii) to make direct payments for emergency procurements (e.g., food, water, necessary supplies and motels that were procured on April 18) and iii) to take other actions as needed to provide this assistance to the displaced households, including awarding the \$150,000 of Housing Mitigation Funds for Temporary Housing Support and transferring this duty, motel voucher program, to SCS for motel vouchers through May 8, 2016 or as the HPRR program services allow, and as determined by SCS; and
- C. Direct staff to work with the Department of Housing and Urban Development and Congressman Honda to explore options for using federal funds, such as Community Development Block Grant or other available funds, to provide any additional eligible assistance that may be needed by the displaced residents.
- D. Direct staff to work with the County of Santa Clara and various local agencies and/or private donors to identify additional resources and sources of assistance for the displaced residents.
- E. Direct staff to return to Council on May 3 with a status report and presentation from SCS on its

progress in addressing the needs of the displaced residents, and any additional staff recommendations related to this matter.

Prepared by: Suzanne Ise, Housing Officer

Reviewed by: Timothy J. Kirby, Acting Director, Finance Department

Reviewed by: Walter Rossmann, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

### **ATTACHMENTS**

1. Press Release