



City of Sunnyvale

Agenda Item-No Attachments (PDF)

File #: 21-0231, Version: 1

REPORT TO HOUSING AND HUMAN SERVICES COMMISSION

SUBJECT

CDBG-CV Evaluations and Funding Recommendations

BACKGROUND

Sunnyvale receives an annual allocation of Community Development Block Grants (CDBG) and Home Investment Partnership Program (HOME) 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) due to the COVID-19 pandemic. 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.

The City has received about \$1.7 million from HUD in CDBG CARES ("CDBG-CV") funds through the CARES Act, in addition to its previously received and allocated entitlement grant and accrued Program Income (PI), during FY 2019/20. To date, HUD has released three rounds of CDBG-CV funding, and the City received a funding allocation during rounds one and three, as round two was primarily dedicated to non-entitlement jurisdictions. 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 those funds, \$350,000 have already 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 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 funds to process the first amendment to the 2019 Action Plan were acquired through the receipt of \$930,000 in Program Income. 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 HHSC will be used to create the third amendment to the 2019 Annual Action Plan, which will be considered by the HHSC in February and City Council in

March.

CDBG-CV REQUEST FOR PROPOSALS

As the urgency of pandemic related expenses continues, Sunnyvale released a “fast track” Request for Proposals (RFP) in addition to the City’s annual RFP for CDBG/HOME funding. The CDBG-CV RFP was released in December 2020 and closed on January 8, 2021; the City received four proposals. A list of the proposals is provided in Attachment 2. The staff scoring committee, consisting of several Community Development Department staff members, evaluated the proposals based on the highest demand of needs seen throughout the community during the pandemic and using the scoring system provided in the RFPs.

CDBG-CV FUNDING AVAILABILITY

As stated above, the City has received approximately \$1.7 million from HUD in CDBG CARES (“CDBG-CV”) funds through the CARES Act. Of those funds, \$350,000 have already been awarded to Sunnyvale Community Services (SCS) for rent relief on June 9, 2020 after City Council (File No. 20-0526) approved a second Substantial Amendment to the 2019 Action Plan. In order to make funds available for a major priority in the Action Plan (rent-relief), a streamlined process was used by going directly to City Council to promptly allocate funds to facilitate assistance for households impacted by the pandemic; the remainder of the funds are addressed in this staff report and include a review by the HHSC to recommend allocation of the balance of CDBG-CV funds.

The RFP released in December 2020 included \$1,300,000 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 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

Staff Scoring Committee

The staff scoring committee met to discuss the proposals, eligibility and completeness requirements, scoring, and possible funding scenarios. Each member of the committee independently scored each proposal, and the scores from each reviewer for each proposal were averaged. Staff then ranked the proposals by average score, as shown in Attachment 1.

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 meets one or more priority needs as identified in the City’s 2015-2020 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 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.

Staff notes that funding is also recommended for a separate financial assistance program to be operated by Sunnyvale Community Services -the SVILC application is focused on a more specific population, and the two agencies can coordinate to avoid any duplication of benefits.

- *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 serve 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.

- *CDBG-CV Administrative and Contract Management Cost*

The City set-aside \$104,399 in administrative expenses (about 8% of total CDBG-CV funds) to cover the staff cost for action items (Request for Proposal process, contract development, technical support and monitoring) associated with administering the additional about \$1.7 million the City received in HUD funding for Program Year 2019. The City is able to allocate up to 20% of the total CDBG-CV funding toward administrative expenses; the vast majority of funds are recommended to go toward direct assistance to low-income residents in Sunnyvale.

- *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.

Overall, the City received four proposals, totaling about \$1.6 million in funding requests - and allocated \$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. Cutting funds from these smaller projects can have a bigger overall impact as well.

Table 1
FY 2019/20 CDBG-CV Draft Funding Recommendations

Agency Name	Program	Funding Amount Requested	STAFF RECOMMENDATION
Ravenswood Healthcare	COVID-19 Testing and Vaccinations	\$ 203,930	\$ 203,930
Sunnyvale Community Services CDBO	Rent Relief and Financial Support	\$ 1,300,000	\$ 911,165
Silicon Valley Independent Living Center	Emergency Assistance for Households W/ Disabilities	\$ 91,671	\$ 91,671
Project WeHope	Mobile Showers and Laundry	\$ 50,000	\$ 50,000
CDBG-CV Administrative Expenses	Administrative and Contract Management Cost	N/A	\$ 104,399
Total Funding Recommendations			\$ 1,361,165
Total Funds Available			\$ 1,361,165
Remaining Funds *			\$ -

NEXT STEPS

Staff will include the Housing and Human Services Commission (HHSC) CDBG-CV funding

recommendations in the draft 2019 Action Plan Amendment, which will be considered by the HHSC at its regular meeting on February 24, 2021. At that time the HHSC may make changes to the funding recommendations if needed, such as if new information becomes available regarding the federal appropriations for the City's CDBG entitlement grant. The 2019 Amended Action Plan will then be reviewed by the Council on March 30, 2021 before being submitted to HUD. Once approved by HUD, the funds can be awarded immediately.

The Commission's review of annual CDBG/HOME funds will also begin in February. These processes are being kept separately for ease of community participation and Commission review.

ALTERNATIVES

1. Recommend that City Council fund the CDBG-CV proposals in the amounts shown in Attachment 1 to this report.
2. Recommend that City Council fund one or more of the proposals with a different amount(s) than those recommended by staff under Alternative 1, not to exceed the total amount of funding estimated to be available for each type of proposal and/or funding source.

STAFF RECOMMENDATION

Alternative 1: Recommend that City Council fund the CDBG-CV proposals in the amounts shown in Attachment 1 to the staff report.

Prepared by: Leif Christiansen, Housing Programs Analyst
Reviewed by: Jenny Carloni, Housing Officer
Reviewed by: Trudi Ryan, Director, Community Development

ATTACHMENTS

1. CDBG-CV Grant Proposal Funding Recommendations
2. Proposal Applications Received