HCDC AGENDA: 3-11-21
ITEM:

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HOUSING AND COMMUNITY DEVELOPMENT COMMISSION

FROM: Jacky Morales-Ferrand

SUBJECT: **SEE BELOW**

DATE: March 4, 2021

Approved

Date

SUBJECT: SUBSTANTIAL AMENDMENTS TO THE FY 2019-20 AND 2020-21 ANNUAL ACTION PLANS

RECOMMENDATION

Conduct a public hearing on the proposed Substantial Amendments to the Fiscal Year 2019-20 and 2020-21 Annual Action Plans to program Community Development Block Grant Round 3 (CDBG CV-3) funds from the federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and redirect other funding to respond to the COVID-19 crisis, and recommend to the City Council that it approve the proposed Substantial Amendments to the Fiscal Year 2019-20 and 2020-21 Annual Action Plans.

OUTCOME

The public hearing provides an opportunity to the Housing and Community Development Commission ("HCDC") and the public to provide comment on the proposed amendments to the City's 2019-20 and 2020-21 Annual Action Plans at this publicly-noticed meeting.

The amendments to both Plans' will enable the City to use federal funding made available in the CDBG and Emergency Solutions Grant (ESG) programs by the CARES Act to be spent in FY 2020-21 to respond to local needs created by the Coronavirus Disease 2019 (COVID-19). The funds will be used for City food services for homeless, senior, and disabled residents; homeless services; emergency hotel/motel vouchers for families; childcare and emergency shelter operations.

EXECUTIVE SUMMARY

This is the fourth amendment to the City's FY 2019-20 Annual Action Plan and the second amendment to the FY 2020-21 Annual Action Plan. The Annual Action Plans govern the expenditure of entitlement funds and competitive grants that the City receives from the U.S. Department of Housing and Urban Development (HUD). The purpose of the amendments is to ensure that these funds are aligned with the five year goals of the Consolidated Plan and the strategies in place to fund the COVID-19 response.

The City proposes to use these identified funds to assist the Emergency Operations Center's COVID-19 response, serving some of the most vulnerable community members. More specifically, funding will help respond to the community's needs by: (1) providing emergency hoteling to families impacted by COVID, (2) providing emergency hotels to victims of domestic violence and their families, 3) food for homeless, senior and disabled populations, 4) case management for rental assistance programs, 5) operations of emergency interim housing and 6) providing childcare in low-income areas.

To quickly deliver these services, staff will amend current contracts. These include contracts with HomeFirst, Next Door Solutions to Domestic Violence, YWCA of Silicon Valley, Sacred Heart, LifeMoves, Bill Wilson Center and Portuguese Organization for Social Services and Opportunities (POSSO). These amendments are warranted due to the COVID-19 emergency and the critical needs of the community and are permitted by federal government regulations.

BACKGROUND

This is the fourth amendment to the City's FY 2019-20 Annual Action Plan and the second substantial amendment to the FY 2020-21 Annual Action Plan. The purpose of the amendments to both plans has been to spend available funds for COVID-19 response.

The City's Annual Action Plan details its funding strategy for the Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), HOME Investment Partnership (HOME), and Housing Opportunities for People with AIDS (HOPWA) programs each year. Annual Action Plans implement a jurisdiction's Five-Year Consolidated Plan and are developed through public input, analysis, and planning. The Action Plan provides spending caps for the different programs or services funded by federal funds.

All entitlement jurisdictions such as San José that receive HUD's federal funds by formula allocation are required to have an adopted Citizen Participation Plan. San José's Citizen Participation Plan[1] describes the efforts that the City will take to encourage its residents to participate in developing federal spending plans. It also provides requirements for the public

[1] City of San José, Citizen Participation Plan, amended Aug. 4, 2020, https://www.sanjoseca.gov/your-government/departments-offices/housing/resource-library/hud-reports/consolidated-annual-action-plans/citizen-participation-plan.

process to be used when a "Substantial Amendment" to programs funded in the Annual Action Plan is proposed. Per the City's Citizen Participation Plan (CPP), a substantial amendment constitutes a change to a previously adopted Five-Year Plan or Annual Plan that:

- Increases or decreases by the greater of $100,000 or a 25% change in the amount allocated to a category of funding, or
- Makes a significant change to an activity's proposed beneficiaries or persons served, or
- Funds a new activity not previously described in the Action Plan.

When a proposed change in program funding reaches one of these thresholds, the City must comply with the public process required in the CPP for Substantial Amendments, which includes a 30-day public comment period and two public hearings. However, due to the need to deploy funds quickly to respond to the COVID-19 crisis, HUD has issued guidance that waives the CPP requirements for entitlement recipients, provided that (1) no fewer than five days are provided for public comment and that (2) reasonable notice and the opportunity to comment is provided. The CPP requires at least two public hearings to give the citizens of San Jose an opportunity to provide feedback on the proposed actions. Public hearings may be conducted virtually.

Accordingly, the City has advertised the availability of the proposed amendments and the opportunity to comment on these amendments on its website five days prior to the hearing, has sent a notice by email to its general distribution list and to its Housing and Community Development Commissioners, and has posted the opportunity to comment on its social media accounts. An email address was provided on the notice where comments can be submitted. In addition, comments will be accepted prior to the hearing via a link on the City Council's agenda webpage as well as by e-mail to the City Clerk (city.clerk@sanjoseca.gov) by 12:00 noon on the day of the hearing. During the hearing, comments can be submitted via eComment on the City's agenda webpage as well as by emailing councilmeeting@sanjoseca.gov and identifying the agenda item number in the subject line.

COVID-19 Response

On January 21, 2020, the Centers for Disease Control and Prevention (CDC) confirmed the first diagnosed case of a U.S. resident with COVID-19, a new, highly infectious virus. In response, the City established its Pandemic Management Team and activated a Pandemic Response Plan. On March 16, Santa Clara County issued a shelter-in-place order, providing that individuals could only leave their residence to perform essential activities. On the same day, the City's Emergency Operations Center (EOC) reached full operation. Since that time, the City has worked to support the continuity of essential City services (such as public safety) and provide emergency-related services for the most vulnerable in the community.

The Housing Department moved quickly to reallocate funding to support emergency shelter, food and necessities distribution, and emergency rental assistance. In April 2020, the City Council accepted the Housing Department's Annual Action Plan amendment, which reallocated $6.2 million in existing FY 2019-20 Community Development Block Grants (CDBG) from

HUD.[2] In July, the City Council approved a second Annual Action Plan amendment to allocate an additional $589,000 in CDBG and $6.6 million in federal HOME Investment Partnership (HOME) grants.[3] These reallocated grants went towards the following;

- temporary non-congregate shelter space for people at high-risk for COVID-19
- rent and utilities assistance for individuals and families financially impacted by COVID-19
- emergency hotel stays for families and victims of domestic violence
- food delivery to vulnerable residents, like seniors and people with disabilities
- diaper and calming kit distribution to low-income families and childcare home providers
- expanded congregate homeless shelter space to facilitate social distancing, and
- grants to support small businesses affected by COVID-19.

In mid-September, the City Council approved a third FY 2019-20 Amendment to move the $32 million in ESG CARES Act Round 2 (CV2) funding from the FY 2020-21 to FY 2019-20 Annual Action Plan at HUD's request.[4] The City Council originally approved the use of the ESG-CV2 funds in August 2020 along with the 2020-2025 five-year Consolidated Plan.[5] In late September, the City was notified by HUD of its second award of CDBG CARES Act funds (CDBG-CV3) in the amount of $7,578,510.[6]

ANALYSIS

To date, the City of San José has been awarded $48,160,981 in CDBG and ESG CARES Act funding through a formula calculation. Combined with the City's FY 2019-20 and 2020-21 entitlement grants, San José will receive approximately $99,825,950 in federal funding over the two-year period. Table 1A and 1B below summarize this federal funding:

[2] Council Report April 21, 2020 Item 8.4: http://sanjose.legistar.com/gateway.aspx?M=F&ID=e3aa97a8-5785-494c-b26b-0a02cc207e8f.pdf
[3] Council Report July 1, 2020 Item 8.7: http://sanjose.legistar.com/gateway.aspx?M=F&ID=e3aa97a8-5785-494c-b26b-0a02cc207e8f.pdf
[4] City Council Report Sep. 22, 2020 Item 8.2: http://sanjose.legistar.com/gateway.aspx?M=F&ID=5c2f962e-1b4d-4fc4-bec5-a343354f6041.pdf
[5] City Council Report Aug. 11, 2020, Item 8.1: http://sanjose.legistar.com/gateway.aspx?M=F&ID=e3aa97a8-5785-494c-b26b-0a02cc207e8f.pdf
[6] The City did not get a CDBG-CV Round 2 award, which was issued only to States and insular areas. It also was not eligible to compete for CDBG-CV Round 2 funds through the State of California's competitive rounds.

Table 1: FY 2019-20 Federal Funding Levels

Fund	Annual Allocation	Prior-year Carryover*	Estimated 2019-20 Program Income	Total Estimated Resources
CDBG	$8,927,311	$6,842,058	$400,000	$16,169,369
HOME	$3,160,147	$7,726,421	$1,750,000	$12,636,568
HOPWA	$1,131,945	$0	$0	$1,131,945
ESG	$755,329	$0	$0	$755,329
ESG CARES Round 1	$2,482,218	$0	$0	$2,482,218
ESG CARES Round 2	$32,836,839	$0	$0	$32,836,839
CDBG CARES Round 1	$5,263,414	$0	$0	$5,263,414
CDBG CARES Round 3	$7,578,510	$0	$0	$7,578,510
Total	**$62,135,713**	**$14,568,479**	**$2,150,000**	**$78,854,192**

Table 1B: 2020-2021 Federal Funding Levels

Fund	FY 2020-21 Allocation	Prior Year Carryover*	Estimated Program Income	Total Estimated Resources
CDBG	$8,947,319	$979,795	$400,000	$10,327,114
HOME	$3,319,683	$4,356,359	$750,000	$8,426,042
HOPWA	$1,440,393	$0	$0	$1,440,393
ESG	$778,209	$0	$0	$778,209
Total	**$14,485,604**	**$5,336,154**	**$1,150,000**	**$20,971,758**

**Note: The Prior-year Carryover amounts may differ from the City's annual budget due to timing differences regarding the treatment of program commitments and encumbrances.*

Annual Action Plan Amendments

The City's current FY 2019-20 Annual Action Plan and FY 2020-21 Annual Action Plan are being amended for the following reasons:

- funding urgent needs of the community related to the COVID-19 crisis
- accommodating changes in spending rates that normally occur during the year
- meeting the annual federal deadline to disburse certain CDBG funds, and
- providing assistance and services identified in this memorandum.

Substantial Amendments are Required

The proposed changes to the City's FY 2019-20 Annual Action Plan qualify as Substantial Amendments because they meet criteria one and three identified below:

1. Increases or decreases by the greater of $100,000 or a 25% change in the amount allocated to a category of funding, or
2. Makes a significant change to an activity's proposed beneficiaries or persons served, or
3. Funds a new activity not previously described in the Consolidated and/or Action Plan.

The changes to the FY 2019-20 Action Plan are provided in **Attachment A** and are summarized below in Table 2:

Table 2: Proposed Funding Changes - Additions/Reductions

Funding Source	Activities	Approved	Change
CDBG FY 2019-20	Senior Services	$200,000	$35,000
	Job Creation and Retention Small Business Loans - COVID	$2,500,000	($1,225,000)
	Services for Homeless and Unhoused– Street Outreach	$388,490	$200,000
	Emergency Motel Voucher Program (families)	$2,088,839	$1,000,000
	Rental Assistance – COVID Supportive Services for DV	New	$147,410
	Rental Assistance - COVID Supportive Services	New	$177,661
	Additional Carryover from previous year	New	($335,071)
		Net Change	**$0**
CDBG FY 2020-21	Job Retention and Creation	$950,000	($8,000)
	Enhanced Code Enforcement	$1,258,339	($758,339)
	Acquisition/Rehab, Infrastructure	$97,213	($97,213)
	Plaza Hotel Rehabilitation	New	$1,064,777
	Additional Carryover from previous years	New	($201,225)
		Net Change	**$0**
CDBG - CV1	Grant Administration (City Admin)	$1,052,682	$263,171
	Homelessness – General COVID	$4,210,732	($1,695,731)
	Rental Assistance – COVID Supportive Services	New	$1,000,000
	Vaccine Outreach	New	$432,560
		Net Change	**$0**
CDBG - CV3	Grant Administration (City Admin)	New	$1,515,702
	Child Care – COVID	New	$2,000,000
	Meals – Non-Congregate Shelters - COVID	New	$453,000
	Emergency Interim Housing (EIH) Operations	New	$400,000
	Emergency Motel Vouchers Program (families)	New	$2,031,404
	Legal Services – COVID Eviction Protection	New	$1,178,404
		Total	**$7,578,510**
ESG - CV1	No Change		
ESG - CV2	Emergency Interim Housing (EIH) Operations	$9,519,438	($400,000)
	Plaza Hotel Operations	New	$400,000
		Net Change	**$0**
HOME FY 2019-20	Catholic Charities of Santa Clara County	$2,400,000	($944,500)
	Bill Wilson Center	$1,000,000	$389,243
	YWCA	$121,161	$10,000
	Next Door Solutions to Domestic Violence	$346,485	$545,257
		Net Change	**$0**
HOME FY 2020-21	Catholic Charities of Santa Clara County	$1,600,000	($1,600,000)
	Bill Wilson Center	New	$122,757
		Net Change	**($1,477,243)**

Only Activities with proposed changes are listed above

Proposed Newly Funded Activities

The ESG and CDBG CARES Act funds must be used to prevent, prepare for, and respond to the coronavirus (COVID-19). The Housing Department is proposing to amend several contracts to redirect funds and add additional funding to a variety of nonprofits providing COVID-19 response.

Support for DV Survivors - Participating in monthly Domestic Violence Agency Consortium (DVAC) meetings, staff has identified that survivors of domestic violence and their families are especially financially vulnerable at this time and in need of assistance. Survivors are usually single parent households and therefore have only one income, so loss of any income can be devasting. In addition, COVID-related stress and unemployment has led to an increase in domestic violence events. Departing survivors often have few or no assets, as they may need to leave with little advance planning. YWCA is currently operating a rental assistance program for victims of domestic violence. YWCA has seen an increased need for rental assistance, emergency motel vouchers, and supportive services during the COVID-19 emergency. This substantial amendment provides $81,835 in additional funding to YWCA to continue their COVID-19 response. The amendment also provides $65,575 to Next Door Solutions to Domestic Violence to continue emergency motel stays as part of their COVID-19 response.

Shelter Support - Responding to the COVID-19 emergency, the Housing Department has focused much of its efforts over the last year operating emergency shelters throughout San José. These shelters allow homeless individuals and families to shelter-in-place and to prevent the spread of COVID-19. They also replaced bed capacity after an initial reduction due to social distancing in existing shelters. Shelters were operated at Bascom Community Center and Parkside Hall from April to September. The shelters at Camden Community Center and the Convention Center's South Hall are still in operation. Since the start of the pandemic response, the temporary shelters have served over 2,700 individuals. This Substantial Amendment provides $2,482,218 in additional funding to continue operating South Hall through August if needed. The operation is dependent on availability of the space at the convention center. The Camden Community Center will operate until the end of May, when the Department of Parks, Recreation and Neighborhood Services will need the space for other programming.

Emergency Motel Vouchers – Before the pandemic, LifeMoves operated the City's first emergency hotel voucher program for homeless families. During the pandemic, with homeless families struggling to find safe options to shelter-in-place and prevent the spread of COVID-19, the Housing Department expanded the program with additional CARES Act funding. The Housing Department is proposing to continue the program and has identified $1,000,000 of additional CDBG funds to direct toward emergency hotel vouchers. LifeMoves has as an existing contract to operate the City's Motel Voucher Program and has capacity to take on the additional funding and to increase its services.

Rental Assistance - The Housing Department is proposing to extend HOME funded Tenant Based Rental Assistance Program agreements with Next Door Solutions, Bill Wilson, and Sacred Heart, through June 30, 2021 to continue providing direct assistance to low-income households experiencing housing related financial hardships as a result of the pandemic. The Housing

Department is proposing to augment these HOME agreements with a combined $177,661 in CDBG funding to provide case management support to program participants.

Meal Programs - The City's Emergency Operations Center has been charged with the responsibility of leading County-wide food distribution in response to COVID-19. This Substantial Amendment provides an additional $453,000 in CDBG-CV3 funds to support those efforts. Additionally, the Substantial Amendment provides $35,000 to POSSO to continue their meal program serving seniors.

Plaza Hotel - Since April 2020, The Plaza Hotel has been sheltering older adults with underlying health conditions who would be extremely vulnerable if they were to contract COVID-19. The Plaza currently has 23 of the 46 rooms reserved for COVID-19 response. The Substantial Amendment provides $400,000 in funding for operations to expand the number of rooms available to the COVID-19 response. Approval will allow up to 40 rooms to be used for emergency placement of vulnerable persons during the COVID-19 emergency. Additionally, the amendment provides $1,064,777 in CDBG CDI funds to make necessary repairs and upgrades to the Plaza hotel, including significant plumbing repairs.

Vaccination Outreach – In coordination with the City's Emergency Operations Center, the City's Housing Department is proposing to fund efforts to extend education and outreach to underserved populations. These efforts would be focused on areas of highest risk, including lower income areas where residents have been hit hardest. The City will incorporate these outreach services into existing non-profit agreements which already serve the target populations. Just over $432,500 will be directed to this use.

CDBG-CV3

The City received an award of $7,578,510 in CDBG-CV3 funding in late September. These funds must be used to prevent, prepare for, and respond to the coronavirus (COVID-19). Based on the needs identified through the City's EOC, non-profit services providers, and other key community stakeholders, the Administration is proposing to fund the following activities with CDBG CV3 to expeditiously respond to the impacts of the pandemic on the hardest hit communities:

Childcare Services – In coordination with the City's EOC and Parks, Recreation and Neighborhood Services Department, $2,000,000 will be allocated for childcare services that will serve low-income neighborhoods. The EOC will return to City Council with details on programs and services to be provided under this activity. This action creates the opportunity to fund this under the CDBG program.

Meals Program – As mentioned above, the Substantial Amendment allocates $453,000 for meal delivery services coordinated by the City's emergency food distribution team providing delivery of meals to our most vulnerable residents. Seniors, disabled residents, homeless residents, low-income individuals, and low-income families will be served by food services through CDBG funds.

Emergency Interim Housing (EIH) – A significant portion of EIH operations funding will be funded through the ESG CV allocations. However, $400,000 of ESG CV funds previously allocated will be redirected to assist the operation of the Plaza Hotel. While CDBG is generally the City's largest and most flexible source of funds, using ESG for the Plaza Hotel offers additional flexibility that CDBG does not. The $400,000 redirected from the ESG CV2 EIH allocation will be replaced with CDBG-CV3 funds.

Emergency Motel Voucher Program – While homeless persons in general are vulnerable, families with minor children are especially vulnerable. Motel vouchers add capacity to the homeless shelter system when emergency shelters are full. The motel voucher program plays a critical role in the COVID-19 response to homelessness by providing safe, non-congregate shelter. All of the family emergency shelters in the County are located in San José, and typically at full capacity, leaving some families without immediate shelter options. Vulnerable families continue to experience financial hardships as a result of the pandemic. To continue to support families with their interim housing and shelter needs, the administration is proposing to fund an additional $2,031,404 for this program.

Legal Services – With the State moratorium on evictions scheduled to end soon, the City is preparing for a large increase in evictions across the City. As has been well documented, evictions disproportionately impact low-income communities and communities of color. In preparation for the potential "eviction cliff" facing San José residents, the Administration is targeting $1,178,404 to support legal services for households facing eviction due to COVID-19 related hardships. The Housing Department will amend existing agreements with its legal services consortium led by the Law Foundation of Silicon Valley.

Grant Administration – Recognizing the significant requirements associated with managing CDBG funds, HUD allows City's to use up to 25% of the grant allocation plus projected program income to fund planning and oversight of CDBG programs. This includes fund management, contract development and oversight, compliance monitoring, financial reconciliation and payments as well as the City Attorney's Office and Department of Planning, Building and Code Enforcement. The Housing department has set aside $1,515,702 (20%) for this purpose.

Proposed Changes

The following changes are included in the Substantial Amendment draft in **Attachment A**:

Senior Services – An additional $35,000 in CDBG funding is proposed to be added to the agreement with Portuguese Organization for Social Services Opportunities (POSSO) to support senior services including meals during the Shelter in Place order.

Job Creation – In April 2020, the City Council approved an award of $2,500,000 in CDBG funds to The Opportunity Fund, a San José nonprofit lender specializing in small business lending, to provide business support funding to San José microenterprises. The program provided $15,000 grants to help local businesses cope with the COVID economic downturn by providing

funds needed for working capital and business restarting costs that resulted in low-income jobs being retained and/or created.[7] Qualifying businesses were located in San José, owned by low-income owners living in Santa Clara County with five or fewer full-time employees. The Opportunity Fund found that the program was undersubscribed due to the substantial amount of paperwork required under CDBG rules to validate business owners' household incomes and underwrite the businesses' viability. Unfortunately, HUD's regulations that reduced some paperwork requirements came too late in the program launch to be able to be used. The Opportunity Fund was unable to extend deadlines or conduct a second round due to the need to follow rules regarding no supplanting of funds, and other commitments including the launch of a new Statewide loan fund. Therefore, the Substantial Amendment will decrease the Opportunity Fund's initial award by the amount unused, $1,225,000. Additionally, $8,000 of uncommitted funds allocated to this use will be redirected to other activities listed in the proposed Amendment.

Services for Homeless and Unhoused - Street Outreach – $200,000 of CDBG funding will be added to the existing with agreement with HomeFirst of Santa Clara County to support street outreach to the unhoused population during the Pandemic. The additional CDBG funding would otherwise need to be funded with the limited and more flexible Housing Trust Fund (HTF).

Enhanced Code Enforcement – Due to vacancies in the Code Enforcement Division, there will be a $758,339 unexpended balance of funds allocated to enhanced code enforcement services this fiscal year. These funds will be redirected to support the COVID responses listed in the Amendment. Housing staff will work with Code Enforcement to evaluate the funding needs for this targeted code enforcement services for the upcoming fiscal year.

Acquisition/Rehabilitation and Infrastructure - $97,213 of allocated but uncommitted funding will be redirected to other COVID-related projects or services identified in the Substantial Amendment.

Homelessness – In the Second Substantial Amendment recommendations approved by City Council on June 30, 2020, $4,210,732 was allocated to support the large array of homelessness projects and services. Since June, the City has received additional federal ESG funding and State funding to support these critical homeless projects and services. As a result, $1,695,731 of this allocation will be redirected to fund rental assistance support services, vaccine outreach, and grant administration (see Table 2: CDBG-CV1 for specific amounts).

Rental Assistance COVID-19 – In June 2020, the City Council approved an award of $2,400,000 in HOME 19-20 funds to Catholic Charities of Santa Clara County to provide emergency rental assistance services to low-income households and families impacted by COVID-19. Catholic Charities ended their contract term with $944,500 of unexpended 19-20 HOME funds. The Substantial Amendment decreases the initial 19-20 HOME award by $944,500. The Substantial

[7] While the program was initially going to provide low-interest microenterprise loans, the City and The Opportunity Fund could not determine a structure able to be approved by The Opportunity Fund's other capital lenders; therefore, the program had to be shifted to make grants instead, which were more beneficial for tiny low-income businesses at that time during the pandemic.

Amendment reallocates Catholic Charities' unexpended 19-20 HOME funds to Bill Wilson Center, YWCA, and Next Door Solutions to Domestic Violence.

Rental Assistance COVID-19 - Also in June 2020, City Council approved an award of $1,600,000 in HOME 20-21 funds to Catholic Charities of Santa Clara County to provide emergency rental assistance services to low-income households and families impacted by COVID-19. Catholic Charities ended their contract term with $1,600,000 of unexpended 20-21 HOME funds. The Substantial Amendment decreases the initial 20-21 HOME award by $1,600,000. The Substantial Amendment reallocates $122,757 of Catholic Charities' unexpended 20-21 HOME funds to Bill Wilson Center.

Rental Assistance COVID-19 – In June 2020, the City Council approved an award of $1,000,000 in 19-20 HOME funds to Bill Wilson Center to provide emergency rental assistance services to low-income households and families impacted by COVID-19. The Substantial Amendment increases the initial award by $389,243 in 19-20 HOME funds. The Substantial Amendment also increases the initial award by $122,757 in 20-21 HOME funds.

Rental Assistance COVID-19 – In June 2020, the City Council approved an award of $121,161 in 19-20 HOME funds to YWCA to provide emergency rental assistance services to victims of domestic violence and their families. The Substantial Amendment increases the initial award by $10,000 in 19-20 HOME funds. The Substantial Amendment also increases YWCA's HTF award by $45,480 to provide client financial support to meet basic needs, increase self-sufficiency, and assist with costs associated with moving.

Rental Assistance COVID-19 – In June 2020, the City Council approved an award of $346,485 in 19-20 HOME funding to Next Door Solutions to Domestic Violence to provide emergency rental assistance to victims of domestic violence and their families. The Substantial Amendment increases the initial award by $545,257 in 19-20.

CONCLUSION

The public hearing provides an opportunity to the Housing and Community Development Commission and the public to provide comment on the proposed amendments to the City's 2019-20 and 2020-21 Annual Action Plans at this publicly-noticed meeting.

The Substantial Amendments to both Plans will enable the City to promptly use federal funding made available in the CDBG and ESG programs by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to be spent in FY 2020-21 to respond to local needs created by the Coronavirus Disease 2019 (COVID-19). The funds will be used for City food services for homeless, senior, and disabled residents; homeless services; emergency hotel/motel vouchers for families; rental assistance support services; childcare; and, emergency shelter operations.

PUBLIC OUTREACH

This memorandum has been posted on the City's website for a public hearing on March 11, 2021. The Substantial Amendments are also posted on the Housing Department's website at www.sjhousing.org. The Housing Department also sent an e-blast to inform the public of this item five days prior to its hearing, which was directed to approximately 880 email recipients. Additionally, the notice contained translations in four additional languages of how recipients could get additional information. Longer and more formal public outreach typically required by HUD per the City's Citizen Participation Plan is waived currently per HUD waivers.

/s/
JACKY MORALES-FERRAND
Director of Housing

For questions, please contact Ragan Henninger, Deputy Director at ragan.henninger@sanjoseca.gov.

Attachment A: Fourth Substantial Amendment to the FY 2019-20 Annual Action Plan and Second Substantial amendment to the FY 2020-2021 Plan

ATTACHMENT A

City of San José
Fourth Substantial Amendment to the FY 2019-20 Annual Action Plan and Second Substantial Amendment to the FY 2020-21 Annual Action Plan
SUMMARY

1. On page 48 of the approved 2019-20 Annual Action Plan, amend the estimated CDBG, CDBG CV 1, CDBG CV 3 and ESG CV 2, and Activities in section AP-38 Project Summary, as follows:

AP-38 Projects Summary

Project Summary Information

Table 1 – Project Summary

	Project Name	Target Area	Needs Addressed	Funding	GOI
1	Senior Services	N/A	• Strengthening Neighborhoods	CDBG: ~~$200,000~~ $235,000	~~200~~ 235 persons assisted
2	Neighborhood Engagement	N/A	• Strengthening Neighborhoods	CDBG: $200,000	250 persons assisted
3	Legal Services for LI Tenants	N/A	• Strengthening Neighborhoods	CDBG: $375,000	300 persons assisted
4	Job Training for Unhoused Individuals	N/A	• Strengthening Neighborhoods • Homelessness	CDBG: $500,000	10 Jobs created
5	Place Based Street and Infrastructure Enhancements	N/A	• Strengthening Neighborhoods	CDBG: $2,410,000	1,000 persons assisted
6	Targeted Code Enforcement	N/A	• Strengthening Neighborhoods	CDBG: $702,037	775 housing units
7	Minor Home Repair Program	N/A	• Strengthening Neighborhoods	CDBG: $2,050,000	325 housing units
8	HOPWA – The Health Trust	N/A	• Affordable Housing	HOPWA: $1,190,410	105 persons assisted

9	HOPWA – San Benito County	N/A	• Affordable Housing	HOPWA: $50,000	5 persons assisted
10	Rental Housing Development	N/A	• Affordable Housing	HOME: $10,139,416 CHDO: $485,872	50 housing units
11	HOME TBRA	N/A	• Homelessness	HOME: $7,762,579	653 persons assisted
12	Services for Homeless and Unhoused Populations (CDBG)	N/A	• Homelessness	CDBG: ~~$388,490~~ $588,490	160 persons assisted 800 outreach contacts
13	Homeless Services (ESG18 City of San José)	N/A	• Homelessness	ESG: $757,502	150 persons assisted 700 outreach contacts
14	Fair Housing	N/A	• Fair Housing	CDBG: $318,896 HOME: $81,104	220 persons assisted
15	Acquisition, rehabilitation, and infrastructure for affordable housing sites and public facilities	N/A	• N/A	CDBG: **$105,000**	N/A
16	CDBG Administration and Monitoring	N/A	• N/A	CDBG: $1,632,424	N/A
17	HOME Administration and Monitoring	N/A	• N/A	HOME: $242,810	N/A
18	HOPWA Administration and Monitoring	N/A	• N/A	HOPWA: $38,363	N/A
19	City Food Services – COVID-19	N/A	• Strengthening Neighborhoods	CDBG: $1,200,000	TBD
20	Job Creation and Retention Small Business Loans – COVID-19	N/A	• Strengthening Neighborhoods	CDBG: ~~$2,500,000~~ $1,275,000	90
21	Emergency Hotel/Motel	N/A	• Homelessness	CDBG: ~~**$2,088,839**~~	TBD

	Vouchers – COVID-19			**$3,088,839**	
22	Emergency Homeless Shelter Operations – COVID-19	N/A	• Homelessness	CDBG: $515,000	TBD
23	CDBG-CV (2019)	N/A	• Homelessness	CDBG: ~~$4,210,732~~ **$2,515,001**	TBD
24	ESG-CV (2019)	N/A	• Homelessness	ESG: $2,683,479	TBD
25	HOPWA-CV (2019)	N/A	• Affordable Housing	HOPWA: $188,657	TBD
26	CDBG-CV Administration and Monitoring	N/A	• N/A	CDBG: ~~$1,052,682~~ **$1,315,853**	N/A
27	HOPWA-CV Administration and Monitoring	N/A	• N/A	HOPWA: $20,961	N/A
28	Childcare Services – Shelter-in-place Calming Kits	N/A	• Strengthening Neighborhoods	CDBG: $400,00	5,292
29	Street Outreach and Support Services: Increasing street outreach teams and services to support people living in encampments	N/A	• Homelessness	ESG CARES 2: $3,403,982	TBD
30	Hygiene/Infection Control: Providing hygiene and waste management related services to help control the spread of infectious disease	N/A	• Homelessness	ESG CARES 2: $3,882,000	TBD
31	Housing: Increasing access to housing opportunities and shelter	N/A	• Homelessness	ESG CARES 2: ~~$22,264,018~~ $21,864,018	TBD
32	Administration	N/A	• N/A	ESG CARES 2: $3,286,839	TBD

33	Emergency Rental Assistance - Services	N/A	• Affordable Housing	CDBG: $325,071	TBD
34	CDBG CV1 - Emergency Rental Assistance – Services -COVID	N/A	• Affordable Housing	CDBG CV1: $1,000,000	TBD
35	CDBG CV1 - Vaccine Outreach to Low-income residents COVID	N/A	• Strengthening Neighborhoods	CDBG CV1: $432,560	TBD
36	CDBG CV3 - Grant Administration	N/A	• N/A	CDBG CV3: $1,515,702	TBD
37	CDBG CV3 – Childcare - COVID	N/A	• Strengthening Neighborhoods	CDBG CV3: $2,000,000	TBD
38	CDBG CV3 - Meal Program - COVID	N/A	• Strengthen Neighborhoods	CDBG CV3: $435,000	TBD
35	CDBG CV3 – Emergency shelter/Interim Housing Operations - COVID	N/A	• Homelessness	CDBG CV3: $400,000	TBD
36	CDBG CV3 - Emergency Motel Voucher Program	N/A	• Homelessness	CDBG CV3: $2,031,404	TBD
37	CDBG CV3 – Legal Services for Low-income Households - COVID	N/A	• Housing	CDBG CV3: $1,178,404	TBD

- - - - END OF FY 2019-20 ANNUAL ACTION PLAN AMENDMENT - - - -

2. On page 148-159 of the approved 2020-2021 Annual Action Plan, amend the estimated CDBG Activities in section AP-38 Project Summary, as follows:

4	**Project Name**	Job Training
	Target Area	N/A

	Goals Supported	Strengthening Neighborhoods and/or Respond to Homelessness and Its Impacts on the Community
	Needs Addressed	Strengthening Neighborhoods and/or Respond to Homelessness and Its Impacts on the Community
	Funding	CDBG: $250,000; CDBG CDI: ~~$950,000~~ $942,000
	Description	The program will support job training for low-income individuals, focused on homeless individuals and/or youth/young adults (ages 16-24). Community outreach related to the Annual Action Plan highlighted a community need for job training, especially for unhoused individuals and youth/young adults. This program must meet the national objective of low/moderate job creation and retention (LMJ) as well as the required Public Benefit Standards Activities must create or retain permanent jobs to be made available or held by low/moderate income persons. This requirement is met when job training participants are placed in permanent jobs. In addition, in order to be eligible for CDBG funding the job training must be tied to assistance to for-profit businesses. Nonprofit entities, including Community Based Development Organizations, are eligible to apply.
	Target Date	06/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	10 jobs created
	Location Description	1671 The Alameda #306, San José, CA 95126
	Planned Activities	Downtown Streets Team

6	**Project Name**	Enhanced Code Enforcement
	Target Area	N/A
	Goals Supported	Strengthening Neighborhoods
	Needs Addressed	Strengthening Neighborhoods
	Funding	CDBG: ~~$1,258,339~~ $500,000
	Description	Code Enforcement activities will be conducted in low-income, residential neighborhoods that meet the City's definition of "Deteriorated/Deteriorating Areas" with a focus in the City's Project Hope Neighborhoods. Code Enforcement's focus will be primarily on the inspections of multifamily units, with ancillary focus on single family.
	Target Date	06/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	775 households in selected neighborhoods
	Location Description	Santee, Mayfair, Five Wounds/Brookwood Terrace, and additional Project Hope Neighborhoods identified through the Mayor's Gang Prevention Task Force

	Planned Activities	Neighborhood Code Enforcement

16	**Project Name**	Acquisition, Rehabilitation, and Infrastructure for Affordable Housing Sites and Public Facilities
	Target Area	N/A
	Goals Supported	N/A
	Needs Addressed	N/A
	Funding	CDBG: $~~247,213~~ $1,064,777
	Description	CDBG funds will be used to support the acquisition, rehabilitation, and infrastructure for affordable housing sites and public facilities. Including rehabilitation and repairs to the City owned Plaza Hotel. The Plaza hotel was converted to an SRO several years ago and recently (2018) received minor rehabilitation for use as an interim Housing facility for homeless adults. During the pandemic the Plaza has transitioned to sheltering vulnerable homeless adults with high risk of severe illness or death if they contract COVID-19. These funds will be used to support need to make critical repairs and upgrades required to fully utilize the facility.
	Target Date	06/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	N/A
	Location Description	N/A
	Planned Activities	TBD

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