




CITY COUNCIL ACTION REQUEST

Department(s): Housing	CEQA: Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.	Coordination: CAO, CMO – Budget Office	Dept. Approval: /s/ Ragan Henninger Deputy Director
Council District(s): Citywide			CMO Approval:  6/10/2021

SUBJECT: EMERGENCY RENTAL ASSISTANCE AGREEMENT WITH DESTINATION: HOME SV

RECOMMENDATION:

Adopt a resolution authorizing the City Manager to negotiate and execute a contract with Destination: Home SV, a supporting organization of Silicon Valley Community Foundation, in an amount not to exceed \$2,112,000 through December 31, 2022 to assist low-income San José residents with obtaining assistance for rental and utility relief.

BASIS FOR RECOMMENDATION:

In 2020, the City Council allocated \$30 million in federal Coronavirus Relief Funds for Local Assistance efforts, including rental relief and direct financial assistance to low-income San José residents. On December 8, 2020, the City Council approved the rebalance of Coronavirus Relief Funds, which included outstanding funds allocated for rental and financial assistance for residents impacted by COVID-19 and the pandemic-related job loss, as well as the leveraging of General Fund resources previously set aside in the 2020-2021 Continuity of Operations Reserve. Included in that approval was authority for the City Manager to negotiate and execute amendments to existing emergency operations contracts funded with Coronavirus Relief Funds in accordance with the approved Appropriation Ordinance and Funding Sources Resolution amendments, to revise the scope of services, extend the term to a date no later than June 30, 2021, and increase the amount awarded, provided the amount of any increase to any single award shall not exceed \$1,000,000.

Currently, Destination: Home SV and Sacred Heart Community Service serve as the co-lead agencies of the countywide Homelessness Prevention System. On March 23, 2021, Council approved partnering with these agencies and the County of Santa Clara to implement, in partnership with a countywide program, the \$30.3 million in federal Emergency Rental Assistance fund that the City received on January 2021. Sacred Heart Community Service administers the 21 Homelessness Prevention System partners, while Destination: Home SV administers contracts with 26 grassroots and community partners.

The Housing Department and Emergency Operations Center’s Community and Economic Recovery Branch have been pivoting existing agreements, in accordance with prior Council direction, to ensure that more restrictive federal and state funds are maximized and that the rental and financial assistance continue to reach our most vulnerable residents.

The \$2.1 million General Fund allocation recommended here was initially allocated to fund Sacred Heart Community Service’s rental and financial assistance efforts. Sacred Heart Community Service was able to leverage partner agencies’ existing, more restrictive, local Housing Authority Litigation Award funds to help a number of San José families and these funds remain. Within the previously authorized Local Assistance budget, the Administration recommends moving the \$2.1 million General Fund allocation from Sacred Heart

Community Service Community Service to Destination: Home SV where it can be used to fund the grassroots and community partnership efforts related to implementing the federal Emergency Rental Assistance program and provide flexible direct assistance where federal funds cannot meet a family's housing stabilization needs.

Staff notes that the federal Emergency Rental Assistance funds cap case management and staffing costs at 10 percent, but based on our successful 2020 program, we know that our most socially disadvantaged and economically vulnerable families often need case management and application assistance services that exceed this federal limit.

Approval of this item will enable existing budgeted funds to be used as Council previously approved, but through the partner coordinating the grassroots and community partner agencies.

Additionally, \$88,100 was allocated in the City Council-approved Mayor's June Budget Message for Fiscal Year 2020-2021 for resident assistance with the following direction:

The City Manager shall allocate \$88,100 in one-time funds from the Essential Services Reserve and the City Clerk shall allocate \$111,900 from Council District 4's Office Budget to support Councilmember Diep's interest in an economic assistance program for the neediest residents in District 4. These funds are contingent on the Councilmember's ability to secure a nonprofit to administer the program. If a partner cannot be identified, the \$88,100 from the Essential Services Reserve should be contributed to citywide resident assistance efforts as a part of Silicon Valley Strong. (BD #61 Diep)

A nonprofit was not identified to administer the District 4 program. Destination: Home SV is the lead agency for the resident assistance efforts through the Silicon Valley Strong fund, as well as a lead partner in the Emergency Rental Assistance effort. The Administration recommends also allocating this \$88,100 to Destination: Home to fund the grassroots and community partnership efforts as they are a trusted partner in the community and have an extensive network of nonprofits.

While the actions outlined in this memorandum are in alignment with the previously approved Local Assistance funding program, the Administration is required to bring this item to Council for approval as the shift totals more than \$1 million and the contract end date is after June 30, 2021 (which will align service delivery with the Emergency Rental Assistance program timeline).

Climate Smart San Jose: The recommendation in this memo has no effect on Climate Smart San José energy, water, or mobility goals.

Commission Recommendation/Input: No commission recommendation or input is associated with this action.

COST AND FUNDING SOURCE:

The total cost for this agreement with Destination: Home SV shall not exceed up to \$2,112,000, which includes the reallocation of resources within the Local Assistance City-Wide Expenses appropriation previously encumbered with Sacred Heart Community Service and the Council District #4 Economic Assistance Program City-Wide Expenses appropriation as established with City Council's approval of the Mayor's June Budget Message for Fiscal Year 2020-2021.

FOR QUESTIONS CONTACT: Michelle McGurk, Assistant to the City Manager and Assistant Director, Community and Economic Recovery Branch, Emergency Operations Center, at (408) 535-8254.