



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jacky Morales-Ferrand

SUBJECT: SEE BELOW

DATE: September 16, 2020

Approved

Date

9/18/20

SUBJECT: SUBSTANTIAL AMENDMENTS FOR TECHNICAL REASONS TO THE FY 2015-20 CONSOLIDATED PLAN AND THE FY 2019-20 ANNUAL ACTION PLAN, AND REVISION TO THE FINAL DRAFT FY 2020-21 ANNUAL ACTION PLAN, FOR FUNDS RECEIVED FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT IN THE SECOND ROUND ALLOCATION OF FUNDING UNDER THE CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT

RECOMMENDATION

Hold a public hearing and adopt a resolution to approve the following changes made for technical reasons to spend funds received from the U.S. Department of Housing and Urban Development (“HUD”) in the second round allocation of Emergency Solutions Grant (“ESG”) funds awarded by HUD pursuant to the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act:

- (a) A Second Substantial Amendment to the FY 2015-20 Consolidated Plan to add hygiene and sanitation services as eligible uses of ESG funds;
- (b) A Third Substantial Amendment to the City’s FY 2019-20 Annual Action Plan to add the same expenditure plan for ESG CARES Act Round Two allocation as was approved by the City Council on August 11, 2020 in connection with adoption of the City’s Final Draft FY 2020-21 Annual Action Plan, and a revision to remove that same ESG CARES Act Round Two expenditure plan from the City’s Final Draft FY 2020-21 Annual Action Plan, to satisfy HUD’s technical guidance for Substantial Amendments for CARES Act funding; and
- (c) Authorize staff to submit the Substantial Amendments to HUD.

OUTCOME

Approval of these Substantial Amendments will enable the City to comply with HUD's technical guidance to promptly spend the \$32,836,839 in the City's allocation of ESG CARES Act Round Two allocation. These amendments will move the ESG CARES Act Round Two expenditure plan approved by the City Council on August 11, 2020 from the Final Draft FY 2020-21 Annual Action Plan to the City's FY 2019-20 Annual Action Plan without any changes to the expenditure plan.

BACKGROUND

On April 21, 2020, the City Council approved the first substantial amendment to the City's FY 2019-20 Annual Action Plan. The amendment changed the City's planned uses of existing Community Development Block Grant ("CDBG") funds and accepted additional allocations of CDBG, ESG, and Housing Opportunities for Persons with Aids ("HOPWA") awarded by HUD pursuant to the CARES Act to respond to local needs created by COVID-19. The City received \$2,683,479 in ESG CARES Act funding in the first round of awards, and received \$32,836,839 in the second round of awards.

On August 11, 2020, the City Council approved [actions](#) related to federal entitlement funding, including the adoption of the five-year FY 2020-25 Consolidated Plan and the FY 2020-21 Annual Action Plan. The FY 2020-21 Annual Action Plan included the expenditure plan for the City's ESG CARES Act Round Two funding of \$32,836,839 (**Attachment A**). That expenditure plan includes: enhancing services to unsheltered individuals in encampments; supporting operations of emergency shelters; funding hotel/motel vouchers for non-congregate shelter provision; providing rapid rehousing opportunities for homeless residents; and enhancing hygiene and sanitation in homeless encampments.

On August 26, 2020, HUD clarified by email to Housing Department staff that the City's subsequent awards of CARES Act funds must be allocated and programmed in the same Annual Action Plan (FY 2019-20) as the first round allocation of CARES Act HUD funding. This is true regardless of the timing of the receipt or expenditure of the funds. By keeping it in the same Annual Action Plan, staff will be able to enter information into HUD's data system consistent with HUD's direction, and HUD will be able to approve it as quickly as possible.

Per the City's latest version of its Citizen Participation Plan ("CPP"), which the City Council approved on August 4, 2020, substantial amendments to Annual Action Plans and Consolidated Plans are required when a change:

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 proposed amendments constitute substantial amendments. However, ESG CARES Act funds are not subject to the consultation and citizen participation requirements that otherwise apply to the Emergency Solutions Grant program under 24 CFR 91.100 and 91.105 as long as the ESG CARES Act expenditure plan is posted to the City's website. Therefore, the City need not comply with its CPP. In lieu of complying with the CPP, a public hearing is being conducted and the ESG CARES Round Two allocation expenditure plan is being posted to the Housing Department's website at www.sjhousing.org on its FY 2015-20 Consolidated Plans webpage. In addition, the Housing Department sent e-blasts to inform the public of this public hearing before the City Council which were directed to approximately 900 email recipients, and posted notifications of the public meeting on social media.

ANALYSIS

The City's first round of ESG CARES Act allocation was recognized and appropriated in the City Council's approval of the first Substantial Amendment to its FY 2019-20 Annual Action Plan on April 21, 2020. Per HUD's recent guidance on Substantial Amendments for CARES Act funding, the ESG CARES Round Two allocation must be recognized through a further amendment to the same FY 2019-20 Plan that included the first round allocation of ESG CARES Act funding.

Hygiene and sanitation services in homeless encampments were not specified as eligible uses of funds in the 2015-20 Consolidated Plan. Therefore, the Department proposes that these uses be added to the FY 2015-20 Consolidated Plan so that ESG CARES Act Round Two allocation awarded to the City can be spent consistent with the ESG CARES Act Round Two expenditure plan adopted by the City Council on August 11, 2020. As that Consolidated Plan was first amended in April 2020, this would be the second amendment to that plan.

The City's FY 2019-20 Annual Action Plan has already been amended twice to fund urgent needs of the community related to the COVID-19 crisis. This Third Substantial Amendment simply will move the spending plan for \$32,836,839 in ESG CARES Act Round Two funds from the FY 2020-21 Annual Action Plan to the FY 2019-20 Annual Action Plan. No changes are being proposed to the ESG CARES Act spending plan previously approved by the City Council on August 11, 2020.

As set forth above, the proposed changes qualify as substantial amendments per criteria one and three listed above, and the Department requests that the City Council approve both the Second Substantial Amendment to the FY 2015-20 Consolidated Plan and the Third Substantial Amendment to the FY 2019-20 Annual Action Plan (**Attachment B**).

HUD has not yet indicated its acceptance of the Final Draft FY 2020-25 Consolidated Plan and FY 2020-21 Annual Action Plan that the City Council approved on August 11, 2020. For that reason, it is not necessary from HUD's perspective to make a "substantial amendment" to the FY 2020-21 Annual Action Plan, as it is not a final plan until HUD accepts it. Thus, this action

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formally amends only the older Plans by adding the ESG activities, and simply “revises” the new Plans by removing the same ESG activities.

CONCLUSION

The proposed technical changes to last year’s Annual Action Plan and last cycle’s Consolidated Plan will enable the City to obtain HUD’s approval pursuant to its technical guidance of the expenditure plan for ESG CARES Act Round Two funding already approved by the City Council on August 11, 2020. The timely submittal of these Amendments to HUD will enable the City to receive and to distribute approximately \$32.8 million in ESG CARES Act Round Two funds from HUD.

EVALUATION AND FOLLOW-UP

The City Council will receive annual updates through the Consolidated Annual Performance and Evaluation Report (CAPER), which reports progress toward achieving goals identified in each year’s Annual Plan after the end of each Annual Plan year.

CLIMATE SMART SAN JOSE

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

PUBLIC OUTREACH

ESG CARES Act funds are not subject to the consultation and citizen participation requirements that otherwise apply to the Emergency Solutions Grant program under 24 CFR 91.100 and 91.105, including the City’s CPP. In lieu of complying with the consultation and citizen participation requirements for the ESG program, the CARES Act requires that the City publish how it has used and will use its allocation, at a minimum, on the City government’s website.

This memorandum has been posted on the City’s website for approval by the City Council on September 22, 2020. The memorandum is also on the Housing Department’s website at www.sjhousing.org on its FY 2015-20 Consolidated Plans [webpage](#). In addition, the Housing Department sent e-blasts to inform the public of this public hearing before the City Council which were directed to approximately 900 email recipients and posted notifications of the public meeting on social media. The public notice regarding this hearing contained translations in four additional languages (Spanish, Vietnamese, Chinese and Tagalog), per the City’s Language Access Plan, of how recipients can obtain additional information.

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The efforts to publicize this change are in addition to the efforts already made to publicize the ESG CARES Act Round Two expenditure plan in August 2020. The expenditure plan was posted to the City's website for three public hearings in August and a link to the plan was sent via e-blast to approximately 900 recipients three different times with translations in the same four languages listed above, with the notices also publicized through social media.

COORDINATION

Preparation of this report has been coordinated with the City Attorney's Office and City Manager's Budget Office.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

FISCAL/POLICY ALIGNMENT

The new activities identified in this Substantial Amendment to the FY 2019-20 Annual Action Plan are consistent with the priorities established in the City Council-approved FY 2015-20 HUD Consolidated Plan of serving the needs of homeless residents in San José. They are also consistent with the new *Community Plan to End Homelessness 2020-25*, which the City Council endorsed on August 25, 2020.

COST SUMMARY/IMPLICATIONS

This action moves the \$32,836,839 in ESG CARES Act Round Two expenditure plan from the FY 2020-21 Annual Action Plan to the FY 2019-20 Annual Action Plan for approval by HUD, but not the plan itself. The expenditure plan was approved and the funds were appropriated by the City Council in item 8.1 on August 11, 2020.

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CEQA

Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action; and File No. PP17-004, Government Funding Mechanism or Fiscal Activity with no commitment to a specific project which may result in a potentially significant physical impact on the environment. Specific development projects that are funded as a result of the Consolidated Annual Action Plan are subject to project-specific CEQA clearance.

/s/

JACKY MORALES-FERRAND

Director, Housing Department

For questions, please contact Ragan Henninger, Deputy Director, at (408) 535-3854.

Attachments:

Attachment A: ESG CARES Act Round Two Expenditure Plan and Budget

Attachment B: Draft Second Substantial Amendment to the 2015-20 Consolidated Plan, Draft Third Substantial Amendment to the 2019-20 Annual Action Plan, & Draft Proposed Revision to the FY 2020-21 Annual Action Plan

ATTACHMENT A

ESG CARES Act Round Two Expenditure Plan and Budget

Federal CARES Act Funding and Proposed Uses

| Federal Funding Source | Amount | Proposed Uses |
|---|--------------|--|
| Emergency Solutions Grant (ESG) CARES Act Round Two | \$32,836,839 | <p>Enhanced services to unsheltered individuals in encampments, providing basic needs, dedicated street outreach, behavioral health support, hygiene and waste disposal services, and infection control supplies and resources.</p> <p>Operating support for emergency shelters' costs and for new Emergency Interim Housing sites as well as Bridge Housing sites, including food, rent, security, maintenance, repair, fuel, equipment, insurance, utilities, furnishings, and supplies necessary for their operation.</p> <p>Provision of Hotel/Motel Vouchers for non-congregate, safe shelter for homeless families, victims of domestic violence, and vulnerable individuals.</p> <p>Rapidly rehouse homeless individuals.</p> |

As noted in the staff memo for the City Council hearing on August 11, 2020, staff proposes this additional funding for operation and services at the Mabury and Felipe Bridge Housing Communities and the three Emergency Interim Housing sites. In addition, staff proposes funds for a new program called Services Outreach Assistance and Resources or SOAR. SOAR will provide comprehensive street-based services, hygiene and trash services, and housing and shelter opportunities for homeless encampment residents.

The SOAR Program was designed based on guidance from the Centers for Disease Control and Prevention (CDC). During the COVID-19 public health crisis, the CDC recommends that if individual housing options are not available, people who are living unsheltered or in encampments should remain where they are. The CDC further recommends that community coalitions work to improve sanitation in encampments. In response, the City's Emergency Operations Center has suspended abatements to advance the public health guidance. Locally, Valley Homeless Healthcare Program and Santa Clara County Department of Public Health have begun testing at encampments of 10 people or more. They have requested the City continue to follow CDC guidance on not clearing encampments. Allowing people living in encampments to remain where they are allows for people to maintain service and medical connections and allows for COVID-19 contact tracing.

The SOAR Program in partnership with BeautifySJ will provide comprehensive street-based support and services to those living unsheltered, along with access to proper hygiene and trash service. The recently updated *Community Plan to End Homelessness 2020-2025* for Santa Clara County prioritizes addressing the immediate crisis of people living outside in our community. The Community Plan recommends strategies that invest in the health and safety needs of people living outside and build connections to safety net services and programs.

In alignment with both the current CDC guidance and the *Community Plan to End Homelessness*, the SOAR Program provides a compassionate approach to address the health and safety needs of persons living in encampments. The SOAR Program includes the following three components, each with its own specific strategies:

- 1. Street Outreach and Support Services:** Increasing street outreach teams and services to support people living in encampments.
 - Street outreach: Teams engage by providing basic needs, such as water, clothing, food, and garbage bags. In addition, teams can assess for shelter and housing needs, and provide access to behavioral health services and medical care.
 - Storage: Provide storage for individuals to store personal belongings.
 - Supplies: Providing supplies to encampments such as solar phone chargers, personal protective equipment (PPE), tents, tarps, and other supplies.
 - Community Engagement: Coordination of volunteer outreach teams, potentially including those with lived experience, and supply distribution.

- 2. Hygiene/Infection Control:** Providing hygiene and waste management related services to help control the spread of infectious disease.
 - Hygiene: Placing hygiene equipment such as handwashing stations and portable toilets at large homeless encampments to help slow the spread of COVID-19.
 - Waste Management: Arranging for garbage collection at large homeless encampments to help maintain sanitary conditions.
 - Public Health Info: Providing information in multiple languages to homeless individuals in encampments to help them understand how they can protect themselves from COVID-19.
 - Testing: Working with Valley Homeless Healthcare Program (VHHP) to provide regular COVID-19 testing at encampments of 10 people or more.
 - Showers/Service Connections: In partnership with Project WeHope's Dignity on Wheels, provide increased mobile laundry and shower services by adding a 2nd shower truck in San José service portfolio. Also, City and Project WeHope launched "Hope Health Mobile," a new mobile rest stop offering WIFI, charging stations, case management, and virtual access to Stanford doctors who can answer questions about COVID-19.

- 3. Housing:** Increasing access to housing opportunities and shelter.
 - Shelter: Reserved shelter beds for the encampment management program that will be available to street outreach teams working in the identified encampments.
 - Motel Vouchers: emergency stays at hotels, prioritized for street outreach teams working with those in encampments, as well as vulnerable populations.
 - Shelter Hotline: Pilot a centralized shelter referral hotline to access all shelter beds countywide.
 - Housing Problem Solving: Pilot program with City/County to help homeless individuals identify other immediate housing strategies, rather than shelter, and, if necessary, connect them with services and financial assistance.

ESG CARES Act Round Two-Funded Activities

| Program | Cost | Description | Period | Provider |
|--|---------------------|---|---------------|-----------------------|
| Shelter/Outreach | | | | |
| Street Outreach at encampments | \$2,503,982 | Street-based services, engagement, connections to shelter, housing, critical services | 2 years | PATH/ HomeFirst |
| Storage Program for Unsheltered | \$500,000 | Storage locations near supported encampments. | 2 years | PATH |
| Community Engagement | \$400,000 | Lived experience street outreach, supplies | 2 years | PATH |
| Total Shelter/Outreach | \$3,403,982 | | | |
| Hygiene/Infection Control | | | | |
| Trash Support at Encampments | \$2,779,200 | Trash support and large debris clean up at supported encampments. | 2 years | TBD - RFP |
| Hygiene Support at Encampments | \$1,102,800 | Increase portable toilets/ handwashing stations and servicing at encampments | 2 years | TBD - RFP |
| Total Hygiene | \$3,882,000 | | | |
| Housing | | | | |
| Shelter Beds | \$2,460,400 | Reserved referrals for street outreach team. South Hall operations through winter 20-21 | 4 months | HomeFirst |
| Motel Vouchers | \$4,000,000 | Individuals in encampments and Families and DV | 1 year | LifeMoves |
| Emergency Interim Housing (EIH) Operations | \$9,519,438 | Operations at Monterey/ Bernal, Rue Ferrari, Evans Lane | 1 year | HomeFirst/ PATH |
| Bridge Housing Community (BHC) Operations | \$3,784,180 | Operations at Mabury and Felipe sites | 1 year | HomeFirst |
| Rapid Rehousing (RRH) | \$2,000,000 | Case management | 1 year | TBD - RFP for Service |
| Shelter diversion/housing problem-solving | \$500,000 | Case management, services, financial assistance to help homeless identify other immediate housing solutions | 1 year | HomeFirst/ PATH |
| Total Housing | \$22,264,018 | | | |
| Subtotal | \$29,550,000 | | | |
| Administration (up to 10%) | \$3,286,839 | | | |
| GRAND TOTAL | \$32,836,839 | | | |

Agencies: PATH/HomeFirst (Shelter/Outreach) / Funding: \$3,403,982

Agencies: TBD (Hygiene/Infection Control) / Funding: \$3,882,000

Agencies: HomeFirst, PATH, LifeMoves, TBD (Housing) / Funding: \$22,264,018

ATTACHMENT B
City of San José
Draft Second Substantial Amendment to the FY 2015-20 Consolidated Plan,
Draft Third Substantial Amendment to the FY 2019-20 Annual Action Plan, &
Draft Proposed Revision to the FY 2020-21 Annual Action Plan

The following is a summary and draft language that amends the FY 2015-20 Consolidated Plan and the FY 2019-20 Annual Action Plan.

Background

The City of San José’s federal Consolidated Plan details the funding strategy for the Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), HOME Investment Partnership, and Housing Opportunities for People with AIDS (HOPWA) for the period between 2015 and 2020. The Annual Action Plan details each year within the 5-year Consolidated Plan and outlines the implementation of annual funding, which is developed through significant public input, analyses, and planning.

The City’s Citizen Participation Plan (CPP) describes the efforts that the City will take to encourage its residents to participate in developing these plans. It also provides requirements for public process when a “substantial amendment” to the Annual Action Plan is proposed. The following changes constitute a substantial amendment and require public notice as described in the CPP:

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

However, due to COVID-19, the United States Department of Housing and Urban Development (HUD) has issued guidance that exempts entitlement recipients from CPP requirements, but instead provide a 5-day public comment period and one public hearing to implement funding for COVID-19 emergency services.

Additionally, HUD has awarded supplemental funding through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) that requires programming in the FY 2019-20 Annual Action Plan.

Proposed Substantial Amendment – 2015-20 Consolidated Plan

The City is proposing the following amendment to the 2015-20 Consolidated Plan in order to add an eligible activity that was not previously identified:

1. Add hygiene and sanitation services as an eligible activity under the Emergency Services Grant (ESG) program, specifically in regard to using ESG CARES Act Round 2 funding.

Proposed Substantial Amendment – FY 2019-20 Annual Action Plan

The City is also proposing the following amendment to its FY 2019-20 Annual Action Plan in order to allocate supplemental funding established by the ESG CARES Act Round 2 in the amount of \$32,836,839.

1. Program and authorize \$3,403,982 in ESG CARES Act funding to provide street-based outreach services, storage for unsheltered persons, and community engagement;
2. Program and authorize \$3,882,000 in ESG CARES Act funding hygiene and infection control support in encampments;
3. Program and authorize \$22,264,018 in ESG CARES Act funding to provide additional shelter beds, motel vouchers, emergency interim housing, bridge housing, rapid rehousing, and shelter diversion services; and,
4. Program and authorize up to \$3,286,839 in ESG CARES Act funding for program administration.

Analysis

This proposal qualifies as a substantial amendment because it meets criteria one and three:

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

Changes to the FY 2019-20 Annual Action Plan are the result of the addition of \$32,836,839 in ESG CARES Act Round 2 funding awarded to the City.

Public Process

The City of San José is providing notice of a five-day public comment period and a public hearing to provide opportunities for public comment:

- September 22, 2020 - City Council hearing on Technical Substantial Amendments 1:30 pm, Virtual Meeting, which can be found here: <https://www.san Joseca.gov/news-stories/watch-a-meeting>
(Please review [Council Meeting agenda](#) when available to confirm item number)

Comments may also be provided by email to housing.csj@san Joseca.gov with the phrase "ConPlan Comments" in the Subject line, or by phone at (408) 535-3860.

Comments also may be made in writing addressed to:

City of San José Housing Department
 ATTENTION: Grants Management, ConPlan Comments
 200 E. Santa Clara Street, 12th Floor
 San José, CA 95113

Proposed Changes

1. On page 48 of the approved FY 2019-20 Annual Action Plan, amend the estimated CDBG, ESG, and HOPWA Activities in section AP-38 Project Summary, as follows (**additions** or ~~deletions~~):

AP-38 Projects Summary
Project Summary Information
Table 1 – Project Summary

| # | Project Name | Target Area | Needs Addressed | Funding | Outcomes |
|---|--|-------------|---|-------------------|------------------------|
| 1 | Senior Services | N/A | • Strengthening Neighborhoods | CDBG: \$200,000 | 200 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 |

| # | Project Name | Target Area | Needs Addressed | Funding | Outcomes |
|----|---|-------------|-------------------------------|---------------------------------------|---|
| 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 | 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 housing sites and public facilities | N/A | • Affordable Housing | 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 – | N/A | • Strengthening Neighborhoods | CDBG: \$2,500,000 | TBD |
| 21 | Emergency Hotel/Motel Vouchers – COVID-19 | N/A | • Homelessness | CDBG: \$2,088,839 | TBD |
| 22 | Emergency Homeless Shelter Operations – COVID-19 | N/A | • Homelessness | CDBG: \$515,000 | TBD |

| # | Project Name | Target Area | Needs Addressed | Funding | Outcomes |
|----|--|-------------|-------------------------------|----------------------------------|-------------------------|
| 23 | CDBG-CV 1 (2019) | N/A | • Homelessness | CDBG: \$4,210,732 | TBD |
| 24 | ESG-CV 1 (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 | 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 families assisted |
| 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 | TBD |
| 32 | Administration | N/A | • N/A | ESG CARES 2: \$3,286,839 | N/A |

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

Proposed Revisions – FY 2020-21 Annual Action Plan

1. On page 160-63 of the City Council-approved FY 2020-25 Consolidated Plan / FY 2020-21 Annual Action Plan, revise the estimated ESG CARES text and activities in section AP-38 Project Summary, as follows (**additions** or **deletions**):

Emergency Solutions Grant (ESG) Program – Supplemental CARES Act Funding Round 2

On March 16, 2020, the Health Officer of the County of Santa Clara ordered a shelter in place for all residents due to COVID-19. On April 21, 2020, the City Council approved the first substantial amendment to the FY 2019-20 Annual Action Plan, which utilized existing CDBG funds and additional allocations made in the CDBG, ESG, and HOPWA programs by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to be spent in FY 2019-20 to respond to local needs created by COVID-19.

A second substantial amendment to the Annual Action Plan was heard before the City Council on June 30, which proposed further modifications to one-year funding to address concerns by prioritizing those in which the Emergency Operations Center has been charged with collaborating (emergency rental assistance) with the County in responding to COVID-19. The following table presents the total reallocation of funds from existing federal funding sources to address emerging COVID-19 needs that have already been approved.

| Funding Source | Amount |
|-----------------------|---------------------|
| CDBG (19-20) | \$6,744,000 |
| HOME TBRA (19-20) | \$7,762,579 |
| HOME Admin (19-20) | \$809,786 |
| TOTAL | \$15,316,365 |

The Housing Department and the County Office of Supportive Housing are coordinating closely, participating in weekly technical assistance calls with HUD funded advisors to develop a coordinated federal funding investment plan to address COVID-19 impacts on homeless people. A City and County coordinated investment plan leverages resources and ensures a balanced approach to funding and a diversity of programs and needs. A priority of the plan is to identify and support people living in both the temporary shelters and the vulnerable people in the motels during emergency COVID-19 response and supports their transition into another shelter or housing alternative instead of returning to homelessness. This collaborative and coordinated plan includes keeping shelters and motels accessible during the public health crisis or until participants have alternate shelter or permanent housing options. Finally, the coordinated approach focuses ESG funds on programs and services for the unsheltered, addressing their health and safety needs during the public health crisis, while increasing street based services and outreach.

The City of San Jose will receive \$32.8 million in this supplemental funding. Staff proposes this additional funding for operation and services at the Mabury and Felipe Bridge Housing Communities and the three Emergency Interim Housing sites. In addition, staff proposes funds for a new program called Services Outreach Assistance and Resources or SOAR, providing comprehensive street based services, hygiene and trash and housing and shelter opportunities for homeless.

During the COVID-19 public health crisis, the Centers for Disease Control and Prevention (CDC) recommends that if individual housing options are not available, people who are living unsheltered or in encampments should remain where they are. The CDC further recommends that community coalitions work to improve sanitation in encampments. In response, the City's Emergency Operations Center (EOC) has suspended abatements to advance the public health guidance. Locally, Valley Homeless Healthcare Program and Public Health have begun testing at encampments of ten people or more. They have requested the City continue to follow CDC guidance on encampments. Allowing people living in encampments to remain where they are allows for people to maintain service and medical connections and allows for contact tracing.

The SOAR Program in partnership with BeautifySJ will provide comprehensive street-based support and services to those living unsheltered, along with access to proper hygiene and trash service. The recently updated Community Plan to End Homelessness (Community Plan) prioritizes addressing the immediate crisis of people living outside in our community. The plan recommends strategies that invest in the health and safety needs of people living outside and build connections to safety net services and programs.

In alignment with both the current CDC guidance and the Community Plan, the SOAR Program provides a compassionate approach to address the health and safety needs of persons living in encampments. The SOAR Program includes the following three components, each with its own specific strategies:

1. Street Outreach and Support Services: Increasing street outreach teams and services to support people living in encampments.

- Street outreach: Teams engage by providing basic needs, such as water, clothing, food and garbage bags. In addition, teams can assess for shelter and housing needs, and provide access to behavioral health services and medical care;
- Storage: Provide storage for individuals to store personal belongings.
- Supplies: Providing supplies to encampments such as solar phone chargers, personal protective equipment (PPE), tents, tarps and other supplies.
- Community Engagement: Coordination of volunteer outreach teams, potentially including those with lived experience, and supply distribution.

2. Hygiene/Infection Control: Providing hygiene and waste management related services to help control the spread of infectious disease.

- Hygiene: Placing hygiene equipment such as handwashing stations and portable toilets at large homeless encampments to help slow the spread of COVID-19;
- Waste Management: Arranging for garbage collection at large homeless encampments to help maintain sanitary conditions;
- Public Health Info: Providing information in multiple languages to homeless individuals in encampments to help them understand how they can protect themselves from COVID-19;
- Testing: Working with Valley Homeless Healthcare Program (VHHP) to provide regular COVID-19 testing at encampments of 10 people or more;
- Showers/Service Connections: In partnership with Project WeHope's Dignity on Wheels, provide increased mobile laundry and shower services by adding a 2nd shower truck in San Jose service portfolio. Also, City and Project WeHope launched "Hope Health Mobile," a new mobile rest stop offering WiFi, charging stations, case management, and virtual access to Stanford doctors who can answer questions about COVID-19.

3. Housing: Increasing access to housing opportunities and shelter.

- Shelter: Reserved shelter beds for the encampment management program that will be available to street outreach teams working in the identified encampments
- Motel Vouchers: emergency stays at hotels, prioritized for street outreach teams working with those in encampments, as well as vulnerable populations.
- Shelter Hotline: Pilot a centralized shelter referral hotline to access all shelter beds countywide.
- Housing Problem Solving: Pilot program with City/County to help homeless individuals identify other immediate housing strategies, rather than shelter, and if necessary connecting them with services and financial assistance.

ESG CARES Act Round Two Funded Activities

| Program | Cost | Description | Period | Provider |
|--|---------------------|---|---------------|-----------------------|
| Shelter/Outreach | | | | |
| Street Outreach at encampments | \$2,503,982 | Street-based services, engagement, connections to shelter, housing, critical services | 2 years | PATH/ HomeFirst |
| Storage Program for Unsheltered | \$500,000 | Storage locations near supported encampments. | 2 years | PATH |
| Community Engagement | \$400,000 | Lived experience street outreach, supplies | 2 years | PATH |
| Total Shelter/Outreach | \$3,403,982 | | | |
| Hygiene/Infection Control | | | | |
| Trash Support at Encampments | \$2,779,200 | Trash support and large debris clean up at supported encampments. | 2 years | TBD – RFP |
| Hygiene Support at Encampments | \$1,102,800 | Increase portable toilets/ handwashing stations and servicing at encampments | 2 years | TBD – RFP |
| Total Hygiene | \$3,882,000 | | | |
| Housing | | | | |
| Shelter Beds | \$2,460,400 | Reserved referrals for street outreach team. South Hall operations through winter 20-21 | 4 months | HomeFirst |
| Motel Vouchers | \$4,000,000 | Individuals in encampments and Families and DV | 1 year | LifeMoves |
| Emergency Interim Housing (EIH) Operations | \$9,519,438 | Operations at Monterey/ Bernal, Rue Ferrari, Evans Lane | 1 year | HomeFirst/ PATH |
| Bridge Housing Community (BHC) Operations | \$3,784,180 | Operations at Mabury and Felipe sites | 1 year | HomeFirst |
| Rapid Rehousing (RRH) | \$2,000,000 | Case management | 1 year | TBD – RFP for Service |
| Shelter diversion/housing problem-solving | \$500,000 | Case management, services, financial assistance to help homeless identify other immediate housing solutions | 1 year | HomeFirst/ PATH |
| Total Housing | \$22,264,018 | | | |
| Subtotal | \$29,550,000 | | | |
| Administration | \$3,286,839 | | | |
| GRAND TOTAL | \$32,836,839 | | | |

Agency: PATH/HomeFirst (Shelter/Outreach) / Funding: \$3,403,982

Agency: TBD (Hygiene/Infection Control) / Funding: \$3,882,000

Agency: HomeFirst, PATH, LifeMoves, TBD (Housing) / Funding: \$22,264,018

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