



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kim Welsh

SUBJECT: SEE BELOW

DATE: August 11, 2020

Approved

Date

8/12/2020

SUBJECT: COMMUNITY AND ECONOMIC RECOVERY AND CORONAVIRUS RELIEF FUNDS FOR LOCAL ASSISTANCE EFFORTS

RECOMMENDATION

- (1) Accept the verbal staff report on the Emergency Operations Center Community and Economic Recovery efforts.
- (2) Approve the Resident Assistance funding allocation plan for \$4,479,500 in Coronavirus Relief Funds as outlined in the Supplemental Memorandum.
- (3) Adopt a resolution authorizing the City Manager to negotiate and execute the following grant agreements, including any amendments and revisions to said agreements and any necessary documents to effectuate the grant, to use Coronavirus Relief Funds to provide assistance to San José residents, small businesses, and nonprofits that have been negatively impacted by the COVID-19 pandemic:
 - (a) With Sacred Heart Community Services in an amount not to exceed \$7.5 million to provide rental relief and other eligible financial assistance to San José residents, as well as to fund outreach efforts to connect San José residents with rental relief, job training, and other assistance;
 - (b) With the Enterprise Foundation, through its Small Business Development Center program, in an amount not to exceed \$3.8 million to provide rental relief and other eligible financial assistance to low-income and moderate-income San José small business owners;
 - (c) With the Center for Cultural Innovation in an amount not to exceed \$208,000 to provide financial assistance for creative entrepreneurs and artists;

- (d) With First 5 Santa Clara County in an amount not to exceed \$2.5 million to provide financial assistance to Family Childcare Homes that have been impacted by the COVID-19 pandemic; and
- (e) With Silicon Valley Community Foundation in an amount not to exceed \$4.8 million to administer grants to cross-sector nonprofit organizations, inclusive of the arts and other social sectors; to fund technical assistance for nonprofits and small businesses to the extent feasible; to fund the procurement of personal protective equipment by nonprofit programs for their staff and the community; to fund community outreach efforts related to the COVID-19 pandemic; and to provide contract administration for the District 4 Economic Assistance Program. Should any single category not require all of the funds originally allocated, the City Manager is authorized to shift funding into another of these grantmaking categories.

OUTCOME

The City Council will receive a verbal update on the Emergency Operations Center's Community and Economic Recovery efforts to aid San José's most vulnerable residents, small businesses, and nonprofits. City Council approval of this item will allow staff to move forward on providing \$25 million in Coronavirus Relief Funds through trusted nonprofit intermediaries to aid San José residents, small businesses, and community-based organizations that have been negatively impacted by the COVID-19 pandemic. In addition, it will allow staff to implement the District 4 assistance program, as directed in the Mayor's June Budget Message.

EXECUTIVE SUMMARY

The City received \$178 million in Coronavirus Relief Funds from the U.S. Department of Treasury through the CARES Act. Council allocated approximately \$25 million of those funds for Local Assistance through the 2020-2021 budget process. This report provides an overview of how the Coronavirus Relief Funds allocated to help San José's most vulnerable residents, small businesses, and nonprofits will be administered in partnership with a number of community-based organizations who will serve as trusted intermediaries.

The table below shows the proposed disbursement of \$18.8 million in Coronavirus Relief Funds, as well as \$200,000 budgeted for the District 4 emergency assistance program (funded from other sources). Following two community leaders forums on August 12, 2020, staff will issue a supplemental memorandum with the funding allocation plan for approximately \$4,479,500 in resident assistance, which are not shown in the table below.

Table 1: Community & Economic Recovery Programs and Partners

Coronavirus Relief Funds for Local Assistance		
Program	Partner	Amount
Rental relief	Sacred Heart Community Services	\$7 million
Outreach to residents	Sacred Heart Community Services	\$500,000
Small business grants	Enterprise Foundation (SBDC)	\$3.8 million
Small business grants – creative entrepreneurs and individual artists	Center for Cultural Innovation	\$208,000
Grants to childcare operators	First 5 Santa Clara County	\$2.5 million
Grants to arts nonprofits	Silicon Valley Community Foundation	\$2 million
Grants to non-arts nonprofits	Silicon Valley Community Foundation	\$2 million
Personal protective equipment – nonprofits	Silicon Valley Community Foundation	\$425,000
Technical assistance –nonprofits	Silicon Valley Community Foundation	\$375,000
Total Coronavirus Relief Funds		\$18,808,000
Other Funds		
District 4 emergency assistance program*	Silicon Valley Community Foundation	\$200,000

**District 4 program is not using Coronavirus Relief Funds, but a separate budget allocation.*

BACKGROUND

On January 31, 2020, the first case of COVID-19 (novel coronavirus) was reported in Santa Clara County. The City Manager’s Office of Emergency Management and Emergency Operations Center leadership began preparing for impacts to City residents, employees, businesses, and community-based organizations. In the weeks that followed, declarations of emergency were issued at the local and state level, culminating with the closures of Santa Clara County schools beginning March 16, 2020 and mandatory orders statewide limiting activity, travel, and business functions to only the most essential needs on March 19, 2020.

On March 17, 2020, the Administration presented a [Local Assistance Framework](#) to Council, with a focus on inspiring generosity and providing a roadmap for assisting our most vulnerable residents, small businesses, and nonprofits.

In the months since, as of August 10, 2020, at least 8,377 San José residents have tested positive for COVID-19 and 205 Santa Clara County residents have died. (It is important to note that these numbers are likely low due to recent issues with State data.)

The shelter-in-place orders have saved lives and prevented illness, but not without economic cost. City revenues dropped more swiftly and deeply than during the Great Recession, requiring Council to close a \$45 million budget gap for the 2019-2020 fiscal year and address a \$77.6 million gap in 2020-2021.

Before COVID-19, the San José economy was operating at close to record levels of total employment and low unemployment, reaching a historic low of 2.7 percent unemployment in February 2020. The pandemic caused a dramatic economic shock not just in terms of the employment volume but critically at the speed at which this happened. Employment in the city shrank by 68,400 jobs within two months, with the unemployment rate rising to 13.8 percent. As the shelter-in-place restrictions began to lift, some jobs returned by the end of June, and unemployment is reducing. But it remains to be seen if this is sustainable or a reliable recovery trend rate. In total, since shelter in place in mid-March, more than 200,000 San José residents have filed for Unemployment Insurance. This number does not capture residents who lost work but are ineligible for Unemployment Insurance or Pandemic Employment Assistance.

Hardest hit have been our residents and small business owners who already live with historic racial inequities, including poverty, lack of access to health care and insurance, overcrowded housing, food insecurity, and other traumas. Countywide, deaths from COVID-19 are highest in four East San José zip codes that are among the City's lowest in income and most economically impacted due to historic redlining practices. COVID-19 deaths and illness have been disproportionately higher among African-American and Latinx residents in the county. Additionally, job losses have been highest in restaurant, hospitality, personal care, and service sectors, impacting residents of color and low-income residents at higher rates than those working in technology or other sectors where remote work was possible and businesses stayed open.

The results of these actions mean many low-income households are without work and childcare, which could cause an inability to pay rents and severe housing instability and economic uncertainty for many people. Emergency funding to increase the stability of families and individuals from going without basic necessities and/or losing their housing during this period is critically essential.

ANALYSIS

Emergency Operations Center Local Assistance Efforts

Working from its first guiding principle of Compassion in Action, the Emergency Operations Center centered local assistance on our community's most vulnerable residents, those at highest risk of illness and death from COVID-19 and those at highest risk of homelessness, displacement, and economic injury from the pandemic-induced recession. Data shows that these risk are much higher in Black and Latinx communities, thus, much of our proposed assistance is focused on these communities.

Top of mind was the following: For many in our community, daily life is not just a challenge, but a crisis. Many of our residents were already living on the edge. Many of our small businesses were already struggling. Many of the nonprofits who serve our community operate on razor-thin margins. Prior to the pandemic Silicon Valley was already one of the most expensive regions in the world, and our Administration and Council had been working hard to address the challenges of access to affordable housing and good-paying jobs, homelessness, and historic racial inequities.

From March through June of this year, the Emergency Operations Center worked to provide direct assistance, primarily through the Operations Branch and various department operations centers. As reported to Council during the weekly update on COVID-19 response, services have included food, emergency shelter, child care for essential workers, and other services.

The Liaison Branch provided information and referral services, providing direct connections to residents, small businesses, and nonprofits seeking various assistance or understanding of the various closure orders. Within the Liaison Branch, a Local Assistance Task Force was assembled quickly with staff from multiple city departments with three teams focused on resident assistance, small business assistance, and assistance to nonprofits and community-based organizations.

The teams provided information and referral services, including creating the Virtual Local Assistance Center for residents and web resources for small businesses and nonprofits. The small business team provided one-on-one support, shared information via e-blasts and a website, as well as holding webinars in English, Spanish, and Vietnamese for small business owners about topics ranging from reopening your business safely to applying for small business loans, among other topics. The nonprofit team provided one-on-one assistance, updated city grant agreements to ensure our partners could pivot their work and not lose critical resources, sent out e-blasts and created a website, and coordinated with partners such as Silicon Valley Council of Nonprofits and SVCcreates, as well as others. A critical role was coordinating with Silicon Valley Strong and other grantmaking efforts, particularly around the small business grants programs.

With the new fiscal year and a new phase of response to the pandemic, the Liaison Branch has transitioned and has been renamed the Community and Economic Recovery Branch to reflect its longer-term role. The Community Recovery team consists of staff from multiple departments who will be tasked with continuing the work of the prior resident assistance team, engaging with community-based organizations and city teams involved in community outreach, and overseeing the administration of the \$25 million in Coronavirus Relief Funds allocated for local assistance efforts. The Economic Recovery team includes the staff of the Office of Economic Development, whose day-to-day work has been realigned to meet needs resulting from the pandemic-induced recession and ongoing business closures.

To coordinate work across the city organization and Emergency Operations Center, we have created a larger Community and Economic Recovery Task Force, which meets regularly to align work and ensure that information is shared. (Note: in an Emergency Operations Center, a “task

force” is a team created for cross-branch coordination. It includes representatives from multiple branches who are working toward a common goal.)

The objectives of the Community and Economic Recovery Task Force are to:

- Invest in our most vulnerable residents, small businesses, and nonprofits
- Empower our community with resources that build resiliency
- Partner to stabilize and improve outcomes for all.

Staff will provide a verbal report on community and economic recovery to Council on August 18, 2020, including sharing initiatives being undertaken to meet the above objectives. It is critical to note that between now and the end of the year, our major focus will be on ensuring that the \$25 million Coronavirus Relief Funds allocated for local assistance reach the community effectively and are spent by the December 30, 2020 deadline.

Coronavirus Relief Funds

On March 27, 2020, Congress passed and the President signed into law the Coronavirus Aid, Relief, and Economic Security (CARES) Act, a \$2.2 trillion economic relief package aimed at assisting workers, businesses, and governments impacted by the coronavirus pandemic. The bill creates a \$150 billion Coronavirus Relief Fund for state and local governments. Cities and counties, with a population over 500,000, qualify for direct funding. San José received \$178 million in Coronavirus Relief Funds.

As allocated in the Adopted Operating Budget, these funds will be used for communications and translation services, consulting and planning support, COVID-19-related personal services, digital inclusion, facilities improvements, the City’s FEMA local match, food and necessities, homeless sheltering and support, local assistance, personal protective equipment and janitorial services, and remote work facilitation in support of the emergency.

Funding in the Coronavirus Relief Fund cover costs that:

- Are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
- Were not accounted for in the budget most recently approved as of the date of the bill’s enactment by the recipient agency; and
- Were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

On June 16, 2020, the City Council approved the [Mayor’s June Budget Message](#) and approved the Proposed Operating Budget for fiscal year 2020-2021. As a result, the Adopted Budget includes allocation of \$25 million in Coronavirus Relief Funds for local assistance to aid individuals and families, small businesses, and nonprofits negatively impacted by the COVID-19 pandemic.

As outlined in [Manager's Budget Addenda #20](#), the June Budget Message, and Council direction on June 16, 2020, the \$25 million is to be allocated as follows:

- Resident Assistance:
 - \$7 million through the Silicon Valley Strong partnership.
 - \$4,479,500 for rental relief, workforce development, childcare assistance, and other needs with a funding allocation plan to be brought to Council for approval (see Supplemental Memorandum).
 - \$500,000 to partner with community-based organizations to help residents stay safe and healthy and access resources and assistance.
 - \$300,000 for City outreach and education efforts related to COVID-19.
 - \$20,500 to add a chatbot to the City's website to better assist residents. The chatbot is designed to ask users questions and provide them with answers to help them navigate the website and reach the information they need more quickly.

- Small Business Assistance:
 - \$4 million to aid small/micro businesses.
 - Up to \$2.5 million to aid small/family childcare businesses.
 - \$492,000 for technical assistance, revitalization, and outreach and education through partnerships with organizations such as the Hispanic Chamber of Commerce, Black Chamber of Commerce, Latino Business Foundation, San José Downtown Association, and Silicon Valley Recovery Roundtable.
 - \$900,000 for the AI Fresco program.

- Nonprofit Assistance
 - \$2 million to aid arts organizations.
 - \$2 million to aid nonprofit organizations.
 - \$425,000 to provide personal protective equipment for nonprofit organizations and their clients and targeted support for safe reopenings.
 - \$375,000 to provide technical assistance for nonprofit organizations.

The U.S. Department of Treasury continues to update its initial guidance issued on April 22, 2020 and a series of Frequently Asked Questions related to the Coronavirus Relief Fund. The most recent update to the Coronavirus Relief Fund Guidance was issued on August 10, 2020.

According to the guidance:

Necessary expenditures incurred due to the public health emergency

The requirement that expenditures be incurred "due to" the public health emergency means that expenditures must be used for actions taken to respond to the public health emergency. These may include expenditures incurred to allow the State, territorial, local, or Tribal government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such

as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.

Because these are federal funds, there are significant documentation requirements, particularly around documenting that the beneficiary or use needs funding because of the COVID-19 pandemic and its impacts. In addition, the time to spend the funds is quite short. Our goal is to aid the most vulnerable residents, small businesses, and nonprofits, with outreach efforts and deployment of funds centering racial equity and those disproportionately impacted by COVID-19, health disparities, and systemic racism.

In our earlier local assistance programs, our partners found that individuals, families, and small businesses needed assistance in preparing documentation to meet grant requirements. Given that federal grants as a rule have stricter requirements than the philanthropic funds did, we have worked to include adequate funding to implement and administer the program as well as program funding for outreach, education, case management, and connecting those impacted by COVID-19 with these resources.

We also learned from the Silicon Valley Strong philanthropic efforts the importance of targeted outreach to reaching communities that traditionally have faced barriers to accessing services and funds. One successful effort was the Destination: Home and Sacred Heart Community Services' [COVID-19 Financial Assistance Phase 2 partnerships](#) with other nonprofits. We propose using the \$500,000 allocated for partnerships with community-based organizations to continue this effort through the agreement with Sacred Heart and for continued coordination with the City and the Community and Economic Recovery Task Force of the Emergency Operations Center so that individuals and families can also learn about other programs, such as workforce development opportunities or digital inclusion resources.

Another successful effort, reported in a [July 8, 2020 information memoranda](#) to the City Council, was the tri-lingual targeted outreach to Eastside and Downtown zip codes highly impacted by COVID-19 and job loss due to shelter-in-place orders to encourage small business owners to apply to the Silicon Valley Strong small business grant program. These efforts are being expanded on with the Community Development Block Grant-funded small business grant program currently underway. Lessons learned will be applied to the new programs.

Finally, it is important to note the very tight timeline to spend Coronavirus Relief Funds. All funds must be spent by December 30, 2020. This deadline applies not only to the City disbursing the funds, but to our partners who will be getting the funds out to our most vulnerable residents, small businesses, and nonprofits. While some in Congress have proposed changing that deadline, as of this date, no proposal has passed. As a result, grant criteria in some programs will be more focused than they would be if we had more time.

Following are details of each of the local assistance programs funded through the City's allocation of Coronavirus Relief Funds.

Resident Assistance: Silicon Valley Strong Partnership

As directed in the Mayor's June Budget Message, the City will provide \$7 million in Coronavirus Relief Funds for rental relief through the organizations that have been leading resident assistance efforts countywide through the Silicon Valley Strong partnership. Sacred Heart Community Services will administer the \$7 million. Individuals and families who are extremely low-income (earning less than 30 percent of the area median income) will be eligible for rental relief for the time period covering an eligible incidence of job loss or illness within the March 1, 2020-December 30, 2020 time period. Following a model already used in San José, as well as in Los Angeles and other cities, rental payments will be made directly to the landlord. Approximately \$6,050,000 in direct relief will be provided. The program will cost approximately \$950,000 to staff and administer, including some work by partner agencies.

In addition, Sacred Heart Community Services will, in partnership with Destination: Home, administer \$500,000 allocated for outreach partnerships with community-based organizations through the partnership network mentioned above to provide outreach, assistance, and case management to families that have suffered illness, job loss, loss of hours/wages, or other impacts from COVID-19. Destination: Home's work will use other funds to administer this program at no cost to the City.

Resident Assistance: Funding Allocation Plan

The Mayor's June Budget Message allocated \$4,479,500 for Resident Assistance with direction to the City Manager to return to Council for approval of the funding allocation plan. That plan will be outlined in a supplemental memorandum issued following the completion of community engagement sessions to shape the recommendations. The goal is that funds will serve the most vulnerable San José residents who have been impacted by COVID-19 through job loss or reduced work hours due to the pandemic, illness, caregiving responsibilities, or other pandemic-related challenges.

Resident Assistance: Partnerships and Outreach

The local assistance Coronavirus Relief Funds include \$500,000 for partnership with community-based organizations, which will be distributed and administered by Sacred Heart Community Services, in partnership with Destination: Home, as discussed above. An additional \$300,000 is available for City-led outreach efforts. One of the first projects funded is a compact brochure detailing COVID-19 resources in Spanish, Vietnamese, English, and Chinese. The City will deliver the brochure at food distribution sites and other locations in the community, based on geo-mapping data in COVID-19 hotspots. This project is designed to connect with residents who lack internet access or computers, and phone numbers are provided with each resource, rather than just websites.

As discussed above, outreach is critical, particularly outreach that provides accurate, community-relevant information. For this reason, non-arts grant funding will be available for community-

driven grassroots efforts that engage and connect our most vulnerable residents with resources and assistance.

Small Business Grant Program

As approved by City Council in the fiscal year 2020-2021 budget, the City will provide \$4 million of Coronavirus Relief Funds to distribute grant payments to small businesses negatively impacted by the pandemic. Of this total amount, the City will enter into a \$3.8 million contract with the Enterprise Foundation, which operates the Silicon Valley Small Business Development Center (SBDC), to administer a small business grants program.

Eligible businesses for this \$3.8 million portion will include those with 10 or fewer employees that have not already benefited from a federal loan or grant. Business owners must be low- or moderate-income. The maximum grant size will be \$15,000. Due to eligibility and documentation requirements, as well as the tight timeline for expending the funds, grant proceeds will cover only the business owner's unpaid or pending rent from March 1, 2020 through December 30, 2020. The grant program will utilize SBDC's strong relationship with the small business community, ethnic chambers of commerce, collaboration with other community-trusted agencies in impacted areas, as well as BusinessOwnerSpace.com partners to get the word out. In accordance with the June Budget Message direction, outreach will be targeted to neighborhoods highly impacted by COVID-19. The outreach will incorporate Spanish and Vietnamese translation and the application will also be available in these languages. Administrative costs will total \$285,000.

For the remaining \$208,000, we propose to contract with the Center for Cultural Innovation, an existing partner, to administer a small grants program for creative entrepreneurs. Individual grants awards will not exceed \$2,000 and are intended to cover operating losses incurred by the creative entrepreneur due to the COVID-19 pandemic. Administrative costs are not to exceed 10 percent of the total.

Childcare Grant Program

Council direction in approving the Mayor's June Budget Message allocated up to \$2.5 million for grants to small/family childcare providers, with the total depending on need. This grant program will provide family childcare providers (that are open or will be able to open in the near future) with up to \$10,000 in grant funds if they commit to providing ongoing service for children ages 0-5. These funds will be available to support businesses that have suffered documented monthly income losses that they experienced when public health orders reduced occupancy from 14 children to 10. This funding will be administered by First 5 Santa Clara County in partnership with the Santa Clara County Office of Education as part of a comprehensive support package for business owners and families seeking child care. The two agencies will receive a combined total of 10 percent, or \$250,000, to administer the program. In accordance with the June Budget Message, neighborhoods with high needs will be prioritized.

Nonprofit Grants

Santa Clara County is home to nearly 14,000 nonprofits designated as public charities under section 501(c)(3) of the Internal Revenue Code, 34 percent of which are located in San José, according to the Silicon Valley Council of Nonprofits¹. Among San José nonprofits, 39 percent are considered small, with budgets of \$100,000 to \$500,000, making them more vulnerable to sudden economic shifts.

Nonprofit organizations have seen significant impacts from the COVID-19 pandemic, including venue closures and event cancellations; increased client needs for physical and mental health care and other services; and having to pivot from in-person to virtual operations due to the public health orders. Major fundraising efforts have been cancelled, and operations that result in earned revenue have been curtailed.

To streamline grantmaking at a time when so many city staff are deployed to emergency operations, we propose to work with Silicon Valley Community Foundation to administer the nonprofit grantmaking as outlined below. The Community Foundation has provided leadership Bay Area wide for the philanthropic response to COVID-19, including administering the Silicon Valley Strong Fund. In addition, the Community Foundation currently administers the City's Census and Election Outreach efforts, which have been funding grassroots organizations to reach targeted neighborhoods and communities.

Approximately \$5 million is allocated for the programs outlined below, with administrative costs not to exceed 10 percent.

Nonprofit Grantmaking: Arts Grants

The Mayor's June Budget Message allocated \$2 million to grantmaking for arts and cultural organizations with direction to report to Council on grant criteria and to employ an equity screen to prioritize high-need neighborhoods and communities. The Office of Cultural Affairs will manage outreach and the application process, while the Community Foundation will administer grants and disburse funds. The Office of Cultural Affairs will issue an Information Memoranda later this month to the City Council detailing grant criteria and equity prioritization, as well as programmatic requirements given the restrictions of Coronavirus Relief Funds.

¹ Silicon Valley Council of Nonprofits report: <https://www.svcn.org/2018-nonprofit-landscape-report>.

Nonprofit Grantmaking: Non-Arts Organizations

As outlined in Manager's Budget Addenda #20, \$2 million is allocated for non-arts organizations. Given the tremendous need in the nonprofit community and the need among the City's most vulnerable residents, the Community and Economic Recovery team has developed the following grant criteria in accordance with the requirements of the Coronavirus Relief Funds:

Grants will be limited to nonprofits serving San José communities disproportionately and negatively impacted by the COVID-19 pandemic. The grant criteria will define zip codes with high rates of COVID-19 cases, as well as populations at higher risk for COVID-19. Expenses eligible for funding or reimbursement will include the following:

1. Case work to help individuals and families who have experienced illness or caregiving needs, job loss, loss of hours or income, unexpected economic hardship, due to COVID-19 infection/exposure/caregiving or the public health orders. This would include assisting individuals and families with applying for aid and benefits, such as unemployment or CalFresh.
2. Health or mental health services to help the individuals and families defined above.
3. Outreach and education campaigns reaching communities disproportionately impacted by COVID-19 pandemic.
4. Rental, mortgage, or utility payment relief for nonprofits serving the above communities where the organization can document a loss of income or increased client demand due to COVID-19 necessitating such assistance.
5. Reimbursement of technology costs related to transitioning services outlined in Number 1 or 2 from in-person to virtual platforms or enabling staff providing those services to work from home.

For this program, the Community Foundation would manage the grant application process, as well as administering fund disbursement and reporting. City staff, including the citywide grants management team, and the Community Foundation and other partners would provide outreach.

Other Assistance Efforts

Additional efforts to be administered through the agreement with Silicon Valley Community Foundation include:

- Nonprofit Personal Protective Equipment: \$425,000 is allocated to fund the purchase of personal protective equipment, such as masks and gloves, for nonprofit organizations and their clients. Personal protective equipment for clients is a critical need, as some donated supplies have restricted use to organization staff. The Silicon Valley Council of Nonprofits is coordinating nonprofit requests and the Valley Medical Center Foundation is coordinating distribution.

- **Nonprofit Technical Assistance:** Currently, \$375,000 is allocated to this category. In working through the allowable Coronavirus Relief Fund expenditures and the need to expend funds by December 30, 2020, staff is recommending flexibility to move any unused funds into funding additional personal protective equipment or nonprofit grants. Partners for providing technical assistance will include the Silicon Valley Council of Nonprofits and SVCreates.
- **District 4 Emergency Assistance Program:** The Mayor's June Budget Message designates \$200,000 from the Essential Services Reserve and District 4 carryover funds to provide emergency assistance to the neediest residents in District 4. A partner has been identified (Family Independence Initiative-California) to implement the program with grant oversight by the Community Foundation.

CONCLUSION

The Coronavirus Relief Funds provide an opportunity for the City to provide assistance to our most vulnerable residents, small businesses, and nonprofits as part of our overall Community and Economic Recovery efforts. However, the needs are far greater than the \$25 million allocated, and the funds have significant restrictions and a very tight timing window. The team has worked diligently to provide a path forward that both meets those restrictions, can be completed in time, and serves those communities and neighborhoods that have been hurt the most by this pandemic.

EVALUATION AND FOLLOW-UP

Regular and timely updates on these programs will be provide to Council by Information Memoranda and the City Manager's Emergency Operations Center weekly reports to Council. This will include reports on effectiveness and reach of the grants programs and Community and Economic Recovery programs, including implementation of a dashboard that reports on critical measures.

CLIMATE SMART SAN JOSE

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

PUBLIC OUTREACH

Since the beginning of this pandemic, staff has worked to hear from the community by participating in and listening at sessions convened by the partners named in this memo, the Office of Immigrant Affairs, the Housing Department, the Office of Economic Development, the Office of Cultural Affairs, as well as one-one-one conversations with community members. On August 12, 2020, staff convened two virtual forums with community leaders representing grassroots coalitions of residents from the most impacted communities and geographies. Their feedback helped shape the funding allocation plan outlined in a Supplemental Memorandum, along with feedback and concerns.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office, the City Manager's Budget Office, the Finance Department, the Housing Department, Office of Economic Development, and San José Public Library.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

FISCAL/POLICY ALIGNMENT

The projects outlined in this memorandum implement direction provided in the 2020-2021 Adopted Operating Budget.

BUDGET REFERENCE

The table below identifies the fund and appropriations to fund the contracts recommended as part of this memorandum.

Fund #	APPN #	Appn. Name	Current Total Appn*	Amt. for Contract **	2020-2021 Adopted Operating Budget Page ***	Last Budget Action (Date, Ord. No.)
401	210T	Local Assistance	\$23,000,000	\$18,808,000	N/A	6/23/2020, Ord. No. 30437

* 2020-2021 Adopted Operating Budget as approved by City Council on June 23, 2020. Subsequent action will be brought forward to rebudget the \$2.0 million unexpended during 2019-2020 for Local Assistance within the Coronavirus Relief Fund.

** Amounts represent revised NTE compensation for the contracts/agreements recommended in this memorandum.

*** Refer to MBA #33, Adoption of the 2020-2021 Operating and Capital Budgets (pp. 29 – 30) for a detailed summary of the allocations within the Coronavirus Relief Fund, pending release of the 2020-2021 Adopted Operating Budget.

CEQA

Not a Project, 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.

/s/
 KIM WALES
 Deputy City Manager

For questions, please contact Andrea Flores-Shelton, Acting Deputy Director of Parks, Recreation, and Neighborhood Services and Director, Community and Economic Recovery Task Force at (408) 535-3571 or Michelle McGurk, Assistant to the City Manager and Assistant Director, Community and Economic Recovery Task Force, at (408) 535-8254.