NVF:RAO:JMD
4/22/2022

RESOLUTION NO.

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE APPROVING A FIFTH SUBSTANTIAL AMENDMENT TO THE CITY'S FY 2019-20 ANNUAL ACTION PLAN FOR THE USE OF FUNDS FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; AUTHORIZING THE DIRECTOR OF HOUSING TO NEGOTIATE AND EXECUTE AGREEMENTS WITH LIFEMOVES FOR THE ACTIVITIES IDENTIFIED IN THE ANNUAL ACTION PLAN AMENDMENT AND ALL RELATED CONTRACT AMENDMENTS, EXTENSIONS AND CHANGES; AND AUTHORIZING THE DIRECTOR OF HOUSING TO SUBMIT THE SUBSTANTIAL AMENDMENTS TO HUD

WHEREAS, the Annual Action Plan for the City of San José ("City") governs the expenditure of entitlement funds and competitive grants that the City receives from the U.S. Department of Housing and Urban Development ("HUD") including the City's 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; and

WHEREAS, the Annual Action Plan also implements the City's Five-Year Consolidated Plan, and is developed through public input, analysis, and planning; and

WHEREAS, the City, as an entitlement jurisdiction that receives HUD federal funds by formula allocation, is also required to have an adopted Citizen Participation Plan ("CPP"); and

WHEREAS, the City's CPP describes the efforts that the City will take to encourage its residents to participate in developing federal spending plans, and provides requirements for the public process to be used when a "Substantial Amendment" to programs funded in the Annual Action Plan is proposed; and

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WHEREAS, per the City's CPP, a Substantial Amendment constitutes a change to a previously adopted Five-Year Plan or Annual Action Plan that: (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 Annual Action Plan; and

WHEREAS, 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 thirty (30)-day public comment period and two (2) 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 no fewer than five (5) days are provided for public comment and that reasonable notice and the opportunity to comment is provided; and

WHEREAS, in April 2020, the City Council accepted the Housing Department's first FY 2019-20 Annual Action Plan amendment, which reallocated $6.2 million in existing FY 2019-20 CDBG funding from HUD; and

WHEREAS, in July 2020, the City Council approved a second FY 2019-20 Annual Action Plan amendment to allocate an additional $589,000 in CDBG funds and $6.6 million in federal HOME grants; and

WHEREAS, in August 2020, the City Council approved the use of ESG CARES Act Round 2 ("ESG-CV2") funds along with the 2020-2025 Five-Year Consolidated Plan; and

WHEREAS, in September 2020, the City Council approved a third FY 2019-20 amendment to move $32 million in ESG-CV2 funding from FY 2020-21 to the FY 2019-

20 Annual Action Plan at HUD's request, and the City was notified by HUD of its second award of CDBG CARES Act funds ("CDBG-CV3") in the amount of $7,578,510; and

WHEREAS, in March 2021, the City Council approved a fourth FY 2019-20 amendment that authorized CDBG and ESG funds for City food services and homeless services including motel vouchers and shelter operations; and

WHEREAS, to date, the City has been awarded $48,160,981 in CDBG and ESG CARES Act funding, which must be used to prevent, prepare for, and respond to the COVID-19 pandemic, and, combined with the City's FY 2019-20 and 2020-21 entitlement grants, the City will receive a total of approximately $99,825,950 in federal funding over the two-year period; and

WHEREAS, the City desires to further amend the FY 2019-20 Annual Action Plan to ensure that these funds are spent prior to the September 30, 2022 federal deadline, and are redirected to provide emergency hotel stays for families and for domestic violence survivors impacted by the COVID-19 pandemic; and

WHEREAS, the City also desires to amend the existing contract to redirect funds and add additional funding to LifeMoves, a nonprofit providing COVID-19 response, which amendments are warranted due to the COVID-19 emergency and the critical needs of the community and are permitted by federal government regulations; and

WHEREAS, in accordance with the CPP and HUD requirements, the City has advertised the availability of the proposed amendments and the opportunity to comment on these amendments on its website five (5) 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;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

(a) The following changes relating to the Fifth Substantial Amendment to the 2019-20 Annual Action Plan to ensure that all ESG-CV2 funds are spent prior to the September 30, 2022 federal deadline and are redirected to provide emergency hotel stays for families and for domestic violence survivors impacted by the COVID-19 pandemic are hereby approved:

(i) Increase the ESG-CV2 funded Emergency motel Voucher Program for families by $3,000,000 currently contracted with LifeMoves;

(ii) Decrease the ESG-CV2 administration by $2,000,000 to redirect to other programs and services; and

(iii) Decrease the hygiene and infection control ESG-CV2 by $1,000,000 to redirect to other programs and services.

(b) The Director of Housing is hereby authorized to negotiate and execute agreements with grantees for the activities identified in these Annual Action Plan amendments and all related contract amendments, extensions, and changes.

(c) The Director of Housing is hereby authorized to submit the Substantial Amendments to the U.S. Department of Housing and Urban Development.

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ADOPTED this _____ day of _____, 2022, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk

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