



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Jacky Morales-Ferrand

**SUBJECT:** SEE BELOW

**DATE:** March 26, 2020

Approved

Date

4/2/20

**SUBJECT: AWARD OF GRANT FUNDS TO SACRED HEART COMMUNITY SERVICES FOR WORK COMPLETED DURING THE 2017 FLOOD FROM THE CALIFORNIA DEPARTMENT OF SOCIAL SERVICES GRANT AWARDED TO THE CITY OF SAN JOSE IN 2017**

## **RECOMMENDATION**

Adopt a resolution authorizing the Director of Housing to negotiate and execute a retroactive agreement with Sacred Heart Community Services to reimburse costs incurred by Sacred Heart between February 21, 2017 and April 30, 2017 in connection with the 2017 San José Flood Relief Program in the amount of \$397,153 from the grant funds awarded to the City of San José by the State Department of Social Services for the 2017 Coyote Creek flood.

## **OUTCOME**

Approval of the resolution will provide authorization to the Director of Housing to reimburse Sacred Heart Community Services for providing emergency financial assistance and gift cards to low-income households impacted by the 2017 Coyote Creek flood. The State grant awarded to the City requires that the grant funds be used to assist individuals and families with incomes not exceeding 80% of Area Median Income.

## **BACKGROUND**

On Tuesday, February 21, 2017, parts of San José along the Coyote Creek were impacted by flooding, and the City Council declared the Existence of a Local Emergency on February 28, 2017. As a result of the flood, hundreds of individuals were displaced from their homes and lost valuable personal property including vehicles, home furnishing, tools, and medical equipment.

Responding to this disaster, the City initiated several actions providing immediate and ongoing support for flood impacted residents. Key efforts included:

- Worked with the Mayor's Office and the Silicon Valley Community Foundation to create the Coyote Creek Flood Fund, which raised and distributed nearly \$7,000,000 to support non-profit partners engaged in recovery and relief efforts;
- Created a Landlord Incentive Program that provided \$116,000 in small grants to 19 landlords which allowed 97 displaced residents to return to their homes;
- Established a disaster recovery services program with Catholic Charities, which has provided case management to 235 households and helped 214 households to return home or find new permanent housing;
- Supported 86 households with vehicle replacement or repairs;
- Implemented a Flood Loan Restoration program, providing \$486,000 in low interest loans to help four property owners in need of assistance to repair their homes;
- Facilitated 31 Small Business Administration loans for 28 homeowners and three businesses who received approximately \$1.3 million in assistance;
- Repaired exterior damages to 78 mobile homes with \$414,485 in Minor Repair Grants; and
- Finalized 86 building permits in flood impacted neighborhoods, ensuring the safety and habitability of hundreds of apartments for displaced residents.

Expediting service delivery to flood victims was imperative, so the Administration executed several agreements with service providers without competitive bids, under the authority granted by the City Council approved local emergency declaration. A sole source agreement was established with Catholic Charities to provide case management to 235 households, evaluate their needs and help them return to their home or find new permanent housing. Catholic Charities took on this task at the request of the City and performed the functions with minimal subsidy to cover the administrative costs. Sacred Heart Community Services was also a first responder as the main distributor of \$2.5 million of emergency funds from the Silicon Valley Community Foundation. Sacred Heart used these funds for rental assistance and emergency financial assistance, which included gift cards.

On September 16, 2017, with advocacy and support from California State Assemblymember, Ash Kalra, the State Legislature passed AB 130. The bill appropriated \$5.4 million to the State Department of Social Services to provide a one-time grant to the City of San José for purposes of assisting low-income individuals displaced by the 2017 Coyote Creek flood. On March 6, 2018, the City Council adopted a resolution authorizing the Director of Housing, or designee, to accept the grant from the California Department of Social Services and conduct all activities, execute and submit all documents, including, but not limited to, applications, agreements, amendments, and payment requests, which may be necessary in connection with this grant. As a condition of receiving the funds, the City of San José provides quarterly reports to the Department of Social Services documenting the number of families served and the types of services they received, until all funds have been expended.

## **ANALYSIS**

Following the adoption of AB 130, the City received additional direction from the State Department of Social Services clarifying how the \$5.4 million may be used. The Department indicated that the scope of services to be provided to impacted residents should fall within the following categories:

- Housing
- Employment
- Transportation
- Education
- Disaster Preparedness
- Neighborhood Stabilization
- Community Building

The Housing Department developed a plan detailing how to use the remaining grant in conformance with the requirements established by the State. The City is proposing to use a portion of the remaining funds to Reimburse Sacred Heart Community Services in the amount of \$397,153 for costs incurred from the 2017 San José Flood Relief Program.

Sacred Heart Community Services was an integral partner in responding to the 2017 Coyote Creek Flood. Sacred Heart provided emergency financial assistance and gift cards to survivors of the flood. Sacred Heart received \$2.5 million from the Silicon Valley Community Foundation in which \$2.2 million went towards assisting displaced residents with rental assistance. Sacred Heart also utilized its own funding to provide gift cards and financial support, while keeping administrative costs low, so that they could help as many people as possible the State grant funding can be used to reimburse agencies that incurred costs during the flood event. Now that the City has funds, it is important that we fully reimburse Sacred Heart to support them in their past efforts. Therefore, staff is recommending that Sacred Heart be reimbursed \$397,153 for costs it incurred for gift cards and support to residents impacted by the 2017 flood. Sacred Heart assisted 615 households (2,586 individuals) with gift cards and financial support that totaled \$306,550, with the remainder of the funding paying for financial assistance and staffing.

## **CONCLUSION**

Adoption of this resolution will authorize the Director of Housing to negotiate and execute an agreement to reimburse Sacred Heart Community Services in the amount of \$397,153 for costs incurred during the 2017 San José Flood Relief Program as one of the City's partners during this disaster. In light of the recent COVID-19 efforts, our nonprofit communities are facing a shortage of volunteers, staff, and funding to provide essential services. Sacred Heart is leading the way in providing rental support for affected households and this reimbursement will support Sacred Heart in remaining strong during this time.

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### **EVALUATION AND FOLLOW-UP**

The Housing Department has provided the State with quarterly reports from the grants inception and will continue to provide reports as the funds are used in this new phase.

### **CLIMATE SMART SAN JOSE**

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

### **COORDINATION**

Preparation of this report was coordinated with the Office of the City Attorney, the Office of Emergency Management, and the City Manager's Budget Office.

### **COMMISSION RECOMMENDATION/INPUT**

No commission recommendation or input is associated with this action.

### **COST SUMMARY/IMPLICATIONS**

The recommended actions in this memorandum will be funded by the \$5.4 million California Department of Social Services grant that has been received and appropriated to the 2017 Coyote Creek Flood Recovery Efforts appropriation in the Multi-Source Housing Fund. These funds are to be spent assisting homeless and low-income individuals impacted by the February 2017 Coyote Creek Flood.

### **BUDGET REFERENCE**

The table below identifies the fund and appropriation proposed to fund the actions recommended as part of this memorandum.

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Fund#	Appn#	Appn. Name	Total Appn.	Rec. Budget Action	2019-2020 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
448	202T	2017 Coyote Creek Flood Recovery Efforts	\$2,221,297	\$397,153	X-71	10/22/19 Ord. 30325

**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 impact to the environment.

/s/

JACKY MORALES-FERRAND

Director, Housing Department

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