

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE APPROVING SUBSTANTIAL AMENDMENTS TO THE FISCAL YEAR (“FY”) 2015-2020 CONSOLIDATED PLAN AND FY 2019-2020 ANNUAL ACTION PLAN, REGARDING SPENDING PLANS FOR FUNDS AWARDED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (“HUD”) TO THE CITY, INCLUDING ADDITIONAL FUNDS ALLOCATED TO THE CITY FOR COVID-19 RELATED USES; AND AUTHORIZING THE CITY’S HOUSING DEPARTMENT TO SUBMIT THE SUBSTANTIAL AMENDMENTS TO HUD

WHEREAS, on June 11, 2019, the City Council of the City of San José (“City”) approved the Fiscal Year (“FY”) 2019-2020 Annual Action Plan (“Action Plan”) for expenditure of the entitlement funds and competitive grants that the City receives from the U.S. Department of Housing and Urban Development (“HUD”); and

WHEREAS, on March 4, 2020, the Governor of California proclaimed a State of Emergency (Executive Order N-25-20) to exist in California as a result of the threat of Coronavirus Disease (COVID-19); and

WHEREAS, on March 6, 2020, the City issued a Proclamation of Local Emergency finding that the existence and threat of COVID-19 in the community give rise to conditions of extreme peril to the safety and health of persons within the City; and

WHEREAS, the United States Secretary of Health and Human Services declared a public health emergency on January 31, 2020, and the President issued a Proclamation on Declaring a National Emergency Concerning COVID-19 beginning March 1, 2020; and

WHEREAS, on March 16, 2020, the Santa Clara County Public Health Officer issued an Order to all residents to shelter in place and businesses to close except for essential activities, essential services and governmental services as defined under Section 10 of the Order; and

WHEREAS, on March 19, 2020, the Governor issued an Order (Executive Order N-33-20) that all individuals living in the State of California stay home or at their place of residence, except as needed to maintain continuity of operations for certain critical infrastructure sectors, to protect the public health of Californians, to mitigate the impact of COVID-19, and to ensure the healthcare delivery system is capable of serving all; and

WHEREAS, on March 27, 2020 HUD notified federal grant jurisdictions of supplemental CDBG ESG, and HOPWA allocations authorized by the Coronavirus Aid, Relief, and Economic Security ("CARES") Act, Public Law 116-136, to respond to the impacts of COVID-19, which made available \$5 billion in supplemental CDBG funding for grants to prevent for, and respond to coronavirus; and

WHEREAS, the City desires to amend its spending plans regarding funds awarded to it by HUD, including funds made available by the CARES Act to: 1) address the needs of the community during the COVID-19 crisis, 2) accommodate changes in spending rates that normally occur during the year, and 3) meet the annual federal deadline to disburse certain CDBG funds; and

WHEREAS, HUD allows changes to be made to the Action Plan during the plan year to reflect the changing needs of the community per the City's Citizen Participation Plan ("CPP") which sets forth the requirements for a substantial amendment to the Action Plan ("Substantial Amendment") including 1) certain thresholds for amending the Action Plan, 2) public notice and 3) public hearing requirements; and

WHEREAS, per the City's CPP, the following change set forth in the memorandum to Council from the Director of Housing and the Budget Director dated April 16, 2020 constitutes a Substantial Amendment to the City's FY 2015-2020 Consolidated Plan: 1) adding Job Retention as an eligible activity under the Community Development Block Grant ("CDBG") Community Development Investment ("CDI") category; and

WHEREAS, per the City's CPP, the following changes set forth in the memorandum to Council from the Director of Housing and the Budget Director dated April 16, 2020 also constitute Substantial Amendments to the City's FY 2019-2020 Action Plan: 1) adding Job Retention as an eligible activity under the CDBG CDI category, 2) allocating CDBG CDI funding for emergency job creation and retention loans to microenterprises in the amount of \$2,500,000 to the Opportunity Fund, 3) awarding \$1,200,000 of CDBG Public Services funding for City food services to Loaves and Fishes, 4) allocating \$2,000,000 of CDBG Public Services category funding for emergency hotel/motel vouchers for families to LifeMoves, 5) allocating \$519,000 of CDBG CDI funding to fund operations costs for emergency shelters established by the City, 6) reducing CDBG Public Services category funding to the San José Housing Rights Consortium to provide Legal Services for Low-income Tenants by \$125,000, from \$500,000 to \$375,000, 7) increasing CDBG CDI funding to Rebuilding Together Silicon Valley to provide the Emergency and Minor Repair Program for single family homes by \$400,000, from \$1,650,000 to \$2,050,000, 8) reducing CDBG CDI funding for Code Enforcement to provide enhanced code enforcement services by \$404,074, from \$1,102,037 to \$697,963, 9) programming and authorizing \$5,263,414 in CDBG funding made available by CARES Act to provide emergency shelter costs, hotel/motel vouchers, and COVID-related staffing costs, 10) programming and authorizing \$2,683,479 in Emergency Solutions Grant (ESG) funding made available by the CARES Act to provide emergency shelter costs, rapid rehousing services including hotel/motel vouchers, homelessness prevention services, and COVID-related staffing costs, and, 11) programming and authorizing \$209,618 in

Housing Opportunities for Persons with AIDS (HOPWA) funding made available by the CARES Act to the Health Trust to provide additional housing assistance to people living with HIV/AIDS; and

WHEREAS, due to the need to deploy funds quickly to respond to the COVID-19 crisis, HUD has issued guidance that waives the Citizen Participation Plan requirements for entitlement recipients, provided that (1) no fewer than five days are provided for public comment and that (2) reasonable notice and the opportunity to comment is provided; and

WHEREAS, the City has provided no fewer than five days for public comment and has ensured that reasonable notice and the opportunity to comment has been provided; and

WHEREAS, the City desires to make the above changes to the FY 2015-2020 Consolidated Plan and FY 2019-2020 Annual Action Plan in order to ensure that urgent needs of the community related COVID-19 crisis are funded, all available CDBG funds, including those allocated by the CARES Act can be spent in FY 2019-2020, and to meet the annual federal deadline to disburse certain CDBG funds;

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

1. A Substantial Amendment to the City's Fiscal Year ("FY") 2015-2020 Consolidated Plan to add Job Retention as an eligible activity under the Community Development Block Grant ("CDBG") Community Development Investment ("CDI") category is hereby approved.

2. Substantial Amendments to the City's FY 2019-2020 Annual Action Plan, as set forth in the memorandum to Council from the Director of Housing dated April 16, 2020. are hereby approved.

3. The City's Housing Department is hereby authorized to submit the Substantial Amendments to the FY 2015-2020 Consolidated Plan and FY 2019-2020 Annual Action Plan to the U.S. Department of Housing and Urban Development.

4. The Director of Housing is hereby authorized to:

- (a) Negotiate terms and conditions and execute a Subrecipient Agreement with the Opportunity Fund in the amount of \$2,500,000 in CDBG CDI funding category for emergency job creation and retention loans to microenterprises; and,
- (b) Negotiate and execute a sole source agreement with Loaves and Fishes in the amount of \$1,200,000 in CDBG Public Services funding category for City food services; and,
- (c) Negotiate and execute an amendment to the current contract with LifeMoves, relating to additional funds in the amount of \$2,000,000 in CDBG Public Services funding category for emergency hotel/motel vouchers for families; and,
- (d) Negotiate and execute an amendment to the current contract with San José Housing Rights Consortium for a reduction in the amount of \$125,000 in CDBG Public Services funding category, from \$500,000 to \$375,000 for Legal Services for Low-income Tenants; and

- (e) Negotiate and execute an amendment to the contract with Rebuilding Together Silicon Valley for an increase in the amount of \$400,000 in CDBG CDI funding category, from \$1,650,000 to \$2,050,000 for the Emergency and Minor Repair program for single family homes; and
- (f) Negotiate and execute an amendment to the contract with Health Trust for an increase in the amount of \$209,618 in Housing Opportunities for Persons with AIDS funding made available by the Coronavirus Aid, Relief, and Economic Security Act to provide additional housing assistance to people living with HIV/AIDS.

ADOPTED this _____ day of _____, 2020, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk