



COUNCIL AGENDA: 4/21/2020

FILE: 20-489

ITEM: 8.2

# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Ragan Henninger  
Jim Shannon

**SUBJECT:** SEE BELOW

**DATE:** April 20, 2020

Approved

Date

4/20/2020

**SUBJECT: ACCEPT THE HOMELESS HOUSING ASSISTANCE AND  
PREVENTION GRANT FROM THE STATE OF CALIFORNIA AND  
AUTHORIZE RELATED CONTRACT AMENDMENTS**

## RECOMMENDATION

(a) Adopt a resolution authorizing the City Manager or his designee:

- (1) To accept the Homeless Housing, Assistance and Prevention (HHAP) grant award of \$23,832,510.94 from the State of California to fund emergency and crisis intervention services for the homeless and negotiate and execute related documents to accept these grant funds without further City Council action.
- (2) To negotiate and execute a Second Amendment to the grant agreement with Habitat for Humanity dated June 3, 2019 to increase the grant amount by up to an additional \$6,000,000 for a total amount of \$11,100,600 to develop and construct at additional site located on Monterey and Bernal for emergency bridge housing or emergency shelters.
- (3) To negotiate and execute a Third Amendment to the grant agreement that was transferred to Destination: Home SV by Asset Transfer Agreement dated November 28, 2017, to increase the grant amount by \$3,000,000 for a total of \$5,179,129, to continue implementing the Employment Initiative and Homelessness Prevention System for homeless individuals and families through June 30, 2021.
- (4) To negotiate and execute a Third Amendment to the grant agreement with Bill Wilson Center dated August 15, 2017, increasing the maximum amount of compensation by \$2,000,000 from \$2,179,129 to \$4,179,129 to provide housing and supportive services to homeless youth ages 18 to 25 through their Transition in Place program through June 30, 2020.

- (b) Adopt a resolution finding that the expenditures in connection with the COVID-19 emergency for the purposes of procuring, developing and constructing emergency bridge housing communities, emergency interim shelters or emergency shelters are deemed by the Council to be of urgent necessity for the preservation of life, health, or property and that such expenditures and contracts are exempted from Charter bidding and procurement requirements pursuant to Section 1217(e)(5) of the City Charter. (Requires 8 votes.)
- (c) Adopt the following Appropriation Ordinance Amendments in the Emergency Reserve Fund:
  - (1) Establish a Transfer to the Multi-Source Housing Fund in the amount of \$3,919,821; and
  - (2) Decrease the COVID-19 Emergency Response appropriation by \$3,919,821.
- (d) Adopt the following Appropriation Ordinance and Funding Sources Resolution Amendments in the Multi-Source Housing Fund:
  - (1) Increase the estimate for Revenue from the State of California by \$23,832,511;
  - (2) Increase the estimate for Transfers and Reimbursements by \$3,919,821;
  - (3) Establish a SB89 COVID-19 Emergency appropriation to the Housing Department in the amount of \$3,919,821;
  - (4) Establish an Emergency Shelters appropriation to the Housing Department in the amount of \$17,232,511;
  - (5) Increase the Homelessness Prevention System appropriation to the Housing Department by \$3,000,000;
  - (6) Establish a Homeless Youth appropriation to the Housing Department in the amount of \$2,000,000; and,
  - (7) Establish a Grant Administration appropriation to the Housing Department in the amount of \$1,600,000.

## **OUTCOME**

Acceptance of the Homeless Housing Assistance and Prevention (HHAP) grant award allows the City to immediately begin work on critically needed homeless programs, specifically emergency bridge housing during the COVID-19 health crisis, homeless prevention and homeless youth services.

## **BACKGROUND**

### *Homeless Housing, Assistance and Prevention (HHAP) Grant*

On July 31, 2019, Governor Gavin Newsom signed Assembly Bill 101 (AB101) into law, establishing a one-time source of funds called the Homeless Housing, Assistance and Prevention Program (HHAP), a \$650 million block grant program. HHAP funding provides jurisdictions with flexibility to use funds to meet their emergency needs with a focus on evidence-based practices and regional coordination, as well as services specific to the needs of homeless youth. The City of San José's allocation is \$23,832,510.94.

On February 11, 2020, City Council approved a proposed expenditure plan for the City's HHAP award. The plan allocated \$13 million for the development and three years of operation of a navigation center, \$3 million for homeless prevention, \$2 million for homeless youth services and housing and \$4.2 million for innovative solutions that included a motel voucher program for families, overnight warming locations and safe parking programs.

On March 30, 2020, The City was notified that it was awarded a Homeless Housing, Assistance and Prevention (HHAP) Grant in the amount of \$23,832,510.94 from the State's Business, Consumer Services and Housing Agency.

### *The Current Health Crisis and Emergency Housing Needs*

COVID-19 presents a dynamic public health emergency, requiring extraordinary actions by governments and health agencies in a rapidly changing environment where inaction can result in increased lives lost. As the virus' transmission has changed over the last couple of months, so too has the response at the local, state, and federal level. On January 30, 2020, the World Health Organization declared COVID-19 a Public Health Emergency of International concern, and the following day the United States Secretary of Health and Human Services declared a Public Health Emergency. On February 10, 2020, the Santa Clara County (County) announced a local health emergency due to the spread of the novel coronavirus. With continued spread across the state, Governor Gavin Newsom issued a Proclamation of a State of Emergency in California on March 4, 2020. Days later, on March 11, the World Health Organization declared the coronavirus outbreak a pandemic and on March 13, 2020 the President issued a Proclamation on Declaring a National Emergency Concerning COVID-19 beginning on March 1, 2020.

On March 6, 2020, the Director of the Office of Emergency Services of the City of San José issued a Proclamation of Local Emergency, pursuant to his powers under Chapter 8.08 of the San José Municipal Code, 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. This proclamation was quickly followed by the County, which on March 16, 2020, issued a shelter in place order directing all individuals to shelter in their place of residence unless they must obtain or perform essential services. All businesses, except essential businesses, were required to cease

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all activities at facilities located within the County. At that time, there were 258 confirmed cases and three deaths in the seven Bay Area jurisdictions. On March 19, Governor Newsom also issued Executive Order N-33-20 directing California residents to follow a March 19 State Shelter Order issued by the State Public Health Officer ordering all individuals to stay home or at their place of residence except as needed to maintain continuity of operations of the federal critical infrastructure sector.

On March 20 2020, the Director of the Office of Emergency Services of the City of San José issued a Declaration of Shelter Crisis, consistent with the provisions of the Shelter Crisis Act, under his powers in Chapter 8.08 of the San José Municipal Code.

Most recently, the County issued a second, more restrictive, shelter in place order on March 31, 2020, superseding its initial order as total confirmed cases increased by over 1,800 in just a two-week period. The County's most current order became effective on March 31, 2020 and will remain in place until 11:59 p.m. on May 3, 2020, or until it is extended, rescinded, superseded, or amended.

Guidance released from the U.S. Department of Housing and Urban Development (HUD) on March 9, 2020 states that housing instability and frequent mobility increase the risk of exposure to infectious disease. Limited access to health care services and poor living conditions further compound this risk. As a result, the experience of homelessness may place these individuals at greater risk of exposure to a variety of infectious diseases, including COVID-19.<sup>1</sup> The most effective means of slowing the transmission of COVID-19, as exemplified in the shelter in place orders at the State and County levels, requires significantly restricting mobility to limit interactions among people, thus slowing the rate of community transmission. Slowing the virus' transmission is essential to protecting the most vulnerable, which includes people experiencing homelessness. Unsheltered populations are especially vulnerable without a place to shelter, quarantine, or self-isolate. In the most recent County Public Health Order individuals experiencing homelessness are strongly urged to obtain shelter, and "governmental and other entities are urged to, as soon as possible make such shelter available." The City, in partnership with the County, has created over 1,000 new emergency beds/units through a combination of hotel/motel leasing and new congregate temporary shelter sites.

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<sup>1</sup> [https://files.hudexchange.info/public/resources/documents/Specific-Considerations-for-Public-Health-Authorities-to-Limit-Infection-Risk-Among-People-Experiencing-Homelessness.pdf?utm\\_source=HUD+Exchange+Mailing+List&utm\\_campaign=8b1f3959f9-Infectious+Disease+Guidance+Homeless+3.9.20&utm\\_medium=email&utm\\_term=0\\_f32b935a5f-8b1f3959f9-19553749](https://files.hudexchange.info/public/resources/documents/Specific-Considerations-for-Public-Health-Authorities-to-Limit-Infection-Risk-Among-People-Experiencing-Homelessness.pdf?utm_source=HUD+Exchange+Mailing+List&utm_campaign=8b1f3959f9-Infectious+Disease+Guidance+Homeless+3.9.20&utm_medium=email&utm_term=0_f32b935a5f-8b1f3959f9-19553749)

### *SB 89 Funds*

On March 17, the Governor signed SB89 which provides funding to protect the health and safety of the homeless population in response to the COVID-19 pandemic. On March 23, the City of San José was notified that it was awarded \$3,919,820.88 from State SB89 funds. The funding can be used for medically indicated services and supplies, such as testing and hand-washing stations. It can also be used to acquire new shelters, supplies and equipment for emergency shelter operations, increasing shelter capacity, street outreach, and acquiring locations to place individuals who need to be isolated because of COVID-19 illness or exposure.

### *Emergency Shelter Declaration*

On April 7, 2020, the City Council ratified the Office of Emergency Services Declaration of Shelter Crisis and adopted a Shelter Crisis Declaration and an Emergency Order pursuant to Government Code Section 8634 which applies to emergency shelters developed during the COVID-19 emergency. The Shelter Crisis declaration found that the current health crisis described above presents an urgent necessity to take action for the preservation of life, health and property through the most rapid procurement, construction and development of emergency shelters, emergency bridge housing or emergency interim housing to increase the City's shelter capacity and allow the City's unsheltered residents an opportunity to shelter in place, protecting both those residents and the larger community.

### *Public Health Pandemic Spurs HHAP Investment in Emergency Housing*

Concurrent to ratifying and adopting the Shelter Crisis Declaration on April 7th, the City Council redirected \$17,232,510 of HHAP funds toward purchase and/or construction of emergency housing, including prefabricated modular units, during the declared shelter crisis for individuals impacted by the COVID-19 pandemic. The City Council directed the Administration to "move aggressively" to build emergency housing. The City Council also directed that staff identify other sources to be used to make up for what would have been spent for families under the proposed Innovative Housing Solutions Category.

## **ANALYSIS**

### ***HHAP Allocation & Eligible Uses***

HHAP funding provides jurisdictions with flexibility to use funds to meet their emergency homeless and housing needs. The City of San José's allocation is \$23,832,510.

**HHAP Eligible Categories**

<ul style="list-style-type: none"> <li>• Rental Assistance/Rapid Rehousing</li> <li>• Operating Subsidies and Reserves</li> <li>• Landlord Incentives</li> <li>• Outreach and Coordination</li> <li>• Support to Create Regional Partnerships</li> <li>• Delivery of Permanent Housing</li> <li>• Prevention and Shelter Diversion</li> </ul>	<ul style="list-style-type: none"> <li>• New Navigation Centers/Emergency Shelters</li> <li>• Innovative Solutions</li> <li>• Homelessness Planning (up to 5%)</li> <li>• Infrastructure Development (up to 5%)</li> <li>• Youth Set-Aside (no less than 8%)</li> <li>• Administrative (up to 7%)</li> </ul>
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Funds not expended must be returned to the State. The State requires the City to contractually obligate no less than 50% of program allocations by May 31, 2023 and 100% of funds must be fully expended by June 30, 2025. In addition, the City is required to use at least 8% of the program allocation for services that meet the specific needs for homeless youth populations. No more than 7% of the allocation may be used on administrative costs. The City is also required to demonstrate how it has coordinated with other jurisdictions to identify the City's share of the regional need to address homelessness, and how the requested funds will help meet the City's share of that need.

***HHAP Expenditure Plan***

The table below summarizes the expenditure plan for the City's HHAP allocation based on the City Council direction provided on February 11, 2020 and April 7, 2020.

<b>State Eligible Use/Category</b>	<b>Program</b>	<b>Cost</b>
Prevention and Shelter Diversion to Permanent Housing	Homelessness Prevention System Program	\$3,000,000
Youth Set-Aside (required)	Rental assistance/supportive services	\$2,000,000
New Navigation Centers/ Emergency Shelters	Emergency Bridge Housing	\$17,232,510
Administrative	Program and grant management by City staff	\$1,600,000
<b>Total</b>		<b>\$23,832,510</b>

A description of each funded program is provided below.

***1. Homeless Prevention System Program***

The Homelessness Prevention System Program (Program) provides support for low-income households at risk of homelessness to remain stably housed. The Program provides financial assistance and support to households at risk of homelessness, which may include rental assistance, move-in costs or rental arrears, housing search, employment and benefits assistance, landlord mediation/dispute resolution, and information regarding tenant rights. The Program is

being independently evaluated by the University of Notre Dame's Lab for Economic Opportunity.

The Program works in conjunction with and/or enhances existing County homeless prevention programs, including the Emergency Assistance Network (EAN). The goal of the Program is to expand households' ability to become quickly connected to prevention services with multiple points of entry, streamline and standardize service delivery, and measure the collective impact of homelessness prevention.

In February, Council approved the \$3 million allocation to Destination: Home to continue the program through 2019-2020 and 2020-2021. The approval of the action in this memorandum provides the Administration the authority to negotiate and execute the contract amendment with Destination: Home to continue the program. One hundred percent of the City funds will be used to assist families with minor children who are at risk of becoming homeless.

During the COVID-19 health crisis, Destination: Home raised \$11 million for an emergency fund to provide financial assistance to low income households impacted by COVID-19. As an indicator for need here in the local community, the fund received 4,400 applications within the first 72 hours of opening. Now there are over 7,000 households on the interest list for future funding. The economic impacts of COVID-19 are likely to be long lasting and devastating for low income households. It is likely the HHAP funding will also assist low-income families who are both at risk of becoming homeless and who are also impacted by COVID-19.

## *2. Youth Set-Aside Services*

In February, the City Council approved the Housing Department's proposal to set aside \$2 million for youth services, specifically rental subsidies and supportive services. The City Council further provided direction to the Administration to specifically allocate the \$2 million funding to the Bill Wilson Center, serving homeless youth and families. The action in this memorandum provides the Administration the authority to negotiate and execute the contract with Bill Wilson Center for this additional funding.

## *3. Emergency Bridge Housing*

On April 7, the City Council reallocated \$17,232,510 of HHAP funds towards the lease, purchase, and/or construction of emergency housing during the declared Shelter Crisis for individuals impacted by COVID-19 pandemic. The Administration has since diligently pursued options to expeditiously site and build non-congregate shelter/interim housing opportunities. Staff has assessed multiple temporary housing types including a variety of individual sleeping cabins, workforce housing, and prefabricated modular units. Ultimately, staff determined that the most expedient option is to expand the City's Bridge Housing Communities (BHC) inventory. Using prefabricated modular construction under the City's BHC Ordinance, the City will benefit from the temporary relief under the Governor's Executive Order (N-32-20) and the flexibility

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authorized under Assembly Bill 2176; ensuring speedy project delivery as well as the ability to successfully operate beyond the current COVID-19 Crisis.

After identifying the City owned site at Monterey and Bernal to develop the first of several new BHC's, staff immediately began work on the site engineering and design. To expedite the design process, the Administration is utilizing several existing contractual design services. Staff also began developing an expedited competitive procurement for a contractor to purchase the modular sleeping units and develop the new BHC and site. While the expedited contractor procurement will significantly reduce the traditional contractor selection timeline, a contractor will not be selected for several weeks, delaying development of this first site. After weighing all immediately viable options, the Administration has decided that the swiftest course of action is to use the construction services of the non-profit contractor, Habitat for Humanity ("Habitat") of Silicon Valley East Bay, to develop the Bernal/Monterey BHC. The Habitat contract will increase the grant by \$6,000,000 for a total amount of \$11,100,600 to develop and construct the Bernal/Monterey BHC. Habitat was selected through a competitive Request for Qualifications process in 2018 to construct the first two BHC's. Mission driven for decades to build housing for low income homeowners, Habitat has expanded in recent years from its historic model of volunteer centric home building to full construction/development services. Staff has negotiated the amended terms to the existing agreement with Habitat and anticipates an amended agreement will be executed immediately, should City Council approve the Charter exception recommendations to waive the City's procurement and bidding requirements under Section 1217(e) (5) of the City Charter. The agreement with Habitat is structured as a reimbursable "cost plus fee" agreement, ensuring the City will only pay for actual project expenses plus a reasonable fee for project management and delivery. This type of agreement not only ensures cost accountability but provides the City greater control over expenses. The Administration will continue to develop and release the expedited procurement to construct subsequent BHC's.

The Charter of the City of San José (City Charter) contains procurement and bidding requirements that apply to expenditures for public works projects including the emergency bridge housing communities and emergency shelters to be built under a City contract or grant agreement. The City, is however, authorized by Section 1217(e) (5) of the City Charter to waive the procurement bidding requirements applicable to public works projects under conditions of urgent necessity for the preservation of life, health and property upon adoption of a resolution making findings of such urgent necessity with at least eight votes.

The expenditures and contracts for emergency shelters funded with the HHAP funds are to be constructed to meet an urgent necessity for the preservation of life and health as discussed in the memorandum for Shelter Crisis and Emergency Powers resolution adopted by the City Council on April 7, 2020. After adoption of the proposed resolution upon the findings included in **Attachment A**, the emergency shelter expenditures and contracts will be exempted from Charter bidding and procurements pursuant to Section 1217(e)(5) of the City Charter. The findings are included in **Attachment A**.



*Emergency Bridge Housing Communities Development Plan*

The Bernal/Monterey site has been engineered and designed to 30% completion. With these designs, Habitat can immediately begin procuring the prefabricated sleeping and community modular buildings while staking and grading the site for construction. City staff and its design consultants will continue to work with Habitat to finalize the design build plans while work is in progress. In accordance with AB2176 and the City's BHC Ordinance, each site developed under these current efforts will provide a community kitchen, laundry, recreations/meeting space, office space for operations and services staff, along with other site amenities. The Bernal/Monterey site will consist of 16-20 modular buildings for sleeping, each accommodating between 3-5 individuals for a total capacity of approximately 80 sleeping units. To ensure adequate physical distancing, units will have either a bathroom with shower within the unit or two units sharing one restroom to limit potential exposure to COVID-19. In accordance with federal and State law, the site will conform to ADA requirements. Most sleeping units will also meet minimum Health Quality Standards (HQS) which may allow the City to use Housing Authority vouchers to offset a significant amount of the annual operating costs.

***Proposed Plan for Families***

On April 7, the City Council directed the Housing Department to return with alternative funding sources to support families who are experiencing homelessness with a goal of replacing funding that would have been received under the original HHAP Expenditure Plan for the Innovate Housing Solutions.

*Original Expenditure Plan, Innovate Housing Solutions by Household Type*

<b>Program</b>	<b>Amount</b>	<b>Description</b>	<b>Household</b>
Motel Voucher Program	\$2,000,000	Temporary motel stays for families with children and survivors of domestic violence	Families
Overnight Warming Centers	\$1,232,510	Temporary shelter at City-owned facilities	Singles
Incidental Safe Parking Program	\$500,000	Support non-City programs	Singles/Families (50%)
Housing Problem Solving	\$500,000	New system to support creative problem solving to keep people housed	Singles (25%) Families (75%)
<b>Total</b>	<b>\$4,232,510</b>		

The original expenditure plan allocated \$4,232,510 to Innovative Solutions with approximately \$2,625,000 (62%) allocated to families.

*Need for Additional Support for Families and Survivors of Domestic Violence*

The Housing Department reached out to the Santa Clara County Office of Education McKinney-Vento staff, family shelter providers, and the operators of Domestic Violence shelters to identify their needs. The County McKinney-Vento staff reported that homeless youth are unable to keep up with their schoolwork due to their families struggling with a lack of additional shelter, affordable childcare, and inadequate transportation. Staff also convened a call with the family shelter providers that all stated they were providing access to children and working closely with teachers (children had access to technology and Wi-Fi) so that they could keep up with their school work. A State Task Force has recently been convened to address the digital divide for low-income families. Most of the family shelter providers also stated that they were still taking referrals, however they indicated funding for motel/hotel vouchers would add additional capacity. Finally, staff convened Domestic Violence service providers who reported that while calls are down, their shelters are full, and that they are in need of personal protective clothing and flexibility to use their current funding for motel/hotel vouchers. Domestic Violence providers expressed a concern that the low call volume may be due to the shelter in place order and requested that the City include information on domestic violence in a flash report. Information on domestic violence was released last week in the City's flash report. The City and Office of Supportive Housing (OSH) are identifying the capacity in the Domestic Violence providers existing contracts that can be redeployed and will determine what additional funding is needed. It is anticipated that this analysis will be completed the week of April 20<sup>th</sup>. Finally, the Housing Department is working with the OSH to develop a streamlined referral process so that families can more easily access shelter.

*CARES Act*

On March 27, 2020 the CARES Act was signed into law. The legislation is aimed at providing relief for individuals and businesses that have been negatively impacted by COVID-19. The CARES Act allocated over \$12 billion in supplemental Community Development Block Grant (CDBG), Emergency Solutions Grants (ESG), and Housing Opportunities for People Living with AIDS (HOPWA). The CARES Act also provides waivers which gives local communities greater flexibility that make it easier to use CARES grant funding for fiscal years 2019 and 2020 and authorizes the Department of Housing and Urban Development (HUD) to grant additional waivers. HUD released the first \$3.064 billion in funding and is planning on releasing the remaining \$9.136 after new grant formulas are written. (The CARES Act requires that HUD release a second round of funding within 45 days of passage of the legislation and a third round will be released on a rolling basis.) The City of San Jose is receiving \$8,156,511 in CARES Act funding from the first release. Item 8.3 on the April 21<sup>st</sup> City Council Agenda, Substantial Amendments to the FY 2015-2020 Consolidated Plan and FY 2019-2020 Annual Action Plan, programs the new funding to support emergency shelter set-up and operations and housing for people living with HIV/AIDS. In addition, one of the HUD waivers allows the City to lift its public service cap allowing the City to invest its unprogrammed current CDBG allocation to fund additional motel/hotel vouchers, food services, and shelter operations.

*Reallocation of CDBG to Support Families*

The Housing Department identified approximately \$6 million in unallocated CDBG funding that can be redeployed to respond to COVID-19. The Department is proposing that \$2 million be allocated to LifeMoves for emergency hotel/motel vouchers for families with minor children. (The remaining funds are proposed to be allocated to 1. provide food to vulnerable residents (\$1.2 million), 2. fund microenterprise loans (\$2.5 million), and 3. establish and operate City emergency shelters (\$519,000)). The Department will also explore whether new waivers on the HOME program will allow for the additional investment of rent subsidies for families. Finally, there may be more opportunity to invest additional funds for families when HUD releases the next round of funding after shelter operations are fully funded.

*Emergency Bridge Housing Community for Families*

The Emergency Housing and Quarantine Branch at the EOC is exploring building a family bridge housing community on one of the future sites. As the team plans for the build out of two additional sites, staff is considering if one can be used to accommodate the needs of families with children. If feasible, the site will provide a minimum of 50 units of shelter for families.

**CONCLUSION**

The CDC considers homeless populations an at-risk population for COVID-19, because they may face issues getting assistance if they become ill, and are therefore recommended to take extra precautions. For this reason, the City will allocate \$17.2 million of the State HHAP funds to the expansion of emergency bridge housing communities. Additionally, this City Council action provides the authority for the Administration to implement prior Council direction to allocate funding to homelessness prevention for families and homeless youth programs.

**EVALUATION AND FOLLOW-UP**

During the COVID-19 crisis, the Administration will provide periodic verbal updates to the City Council on the progress for building emergency bridge housing communities.

The HHAP programs will be reported twice a year to the City's Neighborhood Services and Education Committee. The Housing Department will also provide its annual report on the Homeless Programs when the COVID-19 emergency is over.

As a condition of receiving the State grant funds, the City is required to provide annual reports to the State regarding types of services, expenditures, and demographics of those served, until all funds have been expended (by June 25, 2025 for HHAP).

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## **CLIMATE SMART SAN JOSE**

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

## **PUBLIC OUTREACH**

This item has been posted on the City's website for approval by the City Council on April 21, 2020.

## **COORDINATION**

This memorandum has been coordinated with the City Attorney's Office, the Emergency Housing and Quarantine Branch at the EOC, and City Manager's Office.

## **COMMISSION RECOMMENDATION/INPUT**

In response to the Stage 5 Pandemic Management Plan related to COVID-19, the Housing and Community Development Commission (Commission) meetings have been cancelled. The Housing Department will update the Commission on these actions when the Commission reconvenes.

## **COST IMPLICATION SUMMARY**

The actions recommended in this memorandum will recognize a \$23,832,511 Homeless Housing, Assistance and Prevention grant from the State of California and appropriate funds for Emergency Shelters (\$17,232,511), Homelessness Prevention (\$3,000,000), Homeless Youth (\$2,000,000) and Grant Administration (\$1,600,000). Funding for a grant agreement with Habitat for Humanity will be increased by \$6,000,000 to construct an emergency bridge housing project located at Monterey/Bernal from the new Emergency Shelters appropriation. Funding for the grant agreement with Destination: Home SV will be increased by \$3,000,000 to continue implementation of the Employment Initiative and Homelessness Prevention System projects from the Homelessness Prevention System appropriation.

This memorandum will transfer \$3,919,821 in SB89 COVID-19 grant funding, received from the State of California, from the Emergency Reserve Fund to the Multi-Source Housing Fund and establish a SB89 COVID-19 Emergency appropriation. This appropriation will fund expenses associated with establishing and operating non-congregate emergency trailers and shelter for those homeless individuals and families with health and medical-related needs, such as isolation

and quarantine resulting from the public health emergency. As this grant funding is attributable to the HAP program, the funds are best expended from the Multi-Source Housing Fund.

### **BUDGET REFERENCE**

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

Fund #	Appn #	Appn. Name	Total Appn.	Rec. Budget Action	2019-2020 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
406	209U	COVID-19 Emergency Response	\$14,419,821	(\$3,919,821)	X-35	04/7/20 Ord. 30389
406	NEW	Transfer to the Multi-Source Housing Fund	\$0	\$3,919,821	X-35	N/A
448	R003	Transfers and Reimbursements	\$46,218,222	\$3,919,821	X-71	10/22/19 Ord. 79270
448	New	SB89 COVID-19 Emergency	\$0	\$3,919,821	N/A	N/A
448	R100	Revenue from State of California	\$0	\$23,832,511	N/A	N/A
448	New	Emergency Shelters	\$0	\$17,232,511	N/A	N/A
448	205W	Homelessness Prevention System	\$1,000,000	\$3,000,000	X-71	06/18/19 Ord. 30286
448	New	Homeless Youth	\$0	\$2,000,000	N/A	N/A
448	New	Grant Administration	\$0	\$1,600,000	N/A	N/A

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**CEQA**

Pursuant to Governor's order N-352-20, CEQA, Division 13 (commencing with section 21000) of the Public Resources Code and regulations adopted pursuant to that Division are suspended for any project using Homeless Emergency Aid Program funds, Homeless Housing, Assistance, and Prevention Program funds, or funds appropriated in Senate Bill 89, signed on March 17, 2020. The above listed projects will use Homeless Housing, Assistance, and Prevention Program funds.

/s/  
RAGAN HENNINGER  
Deputy Director, Housing Department

  
JIM SHANNON  
Budget Director

I hereby certify that there will be available for appropriation in the Multi-Source Housing Fund in the Fiscal Year 2019-2020 monies in excess of those heretofore appropriated therefrom, said excess being at least \$27,752,332.

  
JIM SHANNON  
Budget Director

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

Attachment A – Charter Findings

## **ATTACHMENT A**

### **CHARTER FINDINGS**

The expenditures and contracts for emergency shelters funded with the Homeless Housing Assistance and Prevention (HHAP) funds are to be constructed to meet an urgent necessity for the preservation of life and health as discussed in the memorandum for Shelter Crisis and Emergency Powers resolution adopted by the City Council on April 7, 2020<sup>1</sup>.

The Charter of the City of San José (City Charter) contains procurement and bidding requirements that apply to expenditures for public works projects including the emergency bridge housing communities and emergency shelters to be built under a City contract or grant agreement. The City, is however, authorized by Section 1217(e) (5) of the City Charter to waive the procurement bidding requirements applicable to public works projects under conditions of urgent necessity for the preservation of life, health, and property upon adoption of a resolution making findings of such urgent necessity with at least eight votes. The findings below support the recommendation:

- January 30, 2020, the World Health Organization (“WHO”) declared COVID-19 (“novel coronavirus”) a Public Health Emergency of International concern, and on January 31, 2020, the United States Secretary of Health and Human Services declared a Public Health Emergency; and
- March 11, the WHO declared the coronavirus outbreak a pandemic and on March 13, 2020 the President issued a Proclamation on Declaring a National Emergency Concerning COVID-19 beginning March 1, 2020; and
- Guidance released from the U.S. Department of Housing and Urban Development on March 9, 2020, states that housing instability and frequent mobility increase the risk of exposure to infectious disease, and limited access to health care services and poor living conditions further compound this risk and thus, the experience of homelessness itself may place homeless individuals at greater risk of exposure to a variety of infectious diseases, including COVID-19; and
- March 6, 2020, the Director of the Office of Emergency Services of the City of San José 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 of San José; and
- March 16, 2020, the County of Santa Clara (“County”) issued a shelter in place order directing all individuals to shelter in their place of residence unless they must obtain or perform essential services and all businesses, except essential businesses, were required to cease all activities at facilities located within the County; and

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<sup>1</sup> [Link to 8.1 staff memo from April 17, 2020.](#)

- March 19, 2020, the Governor also issued Executive Order N-33-20 directing California residents to comply with a March 19 State Shelter Order issued by the State Public Health Officer ordering all individuals to stay home or at their place of residence except as needed to maintain continuity of operations of the federal critical infrastructure sector; and
- White House briefing on March 31, 2020 doctor Anthony S. Fauci, the leading infectious disease expert in the United States and director of the National Institute of Allergy and Infectious Diseases, reported that most recent transmission modelling estimated COVID-19 will kill between 100,000 and 240,000 persons; and
- In the United States, 683,786 cases and 34,180 deaths have already been reported as of April 17, 2020, and the number of cases is expected to continue growing as the virus is easily transmitted and may result in serious health complications including death; and
- Although there is limited information regarding risk factors for COVID-19, certain populations are at higher risk for developing severe illness from the disease, and according to current Center for Disease Control and Prevention (“CDC”) guidance these include people aged 65 years and older, and people with underlying medical conditions; and
- Additionally, people experiencing homelessness are considered at risk by the CDC and recommended to take additional precautions; and
- The most effective means of slowing the transmission of COVID-19, as exemplified in the shelter in place order at the State and County levels, requires significantly restricting mobility to limit interaction among people, thus slowing the rate of community transmission, and slowing the virus’s transmission is essential to protecting the most vulnerable, which includes people experiencing homelessness; and
- Unsheltered populations are especially vulnerable as they are without a place to shelter, quarantine, or self-isolate; and
- In the most recent County Public Health Order individuals experiencing homelessness are strongly urged to obtain shelter, and “governmental and other entities are urged to, as soon as possible make such shelter available; and
- According to the 2019 San José Homeless Census and Survey, a total of 6,097 people experiencing homelessness were counted in San José, 5,117 of which were unsheltered; and
- The Santa Clara County Office of Supportive Housing identified 849 year-round emergency shelter beds in San José.