



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Lee Wilcox  
Jim Shannon

**SUBJECT:** ACTIONS RELATED TO THE  
CORONAVIRUS RELIEF FUND

**DATE:** May 4, 2020

Approved

Date

5/4/20

## SUPPLEMENTAL

### REASON FOR SUPPLEMENTAL

To request that the City Council defer this item to the May 12, 2020 City Council meeting.

### OUTCOME

The Administration requires additional time to evaluate how to maximize available funding from Federal Emergency Management Agency (FEMA), and return to Council on May 12, 2020

### BACKGROUND

The recommendation under this item proposes recognizing the \$178 million in Coronavirus Relief Funds that the City has been allocated under the CARES Act, appropriating a portion of that funding for emergency response activities, and approving a series of contracts related to the provision of meals and other necessities to vulnerable populations as part of the City's response to the COVID-19 Emergency. In designing the funding strategy for these contracts, the Administration intends to seek FEMA reimbursements for activities that meet FEMA eligibility requirements. It is anticipated that the City will have significant costs that qualify for Coronavirus Relief Funds because the costs that can be covered by CARES is broader. However, CARES may not be adequate to cover all the costs, and the Administration will make every effort to maximize FEMA reimbursements. By maximizing FEMA reimbursements, the Administration hopes to minimize or avoid impacts to the General Fund and other City Funds while providing critical services to those most impacted by COVID-19.

In a meeting with FEMA staff on Sunday, May 3, 2020, the City confirmed that two types of activities contemplated under the food service contracts proposed for approval under this item would not be eligible for FEMA reimbursement. First, the City would not be eligible to receive reimbursements for meals provided to residents who live in unincorporated pockets and other cities in the County of Santa Clara (County) because the City is not the legal entity responsible

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for these residents. The City had been in discussions with the County to assume this responsibility to support County residents and residents that reside in other cities; however, FEMA staff indicated that the County has the legal responsibility to seek reimbursement for unincorporated areas and the County cannot delegate this legal responsibility by any mechanism. Second, FEMA staff indicated that it is not expanding the eligibility categories issued following the national declaration of emergency notwithstanding the unique nature of the COVID-19 pandemic. FEMA confirmed the City cannot seek reimbursement for providing meals to residents exclusively based on their status of low-income and/or economically impacted because the assumption is that many of these residents would qualify for other public programs and to allow FEMA reimbursement would result in duplication of benefits. The eligible populations have not changed from the initial FEMA guidance, and are limited to residents that have been diagnosed as being positive for COVID-19, residents that are high-risk (such as those over 65 or those with another underlying health condition), or residents that are unable to leave home because of exposure to COVID-19.

### **ANALYSIS**

The Administration requires additional time to reassess and revise the funding strategy proposed for the contracts recommended under this item. In identifying funding for COVID-19 related activities, the Administration is striving to both optimize use of available funding sources to serve those most impacted by the pandemic and limit the impacts to the General Fund and other City Funds, which will be under increasing pressure in the coming months. A deferral will help ensure that those objectives can be met.

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

The Administration will return with this item to the May 12, 2020 City Council meeting after having made any necessary changes to the funding strategy or service delivery approach for the respective contracts.

### **COORDINATION**

This memorandum has been coordinated with the City's Emergency Operations Center, City Attorney's Office, the Finance Department, and the City Manager's Office of Emergency Management.

/s/  
LELAND WILCOX  
Chief of Staff  
City Manager's Office

/s/  
JIM SHANNON  
Budget Director

For questions, please contact Lee Wilcox, Emergency Operations Center Director and Chief of Staff, at (408) 535-4873.