



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Jacky Morales-Ferrand  
Jim Shannon

**SUBJECT:** SEE BELOW

**DATE:** May 8, 2020

Approved

Date

5/8/20

**SUBJECT: ACCEPTANCE AND AWARD OF HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PERMANENT SUPPORTIVE HOUSING CARES ACT SUPPLEMENTAL GRANT OF \$140,108 FROM THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

## RECOMMENDATION

Adopt a resolution to:

- (a) Accept \$140,108 in Housing Opportunities for Persons with AIDS Permanent Supportive Housing (HOPWA-PSH) supplemental funding made available by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) as administered by the U.S. Department of Housing and Urban Development (HUD) for COVID-related uses;
- (b) Award the HOPWA-PSH CARES Act supplemental funding to The Health Trust, adding \$140,108 to its current contract of \$1,222,902 to provide permanent supportive housing assistance and supportive services to San José residents living with HIV/AIDS, for a total contract award not to exceed \$1,363,010;
- (c) Authorize the Director of Housing to negotiate and execute a first amendment to the Health Trust contract dated March 3, 2020, relating to this additional funding; and,
- (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 Federal Government by \$140,108; and,
  - (2) Increase the CARES HOPWA Grants appropriation to the Housing Department by \$140,108.

## **OUTCOME**

Approval will enable the City to promptly use federal funding made available in the HOPWA-PSH program by the CARES Act to be spent in FY 2019-2020 to respond to local needs created by COVID-19. These supplemental grant funds will assist low-income persons living with HIV/AIDS to continue to live in permanent supportive housing while accessing additional support services to enable them to cope with the current health crisis.

## **BACKGROUND**

The HOPWA-PSH Program (HOPWA-PSH or Program) supports specialized models in outreach and service delivery including efforts that target help to persons who have been homeless or are at extreme risk of becoming homeless. The primary purpose of the Program is to provide permanent supportive housing to participants and their families who are affected by human immunodeficiency virus (HIV) or acquired immunodeficiency syndrome (AIDS). The Program provides resources and incentives to devise long-term comprehensive strategies for meeting the needs of the program participants and their families. Eligible Program activities include ongoing rent subsidies and case management supportive services to help clients secure and maintain housing. Supportive services include assistance with housing search, advocacy, housing placement, developing activities of daily living, unit maintenance, resources, referrals, medical case management, and nurse case management.

In July 2019, the City and its project sponsor, The Health Trust, applied for renewal of HOPWA-PSH funding to continue to support these vulnerable San José residents with permanent housing and supportive services for another three years. On August 16, 2019, HUD awarded a HOPWA-PSH renewal grant of \$1,256,461. The renewal grant has a start date of December 1, 2019, and HUD has given its permission to use the funding starting November 16, 2019. On March 3, 2020, the City Council approved the acceptance of the renewal HOPWA-PSH grant and authorized the Director of Housing to negotiate a new three-year contract with The Health Trust.

On March 16, 2020, the Health Officer of the County of Santa Clara ordered a shelter-in-place for all residents due to COVID-19. The effects of COVID-19 and the shelter-in-place have led to residents facing numerous challenges and emergencies.

On March 27, 2020, HUD notified federal grant jurisdictions of supplemental HOPWA-PSH allocations authorized by the CARES Act, Public Law 116-136, to respond to the impacts of COVID-19. The CARES Act made available supplemental grants to prevent, prepare for, and respond to the COVID-19 crisis. While the City had to compete for its HOPWA-PSH award, the HOPWA-PSH CARES Act supplemental grant was awarded without competition. Additionally, the CARES Act provides HOPWA-PSH grantees with flexibilities that make it easier to use HOPWA-PSH CARES grant funds for COVID-19 response, and authorizes HUD to permit waivers and alternative requirements.

This action authorizes the necessary actions for San José to accept its \$140,108 in HOPWA-PSH CARES supplemental funding, award the funding, and authorize it to be spent quickly for COVID-19 relief.

### **ANALYSIS**

The Housing Department's goal is to ensure that individuals living with HIV/AIDS have access to affordable housing opportunities in the near- and long-term. As an entitlement City, San José automatically receives annual allocations of HOPWA entitlement funding to support similar programs. HUD makes HOPWA-PSH funding available every three years on a competitive basis, to which the City applies with a partner agency. The Health Trust has collaborated closely with City staff for over six years to administer the HOPWA-PSH program. As the applicant, the City leads the effort in applying for funding. As the project sponsor, The Health Trust assists the City in the application process by drafting the three-year operation plan for the funding.

Given the integral role of The Health Trust in administering the HOPWA-PSH program and its ongoing ability to find homes and provide services for individuals living with HIV/AIDS, staff recommends amending the current contract with The Health Trust to utilize HOPWA-PSH CARES supplemental funding. The supplemental funding of \$140,108 will provide permanent supportive housing assistance and supportive services to people living with HIV/AIDS, supporting these vulnerable clients who may be facing rents but unable to pay due to loss of income. These funds will provide supplemental services for existing clients facing challenges due to COVID-19.

As the City's regular HOPWA-PSH funds are awarded competitively, their programming occurs outside of the City's Annual Action Plan process for its formula funds awarded by HUD. Similarly, no amendment of an Annual Action Plan is necessary to recognize or use the HOPWA PSH-CARES supplemental funds.

To expedite the delivery of services with these funds, staff requests that the Director of Housing be granted authorization to amend The Health Trust's existing three-year HOPWA-PSH grant agreement of \$1,256,461 to increase it by \$140,108, for a total contract amount of \$1,396,569. Staff also requests that the agreement be made retroactive to the first day of shelter-in-place, March 16, 2020, as ordered by Santa Clara County's Health Officer.

### **CONCLUSION**

Given the COVID-19 emergency and HUD's efforts to disburse funding rapidly to persons in need, staff recommends amending The Health Trust's contract to add \$140,108 in HOPWA-PSH CARES supplemental funding to provide supportive housing for San José residents who are affected by HIV/AIDS.

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

Outcomes from the entitlement HUD-funded programs in the City's Consolidated Plan are reported to HUD each year in a report approved by the City Council called the Consolidated Annual Performance Evaluation Report (CAPER). However, the HOPWA-PSH Program to support individuals living with HIV/AIDS is awarded on a competitive basis every three years and is not covered in the CAPER. Therefore, staff will report back on the HOPWA-PSH Program in its annual homeless report to the City Council.

### **CLIMATE SMART SAN JOSE**

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

### **PUBLIC OUTREACH**

Public outreach was not conducted on actions recommended in this memorandum as it involves an existing funding award from HUD for this specific eligible use. Regardless, this memorandum will be posted on the City's Council Agenda website for the May 12, 2020, Council Meeting.

### **COORDINATION**

This memorandum was coordinated with the Office of the City Attorney.

### **COMMISSION RECOMMENDATION/INPUT**

No commission recommendation or input is associated with this action, as it is outside the scope of the Housing and Community Development Commission.

### **FISCAL/POLICY ALIGNMENT**

This recommendation is consistent with priorities and strategies identified in the City's *FY 2015-20 Consolidated Plan* to assist the housing needs of individuals living with HIV/AIDS.

**COST SUMMARY/IMPLICATIONS**

The recommendations included in this memorandum will recognize and appropriate \$140,108 in HOPWA-PSH CARES supplemental grant funding from HUD. All \$140,108 will be included in a negotiated amendment to The Health Trust’s existing contract so that it can provide COVID-19 related services as it relates to permanent supportive housing for participants and their families who are affected by HIV or AIDS.

**BUDGET REFERENCE**

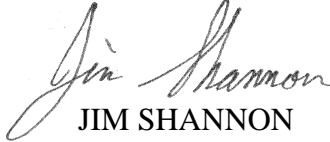
The table below identifies the fund and appropriations to fund the action recommended as part of this memo.

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Action	2019-2020 Adopted Budget Page	Last Budget Action (Date, Ord. No.)
448	R110	Revenue from Federal Government	\$7,466,085	\$140,108	X-70	04/21/20 Ord. 79493
448	210F	CARES HOPWA Grants	\$209,618	\$140,108	N/A	04/21/20 Ord. 30401

**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; and PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

/s/  
JACKY MORALES-FERRAND  
Director, Housing Department

  
JIM SHANNON  
Budget Director

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I hereby certify that there will be available for appropriation in the Multi-Source Housing Fund in the Fiscal Year 2019-2020 moneys in excess of those heretofore appropriated there from, said excess being at least \$140,108.

A handwritten signature in cursive script that reads "Jim Shannon".

JIM SHANNON  
Budget Director

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