



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Angel Ríos, Jr.

**SUBJECT: FOOD DISTRIBUTION
AGREEMENTS**

DATE: May 28, 2020

Approved

Date

5/29/20

RECOMMENDATION

Adopt a resolution authorizing the City Manager to:

- (a) Negotiate and execute an Agreement to Provide Meals for Limited Duration between the City of San José and Hunger at Home (San José, CA) to provide meals to temporarily sheltered, unsheltered, isolated, medically vulnerable, and low-income individuals experiencing food insecurity due to the impacts of the COVID-19 pandemic beginning March 19, 2020 and ending on June 19, 2020 with a maximum compensation not to exceed \$900,000; and
- (b) Negotiate and execute an Agreement to Provide Meals for Limited Duration between the City of San José and Veggielution (San José, CA) to provide food truck meals to seniors 65-years-old or older, medically vulnerable, and low-income individuals experiencing food insecurity due to the impacts of the COVID-19 pandemic for up to 90-days, with a maximum compensation not to exceed \$69,000.

OUTCOME

The recommended action enables the City of San José (City) to feed vulnerable populations in the City and County of Santa Clara experiencing food insecurity due to the impacts of the COVID-19 pandemic.

BACKGROUND

As a result of local, state, and federal mandates and advisories in response to COVID-19, the City Emergency Operations Center (EOC) received a request on March 18, 2020 from the County of Santa Clara (County) EOC to set up, administer, and staff a countywide food and necessities distribution program to feed individuals and families impacted by the National COVID-19 Emergency, the County shelter-in-place order, and the subsequent economic

downturn that have forced already vulnerable populations into poverty¹. The County requested that the City lead this effort through December 31, 2020.

The County Department of Public Health orders to shelter-in-place (to shut down non-essential businesses and to close schools) have increased demand for food distributed through County, City, Community-Based Organizations (CBOs) and school food programs. These entities have insufficient capacity and resources to meet the expanding food needs within the existing food distribution network, which includes serving residents of the unincorporated portions of the County. On May 12, City Council authorized the City Manager to finalize initial response contracts with a variety of food and necessities providers to meet the hunger needs of our community, establishing a potential weekly output of over 3,000,000 meals per week².

ANALYSIS

This memorandum recommends that the Council execute agreements with Hunger at Home and Veggelution to supplement the food distribution network through the City of San José on behalf of the County as the lead coordinator for the food distribution network.

Agreement with Hunger at Home

Staff initiated negotiations with Hunger at Home, a 501(c)3 non-profit organization, to provide meals to homeless individuals and families that have been referred to temporary shelters by the County Office of Supportive Housing, as well as individuals that have experienced food insecurity due to the impacts of the COVID-19 pandemic. The proposed agreement with Hunger at Home will fill a gap of 1,500 meals per day at a cost of roughly \$5 per meal. Hunger at Home is able to fill the gap in service by supplying specialty meals, such as vegan, vegetarian, diabetic friendly, and heart healthy. Hunger at Home has the additional capacity to produce up to 2,000 meals per day to accommodate potential increase in referrals from Santa Clara County Office of Supportive Housing.

Hunger at Home partners with convention centers, hotels, resorts, stadiums and entertainment venues to donate surplus food to soup kitchens and other charities, resulting in the donation of over 2 million meals in the past 20 months. Since the COVID-19 crisis, the nonprofit has started to feed those in need directly with prepared meals and groceries.

¹ According to Santa Clara County's Department of Employment and Benefit Services, applications for CalFresh (food stamp) assistance more than doubled between the periods March 1-15 and April 1-15. The San Jose-Sunnyvale-Santa Clara metropolitan statistical area is [projected](#) to see 15.3% unemployment rate during May 2020 as a result of the COVID- 19 pandemic. For comparison, the 2010 annual rate of unemployment during the Great Recession was 10.5%. The two employment categories with projected highest job losses are: (i) personal care and service, and (ii) food preparation and serving.

² The May 12, 2020, Memorandum is available at:

<https://sanjose.legistar.com/View.ashx?M=F&ID=8340929&GUID=6C2734F1-48B3-4079-8085-34FEEDFCA78A>

Staff recommends using the Emergency Reserve to fund the agreement in the amount of \$900,000. The recipients of the meals who are temporarily sheltered, unsheltered, isolated, or medically vulnerable individuals, and low-income individuals experiencing food insecurity due to the impacts of the COVID-19 pandemic could either be eligible for reimbursement by FEMA or the Coronavirus Relief Fund. It is not clear to what extent the populations served will be eligible for FEMA or Coronavirus Relief Fund and can be documented, which is critical to ensure that the costs can be reimbursed through either funding source. If sufficient documentation is not supplied, the costs allocated to the Emergency Reserve would need to be absorbed by the General Fund. The Administration, however, will seek to maximize appropriate documentation.

Agreement with Veggielution

Staff recommends an agreement with Veggielution, a California non-profit organization, to provide deliveries of up to 100 hot meals three times a week through a food truck service to seniors 65-years-old or older, medically vulnerable, and low-income individuals experiencing food insecurity due to the impacts of COVID-19. The proposed agreement would allow for scaling 100 meals up to five times a week if necessary. Veggielution will coordinate with City staff and provide meal service primarily to their traditional service areas in ZIP Codes 95116, 95122, and 95127.

The mission of Veggielution is to connect people from diverse backgrounds through food and farming to build community in East San José. Founded by three San José State University students and with the support of the City of San José, Veggielution broke ground in 2008 on a 1/6-acre parcel of land at Emma Prusch Farm Park in the Mayfair neighborhood, one of the most impoverished areas in Silicon Valley. Since 2008, Veggielution has grown to become a thriving 6-acre urban farm where neighbors can gather, learn, and play. The farm connects thousands of Silicon Valley residents each year through programs that encourage experiential learning and healthy eating.

Staff recommends using the Emergency Reserve to fund the agreement in the amount of \$69,000. It is not clear to what extent the populations served will be eligible for FEMA or Coronavirus Relief Fund and can be documented, which is critical to ensure that the costs can be reimbursed through either funding source. If sufficient documentation is not supplied, the costs allocated to the Emergency Reserve would need to be absorbed by the General Fund. The Administration, however, will seek to maximize appropriate documentation.

CONCLUSION

This memorandum recommends that the Council authorize the City Manager to negotiate and execute agreements with Hunger at Home and Veggielution. Approval of these actions will ensure vulnerable residents continue to have access to healthy food during the emergency.

EVALUATION AND FOLLOW-UP

The Administration continues to work quickly and strategically in a rapidly evolving environment to address community needs in accordance with the Emergency Operations Roadmap; and will return to City Council for authority to negotiate and execute any future agreements to support emergency operations.

CLIMATE SMART SAN JOSE

The recommendations in this memo do not have any negative impact on Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

This memorandum will be posted on the City's website for the June 2, 2020, Council agenda.

COORDINATION

This memorandum, related documents and resolutions were prepared in coordination with the Budget Office, Finance Department, Parks Recreation & Neighborhood Services Department, and the City Attorney's Office.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

COST SUMMARY/IMPLICATIONS

The respective contracts with Hunger at Home and Veggielution are recommended to be funded through the existing COVID-19 Emergency Response appropriation in the Emergency Reserve Fund, in accordance with the guidance to date regarding eligibility categories for FEMA reimbursement. As FEMA eligibility for food assistance is limited to residents that have been diagnosed as being positive for COVID-19, residents that are at 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, FEMA reimbursement is contingent upon corresponding documentation of these attributes. To the extent that activities serve populations ineligible for FEMA reimbursement, associated costs will be appropriately assigned to an alternate funding source, including the Coronavirus Relief Fund. Corresponding recommendations to allocate

CARES Act funds for Food & Necessities purposes within the Coronavirus Relief Fund are included in Manager’s Budget Addendum #3, Coronavirus Relief Fund and General Fund Adjustments, which is subject to City Council approval. Appropriation adjustment actions to reallocate funding within the Coronavirus Relief Fund for the current fiscal year will be brought forward for City Council consideration on June 23, 2020.

BUDGET REFERENCE

The table below identifies the fund and appropriation to support the contracts recommended in this memorandum.

Fund #	Appn #	Appn Name	Current Total Appn	Amt. for Contract	2019-2020 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
406	209U	COVID –19 Emergency Response	\$10,500,000	\$969,000	N/A	4/21/2020, Ord. No. 30398

CEQA

Not a Project, File No. PP17-008, General Procedure and Policy Making resulting in no changes to the physical environment.

ANGEL RÍOS, JR.
Deputy City Manager, City Manager’s Office

For questions, please contact Angel Ríos, Deputy City Manager, at (408) 793-5553.