



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kim Welsh

SUBJECT: SEE BELOW

DATE: September 17, 2020

Approved

Date

9/17/20

SUBJECT: CORONAVIRUS RELIEF FUNDS FOR RESIDENT ASSISTANCE EFFORTS

RECOMMENDATION

- (1) Approve the resident assistance funding allocation plan for approximately \$7 million in Coronavirus Relief Funds, with total funding contingent on City Council approval of Item 3.6, as well as updates to the previously approved plan based on provider capacity and need.
- (2) Adopt a resolution authorizing the City Manager to negotiate and execute the following grant agreements to provide assistance to San Jose residents negatively impacted by the COVID-19 pandemic and pandemic-induced recession:
 - a. With Catholic Charities of Santa Clara County in an amount not to exceed \$2,750,000 to provide case management and rental assistance to low-income households;
 - b. With Santa Clara County Office of Education in an amount not to exceed \$1,390,000 to provide full-day child care slots, calming kits and access to Inclusion Support Warmline services for extremely low-income families, children in foster care, and children with individual education plans/disabilities;
 - c. With First 5 of Santa Clara County, increasing the grant amount previously awarded from \$2.5 million to not to exceed \$3.5 million to provide grants to additional Family Day Care providers, preserving child care slots and employment;
 - d. With Destination Home, increasing funds previously awarded from \$500,000 to \$650,000 to provide case management and direct financial assistance to extremely low-income individuals and families;
 - e. With County of Santa Clara in an amount not to exceed \$500,000 to support and extend the work of the grassroots Community Health and Engagement teams working in East San José; and
 - f. With Silicon Valley Community Foundation increasing the grant amount previously awarded to from \$5 million to an amount not to exceed \$6.4 million to provide grants to community-based organizations serving at-risk communities in San José and expanding

the previously approved grant scope to include legal assistance and certain types of youth-serving organizations.

OUTCOME

The City Council will receive an update from the Emergency Operations Center Community and Economic Recovery Branch regarding the City's efforts to assist residents negatively impacted by the COVID-19 pandemic. City Council approval of this item will allow staff to move forward with disbursing up to \$7 million in unallocated Coronavirus Relief Funds based on the objectives to invest in the City's most vulnerable populations, empower residents with resources, and partner to achieve improved outcomes for all residents.

BACKGROUND

On August 18, 2020, the City Council approved the implementation of approximately \$23 million in Coronavirus Relief Funds allocated in the 2020-2021 Adopted Operating Budget for local assistance related to the COVID-19 pandemic¹. An additional \$2 million was available for resident assistance, but required Council approval of the spending plan, in accordance with direction in the Mayor's June Budget Message. If Council approves Item 3.6 (Coronavirus Relief Fund Rebalancing), an additional \$5 million will be added for local assistance efforts, bringing the total in Coronavirus Relief Funds for these efforts to \$30 million.

Since August 18, 2020, as directed by Council, we have conducted additional community outreach to hear from the community about how best to spend remaining resident assistance funds. In addition, as directed in a [memorandum from Councilmember Arenas](#), we explored options for subsidizing childcare for families in need due to the current crisis.

Coronavirus Relief Funds

Coronavirus Relief Funds are federal funds provided to cities and counties with populations over 500,000 as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Funding in the Coronavirus Relief Fund cover costs that:

- Are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
- Were not accounted for in the budget most recently approved as of the date of the bill's enactment by the recipient agency; and
- Were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

¹ For more information, please see the staff report for [Item 3.5](#) on the August 18, 2020 City Council agenda, as well as the [Supplemental Memorandum](#) for that item.

Because these are federal funds, there are significant documentation requirements, particularly around documenting that the beneficiary or use needs funding because of the COVID-19 pandemic and its impacts. In addition, the time to spend the funds is quite short. Our goal is to aid the most vulnerable residents, small businesses, and nonprofits, with outreach efforts and deployment of funds centering racial equity and those disproportionately impacted by COVID-19, health disparities, and systemic racism.

ANALYSIS

Staff developed recommendations based on guiding principles to maximize and integrate into existing systems, listen to resident and partner voice, and address racial disparities. In accordance with CARES Act requirements, the funding described in the table below will be expended by the program recipients by December 30, 2020.

\$2 Million - Resident Assistance (June Budget Message)			
Funding Category	Intermediary or Provider	Funding	NOTES
Scholarships for preschool and school-age childcare	PRNS	\$1,300,000	Provides 100% preschool, ROCK support; retroactive support of Camp San Jose Strong scholarships.
Full Day Head Start Preschool for 3-5 year olds	Santa Clara County Office of Education	\$1,390,000	Converts part-day slots to full-day for up to 340 students who are extremely low-income, unsheltered, with disabilities, or those in foster care. Provides Calming Kits, access to Inclusion Support Warmline Services.
Sub-total original funds		\$2,690,000	Note: \$690,000 from new funds

\$5 Million - Local Assistance (September Rebalance)			
Funding Category	Intermediary or Provider	Funding	Notes
Community and Economic Recovery Staffing	EOC Community and Economic Recovery Branch	\$200,000	Provides funding for 3.0 temporary positions from July-Dec. and 1.0 temporary position from Sept.-Dec.
Outreach and Education	EOC Public Information Office	\$210,000	Supports communication efforts, media buys.
Childcare providers	First 5	\$1,000,000	Supports 100 more eligible providers with \$10,000 stabilization grants.
Direct Resident Assistance including potential funding for rental relief and grocery cards	Destination Home & Catholic Charities	\$300,000	Enhance current programs with additional direct assistance, rental relief, and case management.
Nonprofit outreach - Community Health & Racial Equity Strategy	County of Santa Clara	\$500,000	Extend current County funded approach by one month through December and cover a portion of the 25% FEMA match, (Partners include Si Se Puede Collective, Roots, etc.).
Nonprofit grant funding (non-arts)	Silicon Valley Community Foundation	\$1,400,000	Adds legal services, anti-displacement, youth services to existing priorities including mental health, senior services, case management.
Arts/Culture non-profit funding	Silicon Valley Community Foundation	\$200,000	Adds funding for arts/cultural organizations to existing \$2,120,000 allocation.
Utility Relief	San José Clean Energy	\$500,000	According to Clean Energy, significant increase in delinquent bills; State moratorium through April 2021.
Sub-total new funds		\$4,310,000	
Sub-total Table 1		\$2,690,000	
	GRAND TOTAL:	\$7,000,000	

Community Engagement Results

On August 12 and 24, 2020, the Community and Economic Recovery Branch convened Community Leader Forums via Zoom in a focus group format to hear from individuals and organizations representing the communities most impacted by COVID-19, including the East San José zip codes with the highest case rates, Latinx, African-American, and Vietnamese residents and small business owners, seniors, and those with disabilities. We also conducted an

online survey from August 25, 2020 to September 1, 2020 that was distributed through BEST providers, Council Offices, the Neighborhood Center Partner Program, Project Hope neighborhood leaders, neighborhood associations, and Senior and Youth commissions. A total of 1,191 San José residents completed the online survey in three languages - 927 English, 161 Spanish, and 103 Vietnamese.

There were three questions posed to the community through focus groups and survey. The first question was whether funding for resident assistance should be distributed *widely*, with smaller amounts helping more individuals and families, or if funding should be distributed *deeply*, with larger amounts helping fewer people. Based on feedback from initial focus groups, the second question was to identify which vulnerable populations to prioritize. The final question asked residents to identify the highest needs to be addressed with resident assistance funds.

Approximately 60% of respondents indicated that a wider approach is a fairer approach to distribute the funds, versus a deeper approach, which was supported by fewer people. Those who did support a deeper approach believed it would be less burdensome for distribution and help make people financially whole in most cases.

Overall, the populations who were found to be the most vulnerable were people with food insecurity, people without childcare, and people over age 65 with chronic conditions. Vietnamese language respondents indicated that people without childcare ranked as the most vulnerable, Spanish language respondents indicated undocumented people, and English language respondents identified people who are food insecure.

Respondents indicated that the highest priorities for resident assistance were rental relief, food and necessities, and childcare. Childcare ranked high in the focus group and was broken down into two categories in the survey by baby/toddler and school age which may have diluted the overall survey ranking, yet, continues to indicate significant need when combined.

Additionally, participants advocated strongly for cash assistance with fewer restrictions or documentation requirements.

Child Care Assistance

To support families in need, particularly low-income essential and frontline workers, we are proposing to fund the following childcare strategies. These include preschool slots and Head Start slots, as well as scholarships for full-day and afterschool care at the City's ROCK and Learn program sites, provided by the City's Department of Parks, Recreation and Neighborhood Services (PRNS).

As outlined in the tables above, childcare assistance for families includes:

- PRNS programs: Scholarship funds will make preschool, full-day distance learning, and afterschool care available for free to eligible families.

- Santa Clara County Office of Education: Funds will be used to expand existing partial day programming to full-day through December 30, 2020 at several Head Start sites in San José. These preschool programs serve children ages 3-to-5 years whose families who are extremely low-income (incomes of approximately \$26,000/year or less for a family of four), are unsheltered, as well as children in foster care and/or with Individual Education Plans/disabilities. Funds will also provide 340 Calming Kits for each classroom, family, and access to the Inclusion Support Warmline in three languages.

In addition, we propose to expand existing funding to First 5 for the previously approved grant program. This funding will expand by 100 the number of family home day care providers receiving grant funding to weather the pandemic. This approach will protect critical child care slots, as well as jobs in the child care industry. Additionally, family home day care is often one of the more affordable child care options, so preserving these facilities is critical for working families.

Grassroots Outreach and Engagement

In our focus groups, we continued to hear about the challenges residents have accessing accurate information about the pandemic, health and safety measures, and programs and services. Council and the community have stressed the importance of working with trusted community-based partners.

For these reasons, we are recommending funding for the following efforts to support outreach and engagement:

- Internal resources: Support for temporary staff to coordinate community empowerment and language access efforts, as well as funding for media buys and outreach materials.
- Partnership with the County of Santa Clara: The County's Community Health and Engagement pilot, working with trusted partners, is set to end on November 30, 2020. We recommend funding to continue the County's efforts. The County is working in East San José neighborhoods through the Si Se Puede Collective, with the San José Black community through the Roots partnership, as well as with the Community Health Partnership. Additionally, our funding will help the County of Santa Clara with their required FEMA match.

Nonprofit Assistance

We are proposing additional funding for direct assistance to nonprofit organizations who are trusted community partners and service providers. The expanded funding will allow us to broaden the previously approved approach to fund legal services, particularly around tenant protection and anti-displacement efforts (a critical need Council will discuss under Item 8.1, Citywide Residential Anti-Displacement Strategy). In addition, nonprofits providing childcare and youth services in priority zip codes and communities will now be eligible for funding.

Direct Assistance to Individuals and Families

In our survey and focus groups we heard that residents' most critical need is for financial help. Specifically, residents need money for rent, food, utility bills, and other needs.

Previously, Council had approved \$7 million in funds for rental relief, with disbursement through Sacred Heart Community Services. However, given the difficult timeframe for disbursing Coronavirus Relief Funds and the capacity challenges our local nonprofits are having due to increased service demands, we are recommending disbursing \$2.6 million of the original funding through Catholic Charities and adding the additional \$150,000 shown in the table above to bring that programming to \$2,750,000.

Additionally, we are recommending adding funds to the existing partnership with Destination: Home to provide case management and direct assistance through their grassroots partner network. We are exploring ways that funds could be used for grocery cards for families in need, as one such effort.

Our largest new effort is providing a subsidy for electricity bills in partnership with San José Clean Energy. The program has seen a significant increase in delinquent bills. While the California Public Utilities Commission currently has placed a moratorium on power disconnections, residents are accruing debt as they choose between purchasing food for their families, paying rent, or paying other bills. Utility bill subsidy programs are an eligible expense under the Coronavirus Relief Fund regulations.

CONCLUSION

The Coronavirus Relief Funds provide an opportunity for the City to provide assistance to our most vulnerable residents, small businesses, and nonprofits as part of our overall Community and Economic Recovery efforts. If Council approves the \$5 million in additional funding, we will be able to expand our assistance to those in need. However, the needs are far greater than the \$30 million proposed, and the funds have significant restrictions and a very tight timing window. The team has worked diligently to provide a path forward that both meets those restrictions and can be completed in time, and centers racial equity by serving those communities and neighborhoods that have been hurt the most by this pandemic.

EVALUATION AND FOLLOW-UP

Regular and timely updates on these programs will be provide to Council by Information Memoranda and the City Manager's Emergency Operations Center reports to Council. This will include reports on effectiveness and reach of the grants programs and Community and Economic Recovery programs, including implementation of a dashboard that reports on critical measures.

HONORABLE MAYOR AND CITY COUNCIL

September 17, 2020

Subject: Coronavirus Relief Funds for Resident Assistance Efforts

Page 8

CLIMATE SMART SAN JOSE

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

PUBLIC OUTREACH

As described above, we surveyed more than 1,100 community members, as well as held focus groups to get community input that shaped this proposal.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office and the City Manager's Budget Office.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

COST SUMMARY/IMPLICATIONS

Assuming that the budget adjustments recommended in Item 3.6 (Fiscal Recovery Update and Coronavirus Relief Fund Rebalancing) preceding this action on the September 22, 2020 City Council agenda, the recommended actions included in this memorandum fully allocate the \$30 million of Coronavirus Relief Fund identified for Local Assistance. As described above, in accordance with the CARES Act, Coronavirus Relief Fund must be expended by December 30, 2020.

BUDGET REFERENCE

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

Fund #	APPN #	Appn. Name	Current Total Appn*	Amt. for Contract **	2020-2021 Proposed Operating Budget Page ***	Last Budget Action (Date, Ord. No.)
401	210T	Local Assistance	\$23,000,000	\$18,808,000	N/A	6/23/2020, Ord. No. 30437

* Represents the 2020-2021 Adopted Operating Budget as adopted by the City Council on June 23, 2020. Approval of recommendations in Item 3.6 on the September 22, 2020 City Council agenda increases this appropriation to \$25.0 million.

** The amount represents the revised NTE compensation for the contracts/agreements recommended in this memorandum.

*** Though the 2020-2021 Proposed Operating Budget was adopted by the City Council on June 23, 2020, the incorporation of the Coronavirus Relief Fund into the City's budget was achieved through City Council's approval of the Mayor's June Budget Message for Fiscal Year 2020-2021. Please refer to MBA #33, Adoption of the 2020-2021 Operating and Capital Budgets (pp. 29 – 30) for a detailed summary of the allocations within the Coronavirus Relief Fund, pending release of the 2020-2021 Adopted Operating Budget.

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 physical impact on the environment.

/s/

KIM WALES

Deputy City Manager

For questions, please contact Andrea Flores Shelton, Acting Deputy Director of Parks, Recreation, and Neighborhood Services and Director, Community and Economic Recovery Branch at (408) 535-3571 or Michelle McGurk, Assistant to the City Manager and Assistant Director, Community and Economic Recovery Branch, at (408) 535-8254.