



**DATE:** January 26, 2021

**CATEGORY:** New Business

**DEPT.:** Community Development and  
City Manager's Office

**TITLE:** **CARES Act Funding and  
Appropriation**

### **RECOMMENDATION**

1. Approve the recommendation to use the City's full \$609,214 in Community Development Block Grant CARES Act Round 3 Funding for the COVID-19 Rent Relief Program as administered by the Community Services Agency.
2. Appropriate approximately \$265,800 of the City's remaining State pass-through CARES Act Funding (five votes required) as follows:
  - a. \$141,000 toward isolation and quarantine services for vulnerable Mountain View residents who test positive for, or are in close contact with, individuals with COVID-19;
  - b. \$94,800 to provide a gift card program for grocery and other essential needs; and
  - c. \$30,000 to support the efforts of the Community Services Agency COVID Response Team.
3. Authorize the City Manager to execute an agreement with Santa Clara County for a total not to exceed \$141,000 to provide COVID-19 isolation and quarantine services for Mountain View residents.
4. Authorize the City Manager to execute an agreement with the Community Services Agency for a total not to exceed \$124,800, including \$94,800 to provide a gift card program for grocery and other essential needs in coordination with seven local organizations, and \$30,000 in funding for the Community Services Agency COVID Response Team.

## **BACKGROUND**

In response to the COVID-19 pandemic (pandemic), the Federal government passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act on March 27, 2020 with multiple conduits for distribution, including additional funding for the Community Development Block Grant (CDBG) program to respond to pandemic-related impacts. The City has recently received “Round 3” funding from this source. In addition, supplemental CARES Act Funding was provided via the State to local government agencies. These funds are separately referred to as CARES-CDBG Funds or CARES-State Funds.

The purpose of this report is to provide a summary of how these funds have been allocated by Council over the past year to meet community needs, describe the funds currently remaining, and recommend the uses of the remaining funds.

Recommendations are summarized below:

- **CARES-CDBG “Round 3” funds:**
  - \$609,214 to support rent relief through the COVID-19 Rent Relief Program (C-19 RRP) as administered by the Community Services Agency (CSA).
- **CARES-State Funds (approximate total of \$265,800):**
  - \$141,000 to fund isolation and quarantine services, through a contract with the County, for residents who have tested positive for COVID-19 or have had close contact with a COVID-19-positive person.
  - \$94,000 to provide a gift card program for groceries and other essential needs for COVID-19 response. The gift card program will be disbursed through CSA to a network of community-based organizations who are currently working to support COVID-19-related needs in Mountain View.
  - \$30,000 toward the CSA COVID Response Team.

## **CARES Funding Sources**

### *CARES-CDBG Funds*

The City is an “entitlement jurisdiction” and, therefore, receives CDBG funds directly from the Federal government. For such jurisdictions, the Federal government allocated

CARES-CDBG funds in Rounds 1 and 3, while Round 2 of CARES-CDBG funds went to nonentitlement jurisdictions. The City received \$348,702 in the first round of CDBG CARES Act funding (CDBG-CV1), which Council fully appropriated in April 2020 for C-19 RRP. Toward the end of 2020, the City received an award of \$609,214 in Round 3 of CDBG CARES Act Funds (CDBG-CV3); these funds have not yet been appropriated and are the subject of tonight's recommendation.

Notably, the CARES-CDBG funds are separate from the City's regular, annual receipt of Federal CDBG funds that are disbursed through a Notice of Funding Availability (NOFA) process. A NOFA process is currently under way to fund public services in support of the City's Fiscal Year 2021-22 Annual Action Plan, for which the application period opened on December 22, 2020 and closes on February 5, 2021.

The Annual Action Plan includes the City's priority goals for housing and community development as well as the activities that are funded with CDBG and HOME Investment Partnership (HOME) funds to meet those priorities in alignment with the City's Federal Five-Year Consolidated Plan. A mandatory presubmittal conference was held on January 11, 2021. Eligible applicants may apply for funding for qualified public services/activities. In compliance with Department of Housing and Urban Development (HUD) requirements, funding recommendations will be considered in a public hearing by the Human Relations Commission (HRC) in March 2021, and the HRC's recommendations will come to Council for approval in April 2021. Awarded applicants and activities will be included in the City's Federal Fiscal Year 2021-22 Annual Action Plan to be submitted to HUD in May 2021 as required.

#### *CARES-State Funds*

The State distributed its \$9.5 billion in Coronavirus Relief Funds provided under the CARES Act. Municipalities or counties that did not receive direct allocations from the U.S. Treasury, including Mountain View, received a portion of the funds allotted to the State. Allocations were based on population, with \$275 million provided to cities with populations less than 300,000 and no city receiving less than \$50,000.

The City received approximately \$1.0 million in CARES Act funding via the State. On November 10, 2020, Council allocated \$750,000 of this reimbursement, including \$500,000 to CSA for COVID-19 response efforts (which ultimately went toward the C19-RRP), and \$250,000 was set aside toward the creation of a small business grant program (which is currently under way). The City has a remaining balance of approximately \$265,800 from the State pass-through CARES Act that is being recommended for appropriation in this report.

### **History of COVID-19 Rent Relief Program**

On March 17, 2020, the City created its C-19 RRP with an initial \$500,000 in Below-Market-Rate (BMR) housing funds to address the significant need for rental assistance due to the pandemic's dire impact on the national, regional, and local economy. Unemployment spiked with losses disproportionately impacting lower-wage jobs and sectors and affecting the ability of impacted households to pay their rent.

CSA was selected as the administrator of the C-19 RRP since CSA is the City's designated safety-net provider and administrator of other City programs, including a preexisting, smaller rent relief program.

Due to continued need, Council has approved additional funding over the past several months for the C-19 RRP, as shown in Table 1 below. These funds have included BMR funds, CDBG funds, the City's allocation of CDBG CARES Act Round 1 funds, and the City's General Non-Operating Fund redirected funds from the small landlord relief program. Additionally, as noted in the previous section, on November 10, 2020, Council approved appropriation of \$500,000 from the State pass-through CARES Act Funds. Council provided flexibility for CSA to use these funds to meet the most significant pandemic-related needs, and CSA has determined that the full \$500,000 will be used for rent relief.

Table 1 summarizes all of the funding that the City has allocated to CSA for administration of the C-19 RRP to date.

**Table 1: City Funding for COVID-19 Rent Relief Program to Date**

<b>Council Approval Date</b>	<b>Funding Source</b>	<b>Amount</b>
3/17/2020	BMR	\$500,000
4/14/2020	CDBG	\$786,000
4/14/2020	CDBG-CV1	\$348,702
8/25/2020	BMR	\$1,000,000
8/25/2020	General Non-Operating Funds	\$100,000*
11/10/2020	State Pass-Through CARES Act	\$500,000**
<b>TOTAL</b>		<b>\$3,234,702</b>

\* Pending return receipt from the Small Landlord Relief Program.

\*\* Amended agreement pending.

### **History of County Isolation and Quarantine Services**

To address the impacts of the COVID-19 pandemic, Santa Clara County (County) developed and implemented an Isolation and Quarantine Support Program (IQSP). IQSP helps residents isolate if they have tested positive for COVID-19 or quarantine if they have been in close contact with a COVID-19-positive person. Some individuals and/or family members may be placed at a motel to isolate or quarantine until they are cleared to return to their home (including a congregate-care setting). In addition to providing motel accommodations, IQSP also provides rental and financial assistance and support services, such as transportation to and from medical appointments, daily meals and/or groceries, weekly laundry services, and case management services, to help individuals apply for safety-net benefits.

City and County staff have been in discussions regarding the current and prospective use of IQSP by Mountain View residents, with a focus on motel accommodations for those unable to self-isolate, since the City already funds an effective rent relief program and CSA already operates a COVID-19 Response Team that provides support services, such as rental assistance, utility bill assistance, and food/grocery delivery and services, to Mountain View residents who are in quarantine or isolation. From the start of the IQSP and during the past few months, the County has continued to provide motel rooms for vulnerable Mountain View residents in need of them.

### **History of City Support for Food and Other Essential Needs**

Since the start of the pandemic, City staff has collaborated closely with community-based organizations and the County to assess and meet the needs of residents impacted by COVID-19. A significant focus of this effort has been to provide food and other basic household needs. A summary of current efforts related to food needs follows. Information about the City's support for other basic services, such as hygiene and sanitation and mobile showers, is included as Attachment 1. In addition, a recent memorandum on Initiatives to Assist Homeless and Unstably Housed Residents, dated October 30, 2020, includes additional details on COVID-19 response (Attachment 2).

Staff has worked with CSA as CSA shifted the operation of the Senior Nutrition Program at the Senior Center to a drive-up model. The City approved the shift in Hope's Corner's Wednesday lunch and Saturday breakfast services to a drive-through service at downtown Parking Lot 7. Staff also worked with Second Harvest Food Bank (SHFB) to move their Tuesday food distribution to a drive-through model when Shelter-in-Place began. In addition, the City recently added Thursdays for SHFB to have volunteers pick up food from the Senior Center parking lot for delivery to homebound community

members instead of volunteers coming on Tuesdays at the same time as the general public.

The Community Services Department created a multilingual chart of all available food sources, including details of days, times, and organization contact details, and staff regularly updates the online resource map, including all known resources available from CSA, schools, and faith-based volunteer organizations. CSA and Hope's Corner also coordinate meetings of other community food providers to ensure information on services is up to date. The City coordinates with several nondenominational faith-based/community groups, such as Fight the Hate Ministry, St. Athanasius, and Reach Potential Movement as well as the Day Worker Center. These smaller, agile organizations have ramped up service to address gaps in services with a minimum number of barriers or requirements, providing easy access to food for all in need.

### **History of Small Business Support Efforts**

Notably, in addition to the efforts cited above, the City has also provided funding to support small businesses, including the following programs:

- **Small Business Resiliency Program:** The City provided \$400,000 to launch the Small Business Resiliency Program, which also received over \$600,000 in private donations from Google, LinkedIn, and Mountain View residents who contributed via the #TogetherMV online donation portal. The program launched with \$1.0 million in funding to provide zero-interest loans for Mountain View small businesses. Main Street Launch (MSL) administered the loan programs. The first round launched in June 2020 and provided \$7,000 loans to 71 Mountain View small businesses. The second round launched in November 2020 and used the remaining funds to provide \$15,000 loans to nine businesses. Staff and MSL are currently working with businesses through the loan application process and assisting other applicants to determine if they can meet eligibility requirements.
- **Small Business Grant Program:** In November 2020, Council approved \$250,000 toward the creation of a small business grant program. The program will provide \$5,000 grants to local small businesses to help sustain economic impacts from the pandemic. The grants will be administered by City staff who will review all applications to ensure they meet the eligibility requirements. Depending on the number of applicants, a lottery selection process will be used to determine award of the grants. The grant program will launch on February 1, 2021.

Through these efforts, the City has taken a leadership role to implement a robust, comprehensive COVID-19 response effort as part of its #TogetherMV campaign to help individuals, households, and businesses impacted by the pandemic.

## **ANALYSIS**

### **Rent Relief**

As of the writing of this report, CSA has issued over 1,750 rent checks, helping over 1,000 households at an average of approximately \$2,100 per check. CSA has expended approximately \$2.35 million of City funds (see Attachment 3 for data on the C-19 RRP). CSA reports that, while there are a range of needs related to the pandemic, rent relief remains the highest priority. This is driven in large part due to continued economic impacts of the pandemic, with a recent surge in both jobless claims and COVID-19 infections. Rent relief provides individuals, families, and households with the stability they need during these uncertain and vulnerable times.

Consequently, staff recommends that the full \$609,214 in CDBG-CV3 funds be used for the C-19 RRP administered by CSA. If Council approves the recommendation to apply the full amount of CDBG Round 3 funding to the C-19 RRP, the following would be the next steps: (1) amend the City's Fiscal Year 2019-20 Annual Action Plan to include CDBG Round 3 funding for the C-19 RRP, which would include a five-day public notice period and holding a public hearing (currently scheduled for February 9, 2021) for Council approval of the amendment and appropriation of the funds; and (2) authorize the amendment of the agreement with CSA.

If Council approves this recommendation and the public process is completed, the City will have provided nearly \$3.844 million towards rent relief to address COVID-19 impacts. To staff's knowledge, this is the highest amount of funding a local jurisdiction has allocated to such a program on a per-capita basis, if not on an absolute basis, in the County and Bay Area region. Given the amount of City funding that has been provided to date for rent relief, any additional assistance would need to be evaluated based on the availability of funding and other City priorities.

### **Santa Clara County Isolation and Quarantine Program**

As previously noted, because rental assistance and support services are already available to Mountain View residents who have tested positive to COVID-19 or have had close contact with someone who has tested positive, staff recommends executing a funding agreement with the County at a total cost of \$141,000, limited to motel accommodations for Mountain View residents for the period of September 25, 2020 through June 30, 2021.

at the cost of those accommodations, plus the City's allocated share for the Medical Team and County Placement Team, which provides support for and coordination of the program.

The County has reported that the majority of COVID-19-impacted individuals have the ability to self-isolate at home and do not require outside assistance. However, the unhoused population is at risk as they do not have the ability to isolate without assistance. The City has partnered with the County on various efforts to address the impacts of the COVID-19 pandemic on the unstably housed population, including 24/7 safe parking lots, mobile medical van visits, COVID-19 testing, and mobile showers. This modified IQSP option for motels would enable the City to secure the appropriate expertise and resources of the County and guarantee shelter for the City's most vulnerable COVID-19 patients who need this extra level of assistance.

For the period from September 25, 2020 through June 30, 2021, the City's allocated share of Placement Team and Medical Team costs totals \$38,000, and an additional \$103,000 may be incurred in motel room costs for Mountain View residents related to the surge in cases across the County from late December through January, for a total cost of \$141,000. As of December 15, 2020, 13 Mountain View residents have accessed motel services offered by the County for a total of 152 nights.

With the addition of this new contract, the Council will have authorized agreements with the County for Fiscal Year 2020-21 totaling \$716,000, which includes previously authorized contracts totaling \$575,000.

The proposed funding agreement for IQSP services provided by the County seeks to recover the expenses incurred by the County to provide assistance to Mountain View households. The motel program is for any person who needs assistance and can be used by persons who are housed or who are homeless. Major terms of the proposed funding agreement include the following:

- The maximum financial obligation of \$141,000 is based on the County's program utilization projection for September 25, 2020 through June 30, 2021.
- The County will invoice the City for the full costs and will submit for reimbursement from the Federal Emergency Management Agency (FEMA). Any funds received for costs paid for by the City shall be returned to the City. Not all of the costs will be eligible, and even for the costs that are eligible, FEMA will only cover up to 75 percent.



- Residency is determined by the location of a person's last permanent address or the city or unincorporated area where they spend most of their time.
- The Placement Team and Medical Team serve all participating jurisdictions and, thus, the costs are shared on a pro-rata basis by participating cities and the County based on the percentage of room nights used by a jurisdiction's residents in a given month.
- Each jurisdiction will contribute to the cost of operating motels based on actual use of motel nights that its residents use.

### **Food Access/Essential Needs Recommendation**

In addition to the rent relief and isolation and quarantine support, a vital need for the most vulnerable and low-income residents has been for food and other essential needs. The balance of the State pass-through CARES Act Funding remaining after funding the isolation and quarantine program is approximately \$124,800. Staff recommends two temporary COVID-19 response programs be funded with: (1) CSA COVID-19 Response Team; and (2) a gift card program for groceries and other essential needs.

#### *COVID-19 Response Team*

As discussed in a previous section of this report, CSA has instituted a multilingual COVID-19 Response Team to connect COVID-19-positive residents in need of rental assistance, utility bill assistance, food/grocery delivery and services, and other support services. Staff recommends that \$30,000 be appropriated for the funding of an agreement with CSA to provide assistance for COVID-19-positive residents who are able to safely isolate at home. This will ensure this temporary program is funded and available to residents.

#### *Gift Card Program for Grocery and Essential Needs*

Staff recommends the remaining \$94,800 in CARES State funding be used to continue and enhance the existing gift card program at CSA. In March 2020, the City provided \$50,000 for a grocery gift card program to help mitigate the economic impacts of the COVID-19 pandemic. The program was completed in December 2020 and managed by CSA in its role as the Emergency Assistance Network agency designated to serve Mountain View. This is similar to other programs CSA operates for clients in need of food services who meet certain income requirements and are enrolled in CSA client services and/or safe parking. CSA provided gift cards to clients in the amount of \$25 per week (to be used for food only) to assist up to 100 clients.

Gift cards have been a successful tool to assist residents in need during the pandemic. Staff recommends that these additional CARES State funds be used to expand the gift card program and make them available to distribute through other organizations who are currently actively assisting Mountain View residents with food and other basic, essential needs during the pandemic.

The organizations/programs would include:

- Hope's Corner;
- MOVE Mountain View;
- LifeMoves;
- Day Worker Center;
- Fight the Hate Ministry Grocery Bag Program;
- St. Athanasius food distribution program and Second Harvest food distribution;  
and
- Reach Potential Movement.

CSA would coordinate gift card distribution evenly to each organization. The City would require CSA to track the number of gift cards provided to each organization as well as asking each organization to self-certify that gift cards were provided to Mountain View residents in need and document the number of residents served. Additional reporting by each organization receiving gift cards would not be required to limit the administrative burden on the smaller organizations. This could mean some risk of duplication of services with some of the households being provided the same services from more than one organization. This is not a significant concern as gift cards would be a modest step in assisting families and individuals in need. City staff and CSA met with the organizations to get feedback on the proposal, which was favorably received.

### **FISCAL IMPACT**

The City has been awarded \$609,214 in CDBG CARES Act Round 3 funding, which must go toward activities to address community needs and to respond to the impacts of the pandemic. This full amount is recommended to go toward the City's C-19 RRP.

The City has a remaining balance of approximately \$265,800 from the State Pass-Through CARES Act that provided for flexible funding to various COVID-19 response efforts. Staff recommends funding be used toward relief efforts related to COVID-19 as identified in the report.

### **ALTERNATIVES**

1. Modify the recommendation for the City's Community Development Block Grant CARES Act Funding.
2. Provide direction on other funding priorities for the State pass-through CARES Act Funding.
3. Do not approve any recommendations at this time.

### **PUBLIC NOTICING**

Agenda posting and a copy of the report was sent to Santa Clara County representatives, CSA, Hope's Corner, MOVE Mountain View, LifeMoves, the Day Worker Center, Fight the Hate Ministry Grocery Bag Program, St. Athanasius food distribution program, and Reach Potential Movement.

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- Attachments:
1. Summary of Support for Basic Needs
  2. [Homeless Initiatives Memo – Update as of October 30, 2020](#)
  3. Rent Relief Status – Update as of January 19, 2021