



COUNCIL REPORT

DATE: December 13, 2022

CATEGORY: Consent

DEPT.: City Manager's Office,
Community Development

TITLE: **Funding Agreement with Community Services Agency for Rent Relief and Other Direct Financial Assistance Programs**

RECOMMENDATION

Authorize the City Manager or designee to execute an amendment to the agreement with the Community Services Agency to increase funding by \$557,228.12, for a total amount not to exceed \$5,401,144.12, for the direct financial assistance program, including rent relief, and related programs.

BACKGROUND AND ANALYSIS

As the City's Emergency Assistance Network service provider, the Community Services Agency (CSA) is a valued partner in offering a range of programs for residents in need of assistance. Since 2015, the City has granted funding to CSA for homelessness-prevention initiatives, such as rental assistance, outreach, case management, vehicle repairs, and their Senior Nutrition program.

During the COVID-19 pandemic, CSA expanded services significantly, particularly rent and direct financial assistance programs, with increased funding from the City. On April 3, 2020, the City entered into an agreement with CSA providing funding for a rent relief program in response to COVID-19 (C-19 RRP). The C-19 RRP agreement included program parameters and recommendations for the administration of the C-19 RRP. The agreement has since been amended four times for a total of \$4,843,916 provided in City funding. The funding sources are varied and include the Below-Market Rate Housing Fund, the City's Community Development Block Grant funds, General Fund, CARES Act funds, and Federal American Rescue Plan Act (ARPA) funding. The most recent amendment in August 2021 increased funding by \$1 million (Round 1 ARPA funding), at which time Council approved broadening the program scope to direct financial assistance. This includes COVID-19 response efforts and a broad range of financial assistance CSA is already providing to the community, including help with maintaining housing, assistance with vehicle repairs, health-care assistance, and other basic-need costs that are challenging for Mountain View families in need.

The proposed fifth amendment would increase funding again to add \$500,000 in Round 2 ARPA funds (approved in the City's Fiscal Year 2022-23 Budget) as well as \$57,228.12 in other

unexpended funds from two prior, now-expired, City agreements with CSA and the Los Altos Mountain View Community Foundation (LAMVCF) specifically for the rent relief program. The proposed amendment would consolidate the funding for the current direct financial assistance program, together with funding from predecessor rent relief programs, under one contract.

Earlier Rent Relief Program

In 2015, Council approved funding for a Rental Assistance Program where low-income tenants can access short-term rent assistance equivalent to the amount of their rent increases for a period of four months and up to nine months. The Rental Assistance Program was administered by CSA pursuant to a funding agreement approved by Council. To increase the use of the Rental Assistance Program, in 2018, Council approved making the program more flexible, including being made available to households in the City who had experienced a reduction in income or loss of employment. Through a subsequent funding agreement in 2019, the remaining funds in the amount of \$70,000 were reprogrammed for the flexible rental relief program. This agreement for the Rent Assistance Program expired in June 2021 with only \$40,000 disbursed. During much of that contract term, CSA had prioritized use of other funding sources granted under the C-19 RRP, and as a result, has unexpended funds of \$30,000 remaining from the earlier 2018 Rental Assistance Program.

#Together MV Funds from LAMVCF

In March 2020, the City, in partnership with LAMVCF, created a community fund called #TogetherMV to raise donations for businesses and households who had been economically burdened by the COVID-19 pandemic.

In May 2020, the City established a Memorandum of Understanding with LAMVCF to allow the fund to support the City in providing financial relief to qualified Mountain View renters through its April 3, 2020 C-19 RRP agreement with CSA and microfinance loans to Mountain View small businesses through its agreement with Main Street Launch. Since inception, the total amount raised for rent relief is \$119,323.50. In September 2022, LAMVCF advised the City of an unexpected residual balance of \$27,228.12. Staff recommends this unexpected balance of \$27,228.12 from the #TogetherMV fund continue to be used for rent relief assistance based on guidelines of the C-19 RRP.

Staff recommends consolidating funding balances from the Rent Assistance Program (\$30,000) and the #TogetherMV donations for rent relief (\$27,228.12) with Round 2 of ARPA funding (\$500,000) into one amendment with CSA. The combined funding balances (\$57,228.12) would be used for rent relief, and the ARPA funding would be used for direct financial assistance per the C-19 RRP agreement.

FISCAL IMPACT

Approving the funding amendment will have no additional fiscal impact on the City's General Fund. ARPA funding for the direct financial assistance program has been previously approved by Council and is included in the Fiscal Year 2022-23 Budget. Funding from the 2018 Rental Assistance Program and the #TogetherMV funds from LAMVCF are unexpended funds.

ALTERNATIVES

1. Do not approve recommendations to continue funding to CSA for financial assistance programs.
2. Provide other direction to staff.

PUBLIC NOTICING

The meeting agenda and Council report have been posted on the City's website and announced on Channel 26 cable television. A copy of the report has been shared with CSA.

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