

RESOLUTION NO.

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE APPROVING A SEVENTH SUBSTANTIAL AMENDMENT TO THE FISCAL YEAR 2019-2020 ANNUAL ACTION PLAN FOR THE USE OF COMMUNITY DEVELOPMENT BLOCK GRANT CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT FUNDING FROM THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; AUTHORIZING THE DIRECTOR OF HOUSING TO NEGOTIATE AND EXECUTE AN AMENDMENT TO THE SACRED HEART COMMUNITY SERVICES CONTRACT RELATING TO THESE FUNDS; AND AUTHORIZING THE HOUSING DEPARTMENT TO SUBMIT THE SUBSTANTIAL AMENDMENT TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WHEREAS, the Annual Action Plan for the City of San José (“City”) governs the expenditure of entitlement funds and competitive grants that the City receives from the United States Department of Housing and Urban Development (“HUD”) including the City’s funding strategy for the Community Development Block Grant (“CDBG”), Emergency Solutions Grant (“ESG”), HOME Investment Partnership (“HOME”), and Housing Opportunities for People with AIDS (“HOPWA”) programs each year; and

WHEREAS, the Annual Action Plan also implements the City’s Five-Year Consolidated Plan, and is developed through public input, analysis, and planning; and

WHEREAS, the City, as an entitlement jurisdiction that receives HUD federal funds by formula allocation, is also required to have an adopted Citizen Participation Plan (“CPP”); and

WHEREAS, the City’s CPP describes the efforts that the City will take to encourage its residents to participate in developing federal spending plans, and provides requirements

for the public process to be used when a “Substantial Amendment” to programs funded in the Annual Action Plan is proposed; and

WHEREAS, per the City’s CPP, a Substantial Amendment constitutes a change to a previously adopted Five-Year Plan or Annual Action Plan that: (1) increases or decreases by the greater of \$100,000 or a 25% change in the amount allocated to a category of funding; or (2) makes a significant change to an activity’s proposed beneficiaries or persons served; or (3) funds a new activity not previously described in the Annual Action Plan; and

WHEREAS, when a proposed change in program funding reaches one of these thresholds, the City must comply with the public process required in the CPP for Substantial Amendments, which includes a thirty (30)-day public comment period and two (2) public hearings; however, due to the need to deploy funds quickly to respond to the COVID-19 crisis, HUD has issued guidance that waives the CPP requirements for entitlement recipients, provided that no fewer than five (5) days are provided for public comment and that reasonable notice and the opportunity to comment is provided; and

WHEREAS, in April 2020, the City Council accepted the Housing Department’s first Fiscal Year (“FY”) 2019-20 Annual Action Plan amendment, which reallocated \$6.2 million in existing FY 2019-20 CDBG funding from HUD; and

WHEREAS, in July 2020, the City Council approved a second FY 2019-20 Annual Action Plan amendment to allocate an additional \$589,000 in CDBG funds and \$6.6 million in federal HOME grants; and

WHEREAS, in August 2020, the City Council approved the use of ESG CARES Act Round 2 (“ESG-CV2”) funds along with the 2020-2025 Five-Year Consolidated Plan; and

WHEREAS, in September 2020, the City Council approved a third FY 2019-20 amendment to move \$32 million in ESG-CV2 funding from FY 2020-21 to the FY 2019-20 Annual Action Plan at HUD's request, and the City was notified by HUD of its second award of CDBG CARES Act funds ("CDBG-CV3") in the amount of \$7,578,510; and

WHEREAS, in March 2021, the City Council approved a fourth FY 2019-20 amendment that authorized CDBG and ESG funds for City food services and homeless services including motel vouchers and shelter operations; and

WHEREAS, in May 2022, the City Council approved a fifth FY 2019-20 amendment to redirect funds to provide emergency hotel stays for families and for domestic violence survivors impacted by the COVID-19 pandemic; and

WHEREAS, in February 2023, the City Council approved a sixth FY 2019-20 amendment to reallocate CDBG CARES Act funds to effectively meet the October 2023 federal deadline to expend the funds and to address critical community needs; and

WHEREAS, to date, the City has been awarded \$12,841,924 in CDBG CARES Act funding, which must be used to prevent, prepare for, and respond to the COVID-19 pandemic; and

WHEREAS, HUD directed jurisdictions that all new commitments and changes of existing commitments involving CARES Act funding must be done by amendments to the Annual Action Plan that first recognized CARES Act funding, which for the City is the FY 2019-20 Annual Action Plan; and

WHEREAS, CDBG CARES Act funds were awarded to The Law Foundation of Silicon Valley to provide legal services pertaining to COVID-19, however, the Housing Department and The Law Foundation of Silicon Valley agree that \$250,000 of these

funds have a very low likelihood of being spent completely over the next few months;
and

WHEREAS, Sacred Heart Community Services has successfully acted as the lead provider in administering the City's Emergency Rental Assistance Round 1 funding and continues to manage the financial aspects of rental assistance payments through the Eviction Diversion and Settlement Program; and

WHEREAS, the City desires to further amend the FY 2019-20 Annual Action Plan to reallocate \$250,000 in CARES Act funds from the Law Foundation of Silicon Valley to Sacred Heart Community Services for the Eviction Diversion and Settlement Program, for emergency rental assistance payments to low-income households negatively impacted by the COVID-19 pandemic at imminent risk of eviction, and authorize the Director of Housing to execute an amendment to the Sacred Heart Community Services contract relating to these additional funds dated July 1, 2023; and

WHEREAS, in accordance with the CPP and HUD requirements, the City has advertised the availability of the proposed amendments and the opportunity to comment on these amendments by publishing official notices of the public meetings and a 15-day public review period in newspapers, has sent a notice by email to its general distribution list and to its Housing and Community Development Commissioners, and has posted the email announcements on the Housing Department's website;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

1. The following changes relating to the Seventh Substantial Amendment to the 2019-2020 Annual Action Plan, including changes to the Community Development Block Grant Coronavirus Aid, Relief, and Economic Security Act

(CARES Act) funds awarded by the United States Department of Housing and Urban Development (HUD) to the City of San José, are hereby approved:

- a. Reallocate \$250,000 in Community Development Block Grant CARES Act funds from the Law Foundation of Silicon Valley to Sacred Hearth Community Services for the Eviction Diversion and Settlement Program.
2. The Director of Housing is hereby authorized to negotiate and execute an amendment to the Sacred Heart Community Services contract relating to these additional funds and extend the contract effective July 1, 2023 through December 31, 2023.
3. The Housing Department is hereby authorized to submit the Seventh Substantial Amendment to the United States Department of Housing and Urban Development.

ADOPTED this ____ day of _____, 2023, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

MATT MAHAN
Mayor

ATTEST:

TONI J. TABER, CMC

City Clerk