

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: JULIE GAREN, PROGRAM SPECIALIST
HOUSING & COMMUNITY SERVICES
SUBJECT: SUBMITTAL OF SUBSTANTIAL AMENDMENT NO. 3 TO THE
FISCAL YEAR 2019/2020 ACTION PLAN

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Housing & Community Services Department that the Council, by resolution: (1) approve and authorize submittal of Substantial Amendment No. 3 to the Fiscal Year 2019/2020 Action Plan and reallocate from \$1,281,401 in Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Community Development Block Grant – Coronavirus (CDBG-CV3) funds for rental assistance/housing instability to public services for COVID-19 response; (2) authorize the City Manager to execute all amendments to the City's federal funding agreements for CDBG-CV3 along with any additional documents required by HUD to implement the CARES Act funding; and (3) authorize the Director of Housing & Community Services to execute all professional services and grant agreements required to carry out the public services needed to expend the Community Development Block Grant – Coronavirus (CDBG-CV) funds allocated for these services, subject to approval as to form by the City Attorney.

EXECUTIVE SUMMARY

The proposed action will authorize submittal of Substantial Amendment No. 3 to the Fiscal Year (FY) 2019/2020 Action Plan (Plan) to the U.S. Department of Housing & Urban Development (HUD) to utilize federal funds for the City's COVID-19 response; appropriate additional Community Development Block Grant – Coronavirus (CDBG-CV3) funds in the amount of \$1,281,401, as allocated to Santa Rosa under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Approval of this action will allow reallocation of the City's CDBG-CV3 funds from rental assistance/housing instability to public services for COVID-19 response.

PRIOR CITY REVIEW

On May 7, 2019, via Resolution 2019-053, the Council approved submittal of the Fiscal Year 2019/2020 Action Plan and approved the Grant Agreements for 2019/2020 for public services, fair housing, and HOPWA.

On May 19, 2020, via Resolution 2020-079, the Council approved submittal of the Substantial Amendment to the Fiscal Year 2019/2020 Action Plan to incorporate the first allocation of CARES Act CDBG-CV funding.

On December 1, 2020, via Resolution 2020-206, the Council approved submittal of the Substantial Amendment No. 2 to Fiscal Year 2019/2020 Action Plan to allocate \$1,281,401 in CDBG-CV-3 funds to rental assistance/housing instability to low income households impacted by COVID-19.

BACKGROUND

1. The illness known as COVID-19, or Coronavirus, was first diagnosed in the United States in mid-January 2020, and on January 31, 2020, the White House declared a public health emergency.
2. In response to the national public health emergency, the Sonoma County Public Health Officer issued a countywide Shelter-in-Place Order effective March 17, 2020. The State of California Public Health Officer then issued a statewide Shelter-in-Place Order effective March 19, 2020.
3. On March 27, 2020, the Federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law. The CARES Act provides funds to HUD grantees to allow them to respond to the growing effects of the COVID-19 public health crisis through prevention, preparation, and responsiveness.
4. As a HUD entitlement jurisdiction, the City of Santa Rosa received an additional Community Development Block Grant allocation of \$859,608 (CDBG-CV1) and an additional \$65,180 in Housing Opportunities for Persons with AIDS (HOPWA-CV) funds in the first round of CARES Act funding. Council approved Substantial Amendment No. 1 associated with these funds on May 19, 2020.
5. In association with the additional CARES Act funding, HUD issued a variety of waivers to its grantees to provide additional flexibility: the public comment period was reduced to not less than five (5) days, the use of virtual public meetings when necessary is allowed while public health officers are recommending social distancing and limits to public gatherings for public health reasons, and the suspension of the 15% public services cap.
6. The City was awarded \$1,281,401 in the third round of CARES Act funding (CDBG-CV3) to continue its response to the COVID-19 impacts to the community. CDBG-CV3 funds were allocated to communities that have the following characteristics: 1) a high risk of virus spread; 2) large numbers of Very Low-Income Renter households; 3) a high number of businesses that are not reopening or are failing; and 4) communities where employees of the closed and struggling businesses live.

7. Substantial Amendment No. 2 to the City's adopted FY 2019/2020 Action Plan was approved by council via Resolution 2020-206 for the City to accept and utilize the additional CDBG-CV3 funding. Substantial Amendment No. 2 to the Fiscal Year 2019/2020 Action Plan and notification of the five-day public comment period was posted on the City's website on November 16th. Public comment is included in Substantial Amendment No. 2
8. Substantial Amendment No. 3 to the FY 2019/2020 Action Plan is recommended to reallocate the \$1,281,401 for rental assistance/housing instability to public services for COVID-19 response. The draft Substantial Amendment No. 3 to the FY 2019/2020 Action Plan was posted on the City's website on June 1, 2021. Any comments received up to and at this meeting will be included in Substantial Amendment No. 3.

ANALYSIS

1. The funding strategy presented in the draft Substantial Amendment No. 3 reallocates CDBG-CV3 funds from rental assistance to public services for residents affected by Covid-19. Upon review of the needs of the community and the permissible uses of available funds, staff determined that the greatest need was public services for unsheltered residents affected by Covid-19. There are several rental assistance programs offered in Sonoma County, including tenant based rental assistance and emergency housing vouchers offered by the City of Santa Rosa and an Emergency Rental Assistance Program funded by the State and federal governments being administered by the County of Sonoma.
2. Programming the funds for public services associated with the Covid-19 response will allow the City to further address the issues faced by unsheltered residents. If approved by the Council, the funds will be used for operational costs of the Samuel L. Jones Homeless and Shelter Annex in FY 2021/22 and 2022/23, as was presented at the May 2021 Budget Study Sessions.
3. Substantial Amendment No. 3 was made available for public comment period from June 1, 2021 to June 6, 2021, and comments will be accepted up to the June 22nd Council meeting.

FISCAL IMPACT

Approval of this action will reallocate \$1,281,401 in CDBG-CV3 funding provided by HUD from rental assistance to public services and will not have an impact on the City's General Fund.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in

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the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guidelines Section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution / Exhibit A - Substantial Amendment No. 3 to the Fiscal Year 2019/2020 Action Plan

CONTACT

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