

CITY OF SANTA ROSA  
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL  
FROM: MEGAN BASINGER, HOUSING AND COMMUNITY SERVICES  
MANAGER  
SUBJECT: HOUSING & COMMUNITY SERVICES  
SUBMITTAL OF SUBSTANTIAL CARES ACT AMENDMENT NO.  
2 TO FISCAL YEAR 2019/2020 ACTION PLAN TO THE U.S.  
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND  
ACCEPTANCE AND APPROPRIATION OF \$1,281,401  
ALLOCATED TO THE CITY OF SANTA ROSA UNDER THE  
THIRD ROUND OF CORONAVIRUS AID, RELIEF, AND  
ECONOMIC SECURITY ACT (CARES ACT) COMMUNITY  
DEVELOPMENT BLOCK GRANT – CV PROGRAM

AGENDA ACTION: RESOLUTION

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RECOMMENDATION

It is recommended by the Housing & Community Services Department that the Council, by resolution: (1) approve and authorize submittal of Substantial CARES Act Amendment No. 2 to the Fiscal Year 2019/2020 Action Plan to the U.S. Department of Housing and Urban Development's (HUD) to utilize \$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 in response to COVID-19; and (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.

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EXECUTIVE SUMMARY

The proposed action will authorize submittal of Substantial CARES Act Amendment No. 2 to the Fiscal Year 2019/2020 Action Plan (Plan) to the U.S. Department of Housing & Urban Development (HUD) to utilize new federal funds for the City's COVID-19 response; accept and 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 deployment of the City's CDBG-CV3 funds for Rental Assistance/Housing Instability to income eligible households that have been impacted by COVID-19.

## 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.

## 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 the Substantial Amendment 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 public services cap of 15% of CDBG funds is suspended.
6. The City was awarded \$1,281,401 in the third round of CARES Act funding (CDBG-CV3) to continue response to 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. A Substantial Amendment No. 2 to the City's adopted Fiscal Year 2019/2020 Action Plan is required for the City to accept and utilize the additional CARES Act CDBG-CV3 funding. The draft Substantial Amendment No. 2 to the Fiscal Year 2019/2020 Action Plan and notification of the new five-day public comment period allowed under HUD waiver was posted on the City's website on November 16th. Any comments received up to and at this meeting will be included in Substantial Amendment No. 2.

## ANALYSIS

1. The funding strategy presented in the draft Substantial Amendment No. 2 utilizes the newly allocated CDBG-CV3 funds for rental assistance to income eligible households utilizing the existing administrative capacity of the City's Housing Choice Voucher Program.
2. Programming the funds for rental assistance will allow the City to support residents that have been economically impacted by COVID-19 and allow them to stabilize their housing by assisting with the payment of rent or paying back rent owed to the landlord. Federal regulations allow the financial assistance to be provided for up to six months.
3. Substantial Amendment No. 2 was made available for public comment period from November 16 to November 20, 2020.

## FISCAL IMPACT

Approval of this action will appropriate \$1,281,401 in CDBG-CV3 funding provided by HUD.

## 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 the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

## BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

SUBMITTAL OF SUBSTANTIAL CARES ACT AMENDMENT NO. 2 TO THE FISCAL YEAR 2019/2020 ACTION PLAN TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND ACCEPTANCE AND APPROPRIATION OF \$1,281,401 ALLOCATED TO THE CITY OF SANTA ROSA UNDER THE THIRD ROUND OF CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT (CARES ACT) COMMUNITY DEVELOPMENT BLOCK GRANT – CV PROGRAM  
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Not applicable.

#### NOTIFICATION

Not applicable.

#### ATTACHMENTS

- Resolution
- Exhibit A – Substantial CARES Act Amendment No. 2 to the Fiscal Year 2019/2020 Action Plan

#### CONTACT

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