

To: Social Service Human Relations Board (SSHRB)

From: Lisa Fitts

Date: May 28, 2020

Re: Recommendation to Allocate CARES Act Funding (CDBG-CV) to Public Services

The pandemic caused by the coronavirus is impacting Alamedans' physical, mental and financial health. Staff proposes to amend the current Community Development Block Grant (CDBG) Action Plan in order to accept and allocate the CDBG funds received from the passage of the Coronavirus Aid, Relief, and Economic Security (CARES) Act to public services that provide food and shelter to families and individuals who are vulnerable and in crisis as a result of the coronavirus.

BACKGROUND

The City of Alameda is an entitlement recipient of CDBG funds from the Federal Department of Housing and Urban Development (HUD). Each year, the City receives an allocation of approximately \$1 million of CDBG funding. CDBG funds can be used to finance programs and activities that benefit low- and moderate-income households, and to help prevent or eliminate blight. To receive CDBG funding, the City must submit to HUD an annual Action Plan detailing the programs and activities that address the needs identified in the City's approved Five-Year Consolidated Plan. The Action Plan is approved by the City Council and includes programs, activities, and the associated funding amounts for the fiscal year. A public hearing is required for any amendment to the annual Action Plan if the City cancels an activity, adds an activity, or substantially changes the purpose, scope, location, or beneficiaries of an activity.

COVID-19 and the Coronavirus Aid, Relief, and Economic Security (CARES) Act

On January 30, 2020, the World Health Organization (WHO) declared a public health emergency of international concern due to the rapid spread of a severe acute respiratory illness caused by a novel (new) coronavirus ("COVID-19" or "the virus"). On January 31, 2020, the U.S. Department of Health and Human Services declared a Public Health Emergency. The U.S. Centers for Disease Control and Prevention (CDC) has determined that the virus presents a serious public health threat, requiring coordination among state and local health departments to ensure readiness for potential health threats associated with the virus. On March 4, 2020, the Governor of California proclaimed a state of emergency to exist in California as a result of the threat of COVID-19.



On March 12, 2020, the Governor of California issued Executive Order N-25-20 which, among other things, orders that all California residents are to “. . . heed any orders and guidance of state and local public health officials, including but not limited to the imposition of social distancing measures, to control the spread of COVID-19”. On March 16, 2016, the California Department of Public Health issued a directive that all individuals who are 65 or older, who have serious chronic medical conditions or who have a compromised immune system should self-isolate during the COVID-19 pandemic as these individuals are particularly at risk of encountering medical complications due to the virus.

On March 16, 2020, based on evidence of increasing occurrence of COVID-19 within Alameda County and throughout the Bay Area, the Alameda County Health Officer, along with Health Officers in five other Bay Area counties, issued an order “directing all individuals living in the County to shelter at their place of residence...directing all businesses and governmental agencies to cease non-essential operations at physical locations in the County; prohibiting all non-essential gatherings of any number of individuals; and ordering cessation of all non-essential travel”. On March 16, 2020, the Alameda County Director of Emergency Services also declared a local emergency based on conditions of extreme peril to the safety of persons and property within the County from the introduction of COVID-19 in the County.

On March 27, 2020, the President of the United States signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act into law. Then, on April 2, 2020, HUD announced that the City of Alameda would receive an allocation of \$683,116 CDBG-CV funds. Through the CARES Act, HUD has been authorized to loosen some of the constraints for CDBG allocations for FY 2019-20 and FY 2020-21, including suspending the 15% cap on public services. Consequently, the full CDBG-CV allocation may be directed to public services.

DISCUSSION

With the unprecedented orders and directives from federal, state, and local authorities to practice socially distancing measures, which include self-isolation and self-quarantine, Alamedans find themselves isolating in their residences. All but “essential” businesses as that term is defined by the public health orders are closed, resulting in a high number of layoffs. The US Department of Labor registered 6.6 million initial unemployment insurance claims for the week ending April 4 and 6.9 million from the previous week. Furthermore, almost all schools are closed, requiring parents to care for their children at home and therefore, these parents are often unable to work if their workplaces are open. As a result, many Alamedans are facing significant reductions in household income. With reduced income, residents may not be able to afford rent, putting these residents at risk of losing shelter and/or being displaced from the Alameda community, or are forced to choose between paying rent and buying food. Shelter-in-Place orders are also taxing families, resulting in an uptick in mental health concerns, including domestic violence directed at women and children.

Staff proposes to amend the current Action Plan in order to accept and allocate CARES Act funding so that it can be used to fund public services that provide food and shelter to families and individuals who are vulnerable and in crisis. Staff proposes three programs:

Program	Proposed Administrator	Recommended Allocation
Emergency Food Distribution	Alameda Food Bank	\$50,000
Emergency Rent Relief	Building Futures	\$583,116
Emergency Shelter	Family Violence Law Center	\$50,000

Emergency Food Distribution

On April 23, 2020, Cindy Houts, Executive Director of the Alameda Food Bank, reported that the Food Bank saw a nearly a tenfold increase in demand – from serving 800 families per month to 1800 per week (and that number has continued to increase during the month of May). In addition to increased demand, the food supply chain and distribution channels have been disrupted by COVID-19 and the resulting shelter-in-place orders. While the Food Bank continues to obtain what it can from the Alameda County Food Bank, it has also begun buying staples such as rice and peanut butter directly from a wholesaler.

The proposed allocation from the CARES Act will be in addition to emergency food distribution funds that are allocated through either the FY 2019-20 or the FY 2020-21 Action Plan.

Emergency Rent Relief

The objective of the proposed COVID-19 Emergency Rental Assistance Program (“Program”) is to mitigate potential homelessness and displacement of low-income Alameda tenants that experience a decrease in household income due to the COVID-19 pandemic.

The proposed COVID-19 Emergency Rent Relief Program will provide up to \$3,500 of assistance or one month’s rent, whichever is less, to Alameda tenants who are financially impacted by the COVID-19 pandemic. Program funding will be in the form of a grant to assist eligible affected tenants in paying rent, immediately preceding the 30 days following the expiration of the Urgency Eviction Moratorium Ordinance, as this is when residents financially impacted by COVID-19 will be most at risk for eviction action. Affected tenants will be required to submit an application electronically and remit documentation to verify that they meet the program eligibility criteria.

The criteria include:

- 1) Current Residential Lease Agreement in Alameda;

- 2) Household income of 80% of Area Median Income (AMI) or below;
- 3) Verification of COVID-19 financial impact;
- 4) Verification that the Tenant's rent was current immediately preceding March 4, 2020; and
- 5) Documentation from the landlord to confirm the amount of unpaid rent. Payments must be made directly to the landlord.

Staff anticipates that more applications will be received than funding is available and proposes that funds be awarded with priority given to the highest need as defined by the greatest increase in loss of income. Staff recommends that the funds be disbursed in two application periods – one for April rent and second for May rent. The draft Program guidelines are attached as Exhibit 1.

It is proposed that Building Futures with Women and Children (BFWC) administer the Emergency Rent Relief Program on behalf of the City. HUD guidelines require that rent relief programs be administered by a third party entity. BFWC administered the City's Homeless Prevention/Rapid Rehousing Program (HPRP) in 2009-2011, when the City received those funds over a two-year period through the federal American Recovery and Reinvestment Act (ARRA) Program.

At this time staff cannot estimate the demand for the Program. However, demand is anticipated to be extremely high based on utilization of other similar programs recently released in the Bay Area. Staff estimates that the rental assistance payments will average \$2500 and that the City will issue approximately 215 payments to landlords.

It should be noted that the City Council approved the *Alameda Strong* campaign at its May 19 meeting. The campaign will be a citywide effort to raise money for small businesses, local non-profit organizations and tenants who have been impacted by the COVID-19 pandemic.

Emergency Shelter

The Emergency Shelter Program ("Program") is designed to assist individuals who may be fleeing stalking, dating violence, domestic violence, sexual assault or human trafficking that is occurring within the City of Alameda. Due to the Shelter-in-place order and the Judicial Council's order to release offenders from County jails in an effort to relieve overcrowding during the COVID-19 pandemic, non-violent offenders are being released early or being returned home without being held when removed from home as a result of a domestic violence call. Sometimes this results in individuals who were arrested on a domestic violence call being returned home the same night that the call was made. The intent of this Program is to provide safe, emergency shelter for survivors who might otherwise be forced to remain sheltered with an abusive person. The draft Program guidelines are attached as Exhibit 2.

The Program will provide assistance in the form of: Hotel Vouchers, Grocery Gift Cards, and Transportation Vouchers (i.e., Clipper Card or Gas Gift Card). Individuals may be referred to

the Program by different sources, including but not limited to: Alameda Police Department, partner agencies and the Program Administrator's Hotline. Individuals will be directed to a confidential location, provided with basic toiletries, gift cards for groceries and temporary housing where they may shelter away from their abusers.

The Program Administrator, the Family Violence Law Center (FVLC), will compile and prepare all records and reports required by the City of Alameda. The reports shall contain demographic and other information as required per the Community Development Block Grant regulations. The reports shall be submitted to the City no less frequently than quarterly. Collaborative members will use standardized reporting forms designed by FVLC and/or the City. Case files and documentation to support reports will be available through the business offices of each partner agency.

RECOMMENDATION

Staff recommends the funding levels shown in the table in the previous section be recommended to City Council for its approval.

Exhibits:

1. Draft Emergency Rent Relief Guidelines
2. Draft Emergency Shelter Guidelines