



City of Palo Alto

City Council Staff Report

(ID # 11687)

Report Type: Consent Calendar

Meeting Date: 11/9/2020

Summary Title: Agreement with PACCC for Child Care Subsidy Program Administration

Title: Approval of Contract Number C21178948 With Palo Alto Community Child Care for Five-years for Management of the City's Child Care Subsidy Program in an Amount Not-to-Exceed \$2,660,556

From: City Manager

Lead Department: Community Services

Recommendation

Staff recommends that City Council approve and authorize the City Manager or his designee to execute a professional services contract, Contract No. C21178948 not to exceed \$2,660,556, with Palo Alto Community Child Care (PACCC), for the management of the City's Child Care Subsidy program for low income children, for a contract term of 7/1/20 – 6/30/25.

Executive Summary

The scope of services in this contract (contract [link here](#)) covers the administration and management of a childcare subsidy program for approximately 35 low income children annually enrolled in Palo Alto-based childcare and afterschool programs. Services include all paperwork and processes related to eligibility certification, maintenance of an eligibility list, data tracking and compilation, program revenue and expenditure tracking as well as other subsidy administration services as requested by the City.

Background

The City of Palo Alto has had a long commitment to childcare in the community starting in 1974 when it established a Task Force to consider and implement Council-set priorities on childcare. The Task Force recommended that the City take an active and supportive role in the provision of childcare and related services and that a nonprofit corporation be established to implement and coordinate the Task Force's recommendations. During the next two years, PACCC was created and incorporated as a 501c3 organization and on March 25, 1974, Council approved a contract with PACCC that allocated funds for administrative support of PACCC and for the various components of the Task Force Plan. Starting in 1984, the City pulled back all administrative funding provided except the contract with PACCC to serve as the administrator of the City's childcare subsidy program. PACCC funding had been allocated by means of the

Human Services Resource Allocation Process (HSRAP). In 2014, PACCC, along with Avenidas, requested that they be removed from the HSRAP process of contract application review and become direct contractors with the City. Council concurred with this request and directed staff to separate the funding contracts with Avenidas and PACCC from HSRAP and contract directly with them for the term of July 1, 2015 – June 30, 2020.

Discussion

An exemption from solicitation request was granted under PAMC 2.30.360 because PACCC is the only provider in Palo Alto that has experience administering a large-scale childcare subsidy program. PACCC is also the only local provider of financial aid support for families and children who qualify through the State of California, Child Development Division. By contracting with PACCC to administer this contract, they can co-mingle City and State subsidy funds, when appropriate, to assist low income families, therefore enabling city funds to be stretched further to help more children.

In addition, with the management of both funding sources, PACCC can ensure that parents must only work with one agency regardless of the funding stream. Since PACCC operates infant, preschool and afterschool childcare (K-5th), children who remain eligible for a subsidy can receive continuity of care for several years, greatly reducing both the financial burden and stress placed on low income families. If PACCC were no longer the administrator of the program, the currently enrolled 35 children of low-income families would most likely lose their childcare as they would not be able to pay full tuition at PACCC. Many of these families are already struggling due to COVID-19 related loss or reduction of work hours.

In total, PACCC supports 84 children in its financial aid program: 35 children are served utilizing City funding and 49 are served by the State of California program.

The following tasks currently performed by PACCC in the management of the City's Child Care Subsidy Program will continue for the next five years 2020 – 2025 if Council approves the staff recommendation. The work plan includes but is not limited to the following tasks:

1. Administer and manage childcare subsidy program for approximately 35 low income children annually enrolled in Palo Alto based childcare and afterschool programs.
2. Leverage multiple funding sources to allow City of Palo Alto funding to serve the most children possible.
3. Collaborate with other service agencies to serve the unique needs of low-income families and measure the impact subsidy services have on families.
4. Establish and maintain regular parent involvement and seek parent input on the subsidy program to build a strong rapport with families and ensure a forum is provided where their needs and concerns can be communicated and addressed.
5. Comply with state Program Specifications and PACCC Operating Procedures with regard to the administration and management of subsidy funding, including verification of family and child eligibility, need, residency, and attendance; completion of annual re-

certifications for enrolled families; and maintenance of Contracts for Services that appropriately reflect changes in the above.

6. Collect, track, and compile data sufficient to provide annual financial reports, including all agency revenue and expenditures as required under City of Palo Alto contract.
7. Coordinate with the Office of Human Services to conduct an annual evaluation of program services and goals.
8. Maintain a ranked Eligibility List for participation in the program, with enrollment priority based upon income level, initially using established priorities as detailed in the Program specifications of the contract. Eligibility list will be reviewed and ranked each time a new family is added.
9. Conduct detailed Eligibility List analysis to identify trends in community need and groups of applicants with the longest waiting periods.
10. Provide referrals to local community service agencies and programs that offer resources that PACCC cannot for low income families.

What follows is a synopsis of PACCC's response to the COVID-19 pandemic and current services offered PACCC closed all 19 of its childcare programs on March 16 in response to the pandemic. Programs reopened on June 15 at approximately 20% of normal capacity. On August 17 they doubled their enrollment at school-age centers to prepare for the start of PAUSD's school year and to support distance learning for enrolled children.

- The PACCC main office remains closed to the public with administrative staff working remotely, except for essential business functions that cannot be administered remotely. During the closure period, PACCC continued to pay all employees and began the work of drafting reopening plans that required a detailed Plan of Operation on how to safely operate their programs during the pandemic and how they would follow local, county and state mandatory directives for businesses and child care. Administrative staff focused on regular communication with staff and families, identifying and sharing resources, and evaluating the impact of COVID-19.
- PACCC's Financial Aid Coordinator maintained regular contact with families enrolled in the City subsidy program. She shared resources with families to access free food and healthcare services and was able to get access to a rent subsidy program through Family Giving Tree. PACCC also coordinated with Manzanita Works to provide free diapers to families in need. When PACCC reopened in June, subsidy families were given priority to enroll.

Resource Impact

Funding for year one of this contract, \$521,065, is included in the FY 2021 Adopted Operating Budget of the Community Services Department. For Fiscal Years 2022 - 2025, the contract will be subject to the City Council annual appropriation of funds.

Policy Implications

The Comprehensive Plan addresses the needs of children in the following areas:

Policy C-1.15 Continue strong support for and coordinate delivery of childcare services, addressing the needs of infants, toddlers and pre-kindergarten, as well as school-aged children.

- Program C1.15.1 Support and promote the provision of comprehensive childcare services in Palo Alto by public and private providers, including employers
- Program C1.15.3 Collaborate with Palo Alto Community Child Care (PACCC) to identify, develop and promote high quality early learning environments to serve all families in our community.

Stakeholder Engagement

Human Services staff worked closely with PACCC leadership to review and develop the agreement.

Environmental Review

Accepting the staff recommendation does not meet the definition of a “project” under the California Environmental Quality Act, therefore, no environmental review is required.

Attachments:

- Attachment A: Exhibits A-C

EXHIBIT “A”
SCOPE OF PROGRAM SERVICES
PALO ALTO COMMUNITY CHILD CARE, INC.
Child Care Subsidy Program

MISSION: To provide and advocate for exceptional and accessible childhood care and education for low income families. These childcare services will enable parents to work or attend school and provide for their families, as well as to support their children’s developmental needs.

PROGRAM SERVICES

CONSULTANT shall administer, in a cost-effective manner, a child care subsidy program (the “Program”) for low-income families as described in the Subsidy Program Specifications set forth in Exhibit B to this Agreement. A minimum of thirty five (35) and a target goal of forty (40) or more children of low- income families shall be provided subsidized childcare through the Program at PACCC childcare centers. Subsidized child care services shall be provided during those time periods when parent(s) or legal guardian(s) are employed, seeking employment, students, incapable of providing care due to qualifying disability, or when the child is referred to the Program by the Child Protective Services (CPS) Division of the California Department of Social Services.

School age childcare subsidy funds will only be made available to students enrolled in Kindergarten through the summer after completion of grade five.

SUBSIDY PROGRAM GOALS

Goal #1: Maximize the number of children and families served by City of Palo Alto Subsidy program to achieve the enrollment goal of 40 children per year to allow (primarily) parent(s) or legal guardian(s) to work or attend school.

OBJECTIVE:

Leverage multiple funding sources to allow City of Palo Alto funding to serve the most children possible.

METHODS:

1. During annual family recertification and data collection, identify families who are eligible for combined City and State funding and commingle funding whenever possible to achieve enrollment goal.
2. Continue to seek and secure fund development opportunities that enhance the total available direct services funding for child care subsidies in order to augment and support City and State programs. Funding may be available through PACCC’s scholarship program to support families transitioning into or out of City subsidized care.

Goal #2: Collaborate with other service agencies to serve the unique needs of low-income families and measure the impact subsidy services have on families.

OBJECTIVE:

Maintain and increase, wherever possible, collaborations with agencies that provide services for the special needs of the population served by the City subsidy program, with a goal of four collaborations per year.

METHODS:

1. Maintain and enhance collaborations with Alta Housing and PAUSD.
2. Seek out two other collaborative relationships per year by attending at least 1 local resource and referral workshop per year and participating in Santa Clara County Office of Education Local Planning Council meetings to identify possible agencies for collaboration.
3. Investigate alternative child care arrangements to refer eligible families on the eligibility list. Obtain updates from the list of referrals at least quarterly to ensure information shared with families is up-to-date.
4. Families complete service needs referral form at time of initial enrollment and subsequent recertifications.
5. Families complete annual survey for feedback on how the subsidy program has impacted their family. Survey results will be used to guide the direction of further collaborations.

Goal #3: Establish and maintain regular parent involvement and seek parent input on the subsidy program to build a strong rapport with families and ensure a forum is provided where their needs and concerns can be communicated and addressed.

OBJECTIVE:

Encourage parent involvement to provide funded families an opportunity to advise PACCC on issues related to the services they receive and ensure that all subsidy families are kept informed of policies and procedures.

METHODS:

1. Subsidy Parent Involvement meetings will occur twice per year. All funded families will be invited to participate.
2. Meeting content will include policy and program requirements; support offered by PACCC's financial aid coordinator; communication avenues; program service feedback.
3. Maintain and update, as needed, the family handbook specific to the

requirements of the City and State funded programs to allow complete transparency of program requirements and family roles and responsibilities. To ensure program policies and requirement are accurately reflected, review of the handbook will occur annually.

Goal #4: Ensure quality child care programming through the use of an established system of measurement.

OBJECTIVE

Within three (3) to four (4) years transition to full participation in the Quality Matters, QRIS system of program quality assurance to ensure programs offered to children are of the highest quality and that quality is objectively measured.

METHODS:

1. Enroll in Quality Matters, QRIS, through WestEd in year one (1) of the contract.
2. During year one (1) of contract, assess changes needed to implement QRIS effectively and create strategic plan for full implementation no later than year four (4) of contract.
3. Submit strategic plan for full implementation of QRIS by end of year one (1) of contract to the Contract Manager.
4. Meet with the Contract Manager at end of year one (1) to review and discuss QRIS implementation plan.
5. Submit final strategic plan for full implementation of QRIS within one month after review with the Contract Manager.

GENERAL PROGRAM GOALS, OBJECTIVES, METHODS & PROCEDURES

1. Comply with city and state Program Specifications as well as PACCC Operating Procedures with regard to the administration and management of subsidy funding, including verification of family and child eligibility, need, residency, and attendance; completion of annual re-certifications for enrolled families; and maintenance of Contracts for Services that appropriately reflect changes in the above.
2. Collect, track, and compile data sufficient to provide annual financial reports, including all agency revenue and expenditures as required under City of Palo Alto contract.
3. Adhere to the Family Fee Schedule.
4. Coordinate with the Office of Human Services to conduct an annual evaluation of program services and goals.
5. Maintains a ranked Eligibility List for participation in the program, with enrollment priority based upon income level, initially using established priorities

as detailed in the Program specifications of the contract.

6. Eligibility list will be reviewed and ranked each time a new family is added.
7. Conduct detailed Eligibility List analysis to identify trends in community need and groups of applicants with the longest waiting periods.
8. Communicate all changes in policies/procedures/eligibility of the state subsidy program to the City as it relates to the service of any family with co-mingled funds
9. Maintain updated CPA Family Resources Kiosks; acquire and use new Kiosks where appropriate as provided by the City
10. Provide referrals to local community service agencies and programs that offer resources that PACCC cannot for low income families.

ACKNOWLEDGEMENT OF CITY FUNDING: PACCC shall include an acknowledgement of City funding and support in all appropriate publicity or publications regarding the PROGRAM, using words to the effect that “subsidized child care services are provided through City of Palo Alto funding,” or as otherwise approved by the City’s Contract Manager.

REPORTS: Contractor shall provide activity reports relating to this Scope of Program Services for the periods ending, December 31, 2020, June 30, 2021, December 31, 2021, June 30, 2022, December 31, 2022, June 30, 2023, December 31, 2023, June 30, 2024, December 31, 2024, June 30, 2025, December 31, 2025 and June 30, 202, by the 15th of the month following the report period end date.

Each report shall cover the preceding period and other such information as the Project Manager may request. The final report shall focus on the final four months, but also shall provide information on contract services for the entire term. Each report shall be prepared in the form agreed upon by the Contract Manager and the Contractor.

AMERICANS WITH DISABILITIES ACT: Contractor shall comply with the Americans with Disabilities Act (ADA) of 1990.

EXHIBIT “B”
FY2021-2025 SUBSIDY PROGRAM SPECIFICATIONS

SERVICES: PACCC shall centrally administer and manage City funds to provide child care subsidies for families with low, very low and extremely low incomes per Housing and Urban Development (HUD) guidelines, who are eligible, based on and in accordance with the guidelines established in this document (Exhibit B) and the City-approved FY2021 Budget attached hereto as "Attachment B-1" and incorporated herein by this reference (the "Program"). The approval of at least two (2) members of PACCC management for the granting of childcare subsidy under the Program must be obtained for each recipient. The PACCC Subsidy Coordinator shall maintain a centralized waiting list for the Program in the PACCC administrative office. Subsidized childcare under the Program may be provided at PACCC childcare centers. Fees charged to families enrolled in the City Subsidy Program at PACCC childcare centers shall be as set forth in the City Family Fee Schedule, "Attachment B-2" to this Exhibit “B”, which is attached hereto and incorporated herein by this reference.

Subsidized child care services shall be provided during those time periods when parent(s) or legal guardian(s) in the household are employed, seeking employment, students, incapable of providing care due to disability, or when the child is referred to the Program by the Child Protective Services (CPS) Division of the California Department of Social Services.

General Eligibility for Use of Program Subsidy Funds:

Only the following children are eligible for City subsidized childcare services by means of one of the following criteria:

1. Children whose parent or legal guardian is a resident of the City of Palo Alto.
2. Children whose parent or legal guardian is employed by the City of Palo Alto.
3. Children attending the Palo Alto Unified School District ("PAUSD") through the Voluntary Transfer Program pursuant to the Tinsley Settlement Order in San Mateo County, Superior Court Case No. 206010 (the "Tinsley Agreement").
4. Children enrolled in PAUSD by virtue of being within established PAUSD school boundaries.
5. Homeless children referred in writing by a local social service agency or shelter.

School age childcare subsidy funds will only be made available to students enrolled in Kindergarten through the summer after the completion of grade five.

Documentation of Eligibility for City Subsidy:

Verification of general eligibility for child care subsidy under the Program must include one or more of the following as applicable:

1. Utility bill from past month establishing Palo Alto residence in the name of the applicant.
2. Copy of lease or rental agreement establishing Palo Alto residency.
3. City of Palo Alto pay stub establishing current employment by the City.
4. Documentation of Tinsley Agreement participation by establishing attendance at PAUSD under the program.

5. Documentation from PAUSD verifying enrollment, such as a current report card or note from the school.
6. Documentation from a local emergency shelter or agency serving victims of domestic violence accompanied by verification of residency in Palo Alto within the past year.
7. Documentation of homeless status by a local social service agency or shelter per definitions set by HUD or McKinney Vento. A PAUSD verification of McKinney Vento is acceptable.

Income Verification:

Verification of income eligibility for childcare subsidy under the Program must include two or more of the following most recent documents establishing total gross monthly income level of recipient family:

1. Copies of two (2) latest wage stubs for all adult wage earners in family (establishing at least one month of income).
2. Unemployment Insurance Benefit (UIB) award letter.
3. Federal tax filing information for last two (2) years if self-employed.
4. Notice of Action (NOA) letter from social service agency if receiving public assistance.
5. Non-traditional labor – Provide other means of verification that may include a list of clients and amounts paid or other records of income to support the reported income, along with a self-certification of income.

Adjusted Gross Monthly Income for Families with Severe Disabilities:

Families that have a member with a severe disability requiring non-reimbursable medical expenses are eligible for a subsidized rate that takes into account these expenses. A severe disability is defined as those conditions, which are catastrophic (violent or sudden in nature with extreme consequences), long-term (occurring or involving a long period of time of hardship and suffering), or terminal (leading ultimately to death).

The following documentation is required:

1. A written letter from a medical physician detailing the nature of and severity of the disability and;
2. Formal documentation substantiating that the expenses are directly related to the disability (a verifiable statement of non-reimbursable medical expenses).

For families that qualify under these guidelines, the medical expenses directly related to the stated disability will be deducted from the gross monthly income as calculated in accordance with the FY2021 Family Fee Schedule. Families that qualify for an adjusted parent hourly contribution based on disability related expenses may earn up to 100% of the Santa Clara County median income but must meet all other requirements related to initial eligibility and continued eligibility based on semi-annual re-certifications.

Parents in Training:

Students must be actively attending school or working toward a recognized vocational goal as documented on forms signed by the Registrar. When appropriate, documentation of a

passing grade will be required during the recertification process in order to document satisfactory progress.

Parents Seeking Employment:

Parents are eligible for ninety (90) working days of childcare per fiscal year or through the end of their certification period, whichever is longer, to seek employment if their employment or training period ends. Documentation and verification of job search and interviews will be required during recertification. Exceptions to this policy will be determined by the PACCC Executive Director, Subsidy Coordinator and the City's contract manager.

Parents Employed by Temporary Work Agency:

Parents employed by a temporary work agency (temp) are eligible for childcare subsidy. The parent will be required to submit the following documentation verifying that he or she is employed by the agency and accepting assignments as they are offered:

1. An offer letter from the agency that states the employee work hours (e.g. part-time, 8:30am to 12:30pm) and the range of pay.
2. A record of when the parent was offered an assignment, if it was accepted, the length of the assignment, the employee work schedule, and the rate of pay. A parent must submit a new record to the Subsidy Coordinator when any changes or updates in assignments occur.
3. The parent must sign a Release of Information form to have on file with the temp agency and the Subsidy Coordinator. The Subsidy Coordinator will contact the temp agency at the end of each month to verify the record of assignments submitted by the parent.

If the Subsidy Coordinator determines that the parent is not accepting assignments on a consistent basis, the parent's need for childcare will be reassessed, and may result in termination of the childcare subsidy.

Teenage Parents:

Teenage parents are eligible to receive subsidized childcare services. The parent may be referred to the program by their school as needing subsidized childcare in order to remain in school. During the summer months, the parent must be enrolled in summer school or employed in order to continue to receive subsidized childcare services. If the parent is not enrolled in school or employed during the summer months, they will be required to participate in the childcare program for a minimum of 15 hours per week. The goal of this requirement is to assist the parent with parenting skills in a supportive environment.

Priority for City-Subsidized Child Care Services:

Priority shall be granted to families with the lowest gross monthly income in relation to family size as determined by the FY2021 Family Fee Schedule.

When applications are received from families with the same income, the priority list is as follows:

1. Recipients of child protective services (CPS) for children who are neglected or abused, or at risk of being neglected or abused, upon written referral from a

legal, medical, or social service agency; or children who are victims of domestic violence who are referred in writing by a local social service agency or shelter; Children designated as At-Risk of failure in Kindergarten by the PAUSD;

2. Families with the lowest income
3. Children residing in a single parent household
4. Families which are homeless or at risk of homelessness; residing in a transitional housing program or emergency shelter, upon written referral from the program's authorized representative.
5. Currently enrolled PACCC families transitioning from another subsidy program due to changes in income, family size, need for care, or residency and siblings of currently subsidized PACCC children.

Certification and Re-Certification:

Each family receiving City subsidy must be required to re-certify to PACCC at least once annually to verify continued compliance with all of the eligibility criteria for the Program (general and income eligibility). PACCC shall annually review the City subsidy recipients' files to ensure that the required updates of information have been provided.

Change of Status Notification:

Subsidy recipients under the Program shall be advised that, should their eligibility circumstances change (e.g. change of income, employment, and residence) the clients must report that change within ten (10) days to the PACCC Subsidy Coordinator.

Transitional Child Care:

When parents no longer qualify for a child care subsidy because their income exceeds eligibility limits, parents will continue to receive approximately three (3) months of transitional child care at the subsidized rate.

Use of City Funds With Regard to Attendance:

Families enrolled in the Program agree to use specific hours of care on specific days. Children must be signed in and out each day on an attendance sheet, which is kept by the PACCC Center or the Affiliate Center to verify actual use. The City will not reimburse for hours used outside the agreed- upon contract hours. Consistent attendance is a condition of receiving subsidized childcare. If it is determined that a child is excessively absent, the Subsidy Coordinator will limit the child to twelve best interest days per fiscal year and/or reassess the family's need for subsidized child care.

Absences considered best interest days include a parent's day off, parent's vacation, school vacation, or a child's visit with family members. Parents are required to record the reason for an absence on the attendance sheet. Children are allowed a maximum of ten (10) consecutive days of excused absence per month. Excused absences include illness of the child, illness of the parent, or a family emergency. Subsidy Coordinator will be in

dialogue with families who have three or more periods of 10 consecutive days of absence per year to determine appropriate use of the benefit and corrective action, if any, in collaboration with the City's contract manager. A child who has a long-term incapacitation may be exempt from this policy. In this instance, written verification from a physician as to the nature of the incapacitation will be required.

Children who receive child care subsidies under the Program who are absent for more than one (1) week consecutively without prior notification and/or documentation) will be dropped from the program and must reapply for admittance. Reinstatement of the childcare subsidy will be determined by the PACCC Executive Director, Subsidy Coordinator and the City's contract manager.

Attendance and City-Subsidy Administration Policies and Procedures:

PACCC shall design and implement the use of standard forms to record and summarize the children's attendance at all PACCC facilities and PACCC affiliate childcare centers. PACCC administrative personnel shall periodically review the forms and record keeping of attendance for propriety and completeness. Program administration policies and procedures shall also periodically be updated and enforced, consistent with the requirements of this Agreement.

Quality Assurance Requirement for All Child Care Program Receiving City Subsidy Program Funds:

PACCC will create a plan to implement the county Quality Matters system of quality assurance over the next 3 – 4 years at all PACCC programs serving City subsidized children. The Quality Matters Rating Process in Santa Clara County is based on California's Quality Rating and Improvement System (QRIS). The Rating Process evaluates early childhood education program quality, as established in the QRIS Matrix. Early childhood education sites are awarded ratings based on how well their programs meet a specific set of standards.

Each QRIS in California:

- Assesses program quality comparably across provider types (publicly and privately funded, centers and family child care homes) throughout the state;
- Aligns program standards with early learning and practitioner standards;
- Supports continuous quality improvement for participating programs and their staff;
- Provides families with information about program quality to assist them in making informed choices.

A timeline for implementation is outlined in the Scope of Services, Program Services goals. While the plan is being developed and implemented, PACCC will continue to use the Desired Results system of assessing children's development and individual needs and conduct a yearly Environment Rating Scale evaluation of program quality. Results will be

used to identify areas of strength and needed improvement. An action plan will be developed with completion dates. An annual family survey will be conducted to assess family satisfaction and areas for improvement.

Family Fee Schedule:

The Family Fee Schedule may be adapted to reflect modifications in the low-income guidelines as defined by the federal Housing and Urban Development (HUD) Authority Community for Santa Clara County. The family co-fee is set based on a percentage of the current Palo Alto minimum wage. All enrolled families must pay the family fee as indicated on the fee schedule that corresponds with their income level. The City retains the right to make changes to the Family Fee Schedule on an annual basis.

Case Review:

Each family receiving City Subsidy funds shall have a case review after eight years in the Program. The PACCC Executive Director, Site Director, and Subsidy Coordinator, together with the City's Contract Manager, will review the case to determine whether the subsidy funds should continue beyond the eighth year.

PACCC's Subsidy Coordinator may make exceptions to compliance with the Program's written policies and procedures with written authorization from the City's Contract Manager.

**ATTACHMENT “B-1”
FY 2021– 2025 CONTRACT BUDGET**

Program (s) Expenses	FY 2021 Contract Budget
Salaries and Benefits	\$110,300.00
Program Operating Expenses	\$0.00
Insurance	\$450.00
Audit	\$630.00
Rent	
Utilities	\$2,195.00
Phone	\$380.00
Postage	\$110.00
Office Supplies	\$200.00
Travel	
Staff Development/Training	
Computer Hardware/Software	\$2,350.00
Equipment	
Maintenance/Repair	\$250.00
Books/Publications	
Printing/Publishing	\$500.00
Capital Expenses	
Other - Direct Subsidies	\$410,523.00
TOTAL	\$527,888.00

ATTACHMENT "B-2" FAMILY FEE SCHEDULE

% MI	1-2	3	4	5	6	7	8		Full Time / Part Time
Below	\$2,754	\$3,099	\$3,443	\$3,718	\$3,994	\$4,269	\$4,545		\$10.00 / \$5.00
								Hourly Fee	Percentage based on 40% of Minimum Wage at \$15.00 an hour
33%	\$3,115	\$3,505	\$3,894	\$4,206	\$4,517	\$4,829	\$5,140	\$ 0.36	6%
34%	\$3,210	\$3,611	\$4,012	\$4,333	\$4,654	\$4,975	\$5,296	\$ 0.42	7%
35%	\$3,304	\$3,717	\$4,130	\$4,460	\$4,791	\$5,121	\$5,452	\$ 0.48	8%
36%	\$3,398	\$3,823	\$4,248	\$4,588	\$4,928	\$5,268	\$5,607	\$ 0.54	9%
37%	\$3,493	\$3,929	\$4,366	\$4,715	\$5,065	\$5,414	\$5,763	\$ 0.60	10%
38%	\$3,587	\$4,036	\$4,484	\$4,843	\$5,201	\$5,560	\$5,919	\$ 0.66	11%
39%	\$3,682	\$4,142	\$4,602	\$4,970	\$5,338	\$5,706	\$6,075	\$ 0.72	12%
40%	\$3,776	\$4,248	\$4,720	\$5,098	\$5,475	\$5,853	\$6,230	\$ 0.78	13%
41%	\$3,870	\$4,354	\$4,838	\$5,225	\$5,612	\$5,999	\$6,386	\$ 0.84	14%
42%	\$3,965	\$4,460	\$4,956	\$5,352	\$5,749	\$6,145	\$6,542	\$ 0.90	15%
43%	\$4,059	\$4,567	\$5,074	\$5,480	\$5,886	\$6,292	\$6,698	\$ 0.96	16%
44%	\$4,154	\$4,673	\$5,192	\$5,607	\$6,023	\$6,438	\$6,853	\$ 1.02	17%
45%	\$4,248	\$4,779	\$5,310	\$5,735	\$6,160	\$6,584	\$7,009	\$ 1.08	18%
46%	\$4,342	\$4,885	\$5,428	\$5,862	\$6,296	\$6,731	\$7,165	\$ 1.14	19%
47%	\$4,437	\$4,991	\$5,546	\$5,990	\$6,433	\$6,877	\$7,321	\$ 1.20	20%
48%	\$4,531	\$5,098	\$5,664	\$6,117	\$6,570	\$7,023	\$7,476	\$ 1.26	21%
49%	\$4,626	\$5,204	\$5,782	\$6,245	\$6,707	\$7,170	\$7,632	\$ 1.44	24%
50%	\$4,720	\$5,310	\$5,900	\$6,372	\$6,844	\$7,316	\$7,788	\$ 1.56	26%
51%	\$4,814	\$5,416	\$6,018	\$6,499	\$6,981	\$7,462	\$7,944	\$ 1.62	27%
52%	\$4,909	\$5,522	\$6,136	\$6,627	\$7,118	\$7,609	\$8,100	\$ 1.68	28%
53%	\$5,003	\$5,629	\$6,254	\$6,754	\$7,255	\$7,755	\$8,255	\$ 1.80	30%
54%	\$5,098	\$5,735	\$6,372	\$6,882	\$7,392	\$7,901	\$8,411	\$ 1.86	31%
55%	\$5,192	\$5,841	\$6,490	\$7,009	\$7,528	\$8,048	\$8,567	\$ 1.92	32%
56%	\$5,286	\$5,947	\$6,608	\$7,137	\$7,665	\$8,194	\$8,723	\$ 2.04	34%
57%	\$5,381	\$6,053	\$6,726	\$7,264	\$7,802	\$8,340	\$8,878	\$ 2.16	36%
58%	\$5,475	\$6,160	\$6,844	\$7,392	\$7,939	\$8,487	\$9,034	\$ 2.22	37%
59%	\$5,570	\$6,266	\$6,962	\$7,519	\$8,076	\$8,633	\$9,190	\$ 2.28	38%
60%	\$5,664	\$6,372	\$7,080	\$7,646	\$8,213	\$8,779	\$9,969	\$ 2.34	39%
61%	\$5,758	\$6,478	\$7,198	\$7,774	\$8,350	\$8,926	\$9,501	\$ 2.46	41%
62%	\$5,853	\$6,584	\$7,316	\$7,901	\$8,487	\$9,072	\$9,657	\$ 2.58	43%
63%	\$5,947	\$6,691	\$7,434	\$8,029	\$8,623	\$9,218	\$9,813	\$ 2.64	44%
64%	\$6,042	\$6,797	\$7,552	\$8,156	\$8,760	\$9,364	\$9,969	\$ 2.70	45%
65%	\$6,136	\$6,903	\$7,670	\$8,284	\$8,897	\$9,511	\$10,124	\$ 2.82	47%
70%	\$6,608	\$7,434	\$8,260	\$8,921	\$9,582	\$10,242	\$10,903	\$ 3.12	52%
75%	\$7,080	\$7,965	\$8,850	\$9,558	\$10,266	\$10,974	\$11,682	\$ 3.42	57%
80%	\$7,552	\$8,496	\$9,440	\$10,195	\$10,950	\$11,706	\$12,461	\$ 3.72	62%
85%	\$8,024	\$9,027	\$10,030	\$10,832	\$11,635	\$12,437	\$13,240	\$ 3.96	66%
90%	\$8,496	\$9,558	\$10,620	\$11,470	\$12,319	\$13,169	\$14,018	\$ 4.26	71%
95%	\$8,968	\$10,089	\$11,210	\$12,107	\$13,004	\$13,900	\$14,797	\$ 4.56	76%
100%	\$9,440	\$10,620	\$11,800	\$12,744	\$13,688	\$14,632	\$15,576	\$ 6.00	100%
	80% of MI	90% of MI	100%MI	108% of MI	16% of MI	124% of MI	32% of MI		

MI for a family of 4 - based on HUD Income Limit for 2020
UL = Upper Limit- Level of Income at which a family must begin transitioning out of CPA Subsidy

US Dept of Housing and Urban Development (HUD) Income Limits - Santa Clara County Jurisdictions FY 2020
<http://www.huduser.org/portal/datasets/il/i12015/2015summary.odn>

EXHIBIT “C” COMPENSATION

The CITY agrees to compensate the CONSULTANT for professional services performed in accordance with the terms and conditions of this Agreement, and as set forth in the budget schedule below.

CONSULTANT shall perform the tasks and categories of work as outlined and budgeted below. The CITY’s Project Manager may approve in writing the transfer of budget amounts between any of the tasks or categories listed below provided the total compensation for Basic Services, including reimbursable expenses, and the total compensation for Additional Services do not exceed the amounts set forth in Section 5 of this Agreement.

BUDGET SCHEDULE	NOT TO EXCEED AMOUNT
Year 1 (July 1, 2020 through June 30, 2021)	\$ 527,888.00
Year 2 (July 1, 2021 through June 30, 2022)	\$ 527,888.00
Year 3 (July 1, 2022 through June 30, 2023)	\$ 527,888.00
Year 4 (July 1, 2023 through June 30, 2024)	\$ 527,888.00
Year 5 (July 1, 2024 through June 30, 2025)	\$ 527,888.00
Sub-total Basic Services	\$2,639,440.00
Reimbursable Expenses	\$0.00
Additional Expenses	\$21,116.00 (Years 2-5; not to exceed \$5,279 per fiscal year per Section 5.1.2)
Maximum Total Compensation	\$2,660,556.00

ADDITIONAL EXPENSES

The full payment of charges for extra work or changes, or both, in the execution of the Program will be made, provided such request for payment is initiated by CONSULTANT and authorized, in writing, by the program manager. Payment will be made within thirty (30) days of submission by CONSULTANT of a statement, in triplicate, of itemized costs covering such work or changes, or both. Prior to commencing such extra work or changes, or both, the parties will agree upon an

estimated maximum cost for such extra work or changes. CONSULTANT will not be paid for extra work or changes, including, without limitation, any design work or change order preparation, which is made necessary on account of CONSULTANT's errors, omissions, or oversights.