



City of Palo Alto

City Council Staff Report

(ID # 11238)

Report Type: Action Items

Meeting Date: 4/6/2020

Summary Title: COVID-19 Update

Title: Update and Discussion of the COVID-19 Health Emergency and the City's Response

From: City Manager

Lead Department: City Manager

EXECUTIVE SUMMARY

This staff report provides an update on the City's response to the COVID-19 health emergency.

The City has taken actions on multiple fronts to respond to this health emergency, and continues to work at supporting the following measures:

- Adopted a Proclamation of Local Emergency and activated the City's Emergency Operations Center.
- Temporarily closed all nonessential facilities and services and deployed the majority of city employees to work remotely from home, in conformance with shelter-in-place orders.
- Established a Community Support Call Center to connect our community with information.
- Regular updates to the community through frequent social media posts, daily online reports and a webpage dedicated to COVID-19 information and frequently asked questions, supplemented with blogs and press releases for breaking news.
- Adopted a temporary moratorium on residential tenant evictions.
- Organized Community Benefit Organizations and convene regular meetings to identify gaps in essential human services and provide a forum for partnership and support.
- Constantly monitor federal and state developments and convene regular meetings with the County, neighboring jurisdictions, Stanford, the Palo Alto Unified School District, and the Palo Alto/Stanford Citizen Corps Council and other community and business stakeholders to best coordinate and integrate government and community resources and response efforts.

This report is intended as a foundation for City Council discussion, and does not recommend any specific action at this time.

BACKGROUND

On March 12, 2020 the City Manager, acting as the Director of Emergency Services, issued a Proclamation of Local Emergency regarding the presence and community spread of novel coronavirus, or COVID-19, in Santa Clara County and our region. The Proclamation allows the City to exercise extraordinary police powers, should these be needed; provides immunity for emergency actions; authorizes issuance of certain necessary orders and regulations; activates pre-established emergency processes; and is a prerequisite for requesting state or federal assistance related to the emergency, should such assistance become available. On Sunday, March 15, 2020, the City Manager activated the Emergency Operations Center and since that time, the City is managing the EOC virtually through a cross-functional multi-department team.

On March 16, 2020, the City Council ratified the Proclamation of Local Emergency. In the weeks since COVID-19 was detected and found to be transmitting via community spread, City staff have taken several actions to promote community safety and address existing and potential impacts on City operations and services.

To limit the potential spread of respiratory viruses and safeguard those at highest risk of catching COVID-19, the City of Palo Alto announced a series of actions to keep the community safe during this time of heightened public health risk. In response to the Santa Clara County Public Health Department Shelter in Place Order that went into effect on March 16 and the updated Shelter in Place Order issued March 31, the City has transitioned a majority of its workforce to remote (telework) status, while maintaining essential services such as fire, police, utilities including water, electric, gas and waste water services. The City has also cancelled events or converted them to virtual gatherings to slow the spread of COVID-19 in the community.

In addition, the City is encouraging all community members to keep our community safe by preventing the spread of respiratory viruses including COVID-19 by staying home if sick, using hygiene best practices including washing your hands, calling your health practitioner before going to the hospital if you have COVID-19 symptoms, and maintaining other healthy lifestyle approaches. Help our most vulnerable community members stay safe during this public health emergency by demonstrating that hygiene is important for everyone. The City is continuing its work to provide essential services through thoughtful planning for several impact scenarios. In addition, the City implemented several operational changes in response to the COVID-19 public health risk, including supplying protective gear for field staff, expanding 911 dispatcher protocols to support Police, Fire, emergency medical first responders, and Utilities staff, and providing more hand sanitizer stations and enhanced cleaning in public facilities. The City is evaluating modifications to service delivery and other efforts to maintain City staffing levels.

The City continues to track and monitor the public health situation in our community, including participating in the Santa Clara County briefings as well as monitoring advisories issued by the U.S. Centers for Disease Control and Prevention (CDC). The City's Office of Emergency Services

(OES) has also been in contact with Stanford Health Care and other hospitals and clinics to coordinate on preparation and contingency planning.

On March 23, 2020, City Council asked staff to look at how the City can stimulate/support businesses in Palo Alto. City staff have integrated this direction into the work of nearly every department.

Also, on March 23, 2020, the City Council approved an urgency ordinance that adopted a residential tenant eviction moratorium. That same week, Santa Clara County and the State of California adopted similar moratoriums to ban residential tenant evictions. The County's ordinance also barred eviction of commercial tenants who qualify as small businesses under the thresholds set by the federal Small Business Administration. On April 6, the City Council will consider changes to the City's residential eviction moratorium to align with the County's residential moratorium and will give further direction on commercial evictions.

DISCUSSION

The following sections provide a summary of recent efforts underway or accomplished as we manage this public health emergency including enhancements to the City's business support program and economic and financial impacts associated with the COVID-19 pandemic.

Activation of the City's Emergency Operations Center

The City Manager activated the City's Emergency Operations Center (EOC) to maintain and manage the City's COVID-19 public safety response and emergency management effort. This includes an incident command approach to the current emergency. We recognize this will be a longer-term situation before us and the EOC provides a critical function to ensure operations, management, logistics, financial, and communication's functions are aligned and working together strategically as this fast-paced emergency continues.

The City has also activated its Citizen Corps Council, a group dedicated to connecting in response to our emergency to share information, problem solve, and partner as a cohesive team. The Citizen Corps Council is made up of leaders from across sectors including City leadership, Palo Alto Medical Foundation, Stanford University, Stanford University Public Safety and Stanford Health, Palo Alto Chamber, Palo Alto School District, Emergency Services Volunteer lead and neighborhood leaders. This group is convened by the Mayor and meets twice a week to discuss various issues including hospital needs.

New Shelter in Place Restrictions That Relate to City Functions

On March 31, health officers in seven Bay Area jurisdictions, including Santa Clara County, extended the shelter in place order to May 3 in order to preserve critical hospital capacity across the region. This Order went into effect on Tuesday, March 31, at 11:59 p.m. The County is urging communities to shelter at home to save lives. While the prior order has been effective in reducing the rate of transmission of the Coronavirus (COVID-19), it is not enough.

There has been a significant increase in the number of positive cases, hospitalizations, and deaths from COVID-19, which is beginning to strain healthcare resources. Read the County's [full statement here](#).

The March 31 order clarifies what are essential business and activities and includes several new directives:

- Further limiting activities at parks and other outdoor activities to improve social distancing, including limiting parking and other efforts as the City has already done
- Closing playgrounds and shared facilities for recreational facilities and closing dog parks
- Requiring essential businesses to prepare, post, and implement a Social Distancing Protocol
- Limiting the number of people allowed in a store at one time and providing guidance on how to control shopping lines, and requiring stores to provide hand sanitizer
- Prohibiting almost all construction activities
- Eliminating the exemption for businesses that sell products that allow people to work from home
- Allowing delivery of goods but not services to residences and businesses.

Private Construction Restrictions Now in Effect

All construction is suspended at this time, unless the project meets specific elements set forth in the County of Santa Clara Public Health Department Order, such as supporting health care operations in response to COVID-19, housing projects that include at least 10% deed-restricted affordable housing units, and other facilities that the City Council has declared essential. See link below for more details. The City has informed all developers with active projects in Palo Alto of these new construction restrictions. At present, there are four qualifying projects on El Camino Real and Page Mill Road that meet the County's exemptions and are allowed to continue construction work. Contractors are allowed to perform minimal work necessary to shut down projects in a safe and secure manner.

City Infrastructure Projects Winding Down

Under the new Order, City infrastructure projects are considered essential only if they relate specifically to safety or to health care as it related to supporting the COVID-19 emergency. The majority of the City's active infrastructure projects are not considered essential at this time. As a result, discussions are underway with contractors of several City projects to suspend work and do so in a matter that is safe. Securing the construction sites in a safe manner could take several days. Projects in this category include the Animal Shelter Medical Suite Remodel, Cal Ave Parking Garage, and Utilities water main and sanitary sewer main replacement projects on Fulton Street and Ruthelma Avenue. Other projects where work had already been suspended with the prior County Order issued on March 16 includes Citywide sidewalk projects, the Charleston Arastradero Corridor Traffic Calming Project Phase 1 and Phase 2, and the JMZ project.

For other restrictions on construction as a result of the new County of Santa Clara Public Health Department Order to Shelter in Place, go [here](#).

Compliance with the Health Order is mandatory. All residents and workers are urged to understand and comply with the Order. If that does not occur, the Order states that local police have authority and responsibility to take appropriate enforcement action.

Modifications in Staffing and Services

Police, Fire, Utilities and other essential and emergency services are maintained and continue through this emergency period. Essential services and work functions associated with this work continue; however much of the City's workforce is working remotely.

The list below is a summary of modifications to City services and staffing to support the City's public safety response to the COVID-19 pandemic.

- The Police Department has reassigned parking enforcement community service officers temporarily to high-visibility patrol efforts around town. Enforcement of timed parking restrictions has been temporarily suspended as a result, but they will still take enforcement action for any parking concerns that present an immediate hazard. In addition, enforcement of the Residential Permit Parking program is temporarily suspended.
- City librarians and Community Services staff are staffing the City's Customer Support Call Center.
- All five Palo Alto library branches are closed; however, staff is working to develop virtual events and programming as an alternative to support the community during this time. Information and account services are available via email and phone from 10-6 p.m. every day.
- The Development Center is closed for in-person appointments, but staff is available by phone. Online pre-application submittals are now available.
- The Art Center, recreation facilities such as the Mitchell Park Community Center and Teen Center, Lucie Stern Community Center, the Junior Museum and Zoo, the Children's Theatre and Rinconada Pool are closed. City-related events and programs at Cubberley Community Center are suspended. Pickleball courts and tennis courts are closed. Open Space Preserves bathrooms and water fountains are closed. Open Space Preserves parking closures at Baylands, Arastradero, and Foothills Park are in effect to support the community's health and safety. Rangers and volunteers are working to manage crowds and parking challenges associated with keeping these facilities open during this time.
- Community Services staff are developing virtual programming as an alternative during this time of sheltering in place.
- Changes to Utilities operations and customer services includes suspending meter reads that are accessible only through the backyards of resident customers, and in facilities requiring security access. These meter reads will be estimated for billing purposes. Utility Development Services Center and Utilities Engineering customer service is available online or by phone.

- Public Works staff are in discussion with contractors to suspend work associated with the City's infrastructure projects, except essential projects at the Regional Water Quality Control Plant and electrical substation work.
- Animal control will continue response with appropriate universal precautions to stray dogs, sick or injured animals, dead animals, animals in distress. Animal control officers will initiate phone screening for flu-like symptoms prior to contacting the public, when possible. Dangerous animal hearings are being handled by phone.

Communications Efforts Underway

The leading agency focused on public health and responding to the COVID-19 outbreak is the County of Santa Clara Public Health Department. Santa Clara County Public Health Department Orders seek to slow the community spread of COVID-19 and include specific restrictions as a result of their Shelter in Place Order for employers and the public to keep our community's safe. Both Santa Clara County and San Mateo County are using 211 as a "call center" for persons with questions about COVID-19. Community members can also text "coronavirus" to 211211 for information and updates. There is also a public information phone number to gain updates by calling (408) 885-3980. The City also launched a Customer Support Call Center to connect the community with information at (650) 272-3181.

Communications efforts in response to the COVID-19 Public Health Emergency started on February 26 when a dedicated webpage www.cityofpaloalto.org/Coronavirus was established. Since then, the Emergency Operations Center has been activated and the Public Information Officer EOC Section team was expanded to include a cross-functional multi-department team. Staff quickly expanded the City's coronavirus public outreach by building out webpages, pushing more information through social media, frequently updating blog posts and Frequently Asked Questions and aligning with the Call Center script, and delivering a daily report digital newsletter. Printed materials and signage to support closures and other safety messages citywide were also developed. Printed materials are also being provided to our community members through the activation of the City's Emergency Service Volunteers (ESVs). The following summary is intended to give a high-level overview of how citywide digital communications is performing. In addition, outreach continues through more traditional communications approaches such as mailers and Utility bill inserts, door-to-door, radio and newspaper advertising, and flyers.

Website

Website traffic is focused on the dedicated Coronavirus webpage and sub-pages between February 26 and April 1, 2020. Total pageviews over this period was 119,312. March 20, 2020 received 6,718 pageviews – the most in a single day. Governor Gavin Newsom announced a statewide order to shelter in place on this day, four days after Santa Clara County issued its order to shelter in place.

Digital Community

Our digital community is very active and connected. Social media priorities include using Nextdoor, Facebook, Twitter, Instagram and LinkedIn. The City also hosts a blog and seeks to share City updates and local perspectives. The statistics below provide a snapshot of social media and blog reach over the last month.

Digital Community Connections
Nextdoor 32,578 members receive City updates on a daily basis, including the daily Coronavirus reports
Facebook (March 4 – March 31) 23,250 people reached – a 480% increase.* 205 new page followers – a 503% increase.*
Twitter (March 4 - March 31) 436,000 impressions – a 563.6% increase.* 3,731 profile visits – a 563.9% increase.* 339 new followers
Instagram (March 4 – March 31) 1,089 likes received – a 152.1% increase.* 188 new followers – a 13.2% increase.*
LinkedIn (March 1 – March 31) 1,473 pageviews – a 2% increase.* 47 reactions – a 48% decrease.* 109 new followers – a 2% increase.*
Palo Alto Connect Blog The City’s blog at medium.com/PaloAltoConnect has seen 8,974 views in the past 30 days. “Staying Connected Through Information” (COVID-19 FAQs) post is the most viewed post with 3,700 views.
E-Mail/Digital Newsletter Our digital newsletter has 61,571 subscribers. The average open rate is 43.5% compared to the government industry average of 29%. “Be Well” and “Family Resources” links are consistently the most clicked links showing that readers like receiving online resources to help as the community shelters in place.

**when compared to previous period.*

Ways to stay connected

The community can sign up for the Coronavirus Daily Reports by going here: www.cityofpaloalto.org/newslettersignup.

The City’s dedicated webpage about Coronavirus and our public safety response can be found here: www.cityofpaloalto.org/coronavirus.

Preliminary Financial Impacts

As has been previously discussed, COVID-19 is first and foremost a critical global health crisis. Governments and industry are responding in order to limit the spread, contain the virus, and safeguard as many lives as possible. However, the financial implications of this current public health emergency are significant, both in the impact on revenues through varied lines of business and in the cost of responding to the crisis. The regional, national, and global impacts of this pandemic have resulted in significant impacts on economies through social distancing and shelter-in-place orders that curtail activities and significantly restrict travel and movement of people. Here in Palo Alto, we have seen retail stores and many hotels and restaurants close their doors completely. We have also seen our daytime population drop as workers and visitors shelter-in-place, telework, and limit their movements to slow the spread of the virus. The impacts have been stark and immediate.

To address the evolving situation, staff is bifurcating the discussion of the financial implications into 1) those specifically expected during the emergency response (for now focusing on FY 2020 estimated impacts) and 2) the return or recovery period that will require a re-imagining of “normal” and the shared sacrifice we will all need to make moving forward as the Palo Alto Community (for now focusing on FY 2021 and beyond).

Fiscal Year 2020 Estimated Fiscal Impacts

Staff has worked to provide an educated estimate on the financial impacts on Fiscal Year 2020, most specifically economically sensitive tax revenue loss and program revenue loss due to this emergency. Fiscal Year 2020 is estimated to see a \$15 million to \$20 million loss in the General Fund when considering a limited emergency period that concludes by the end of FY2020. This loss includes over \$15 million in lower taxes and over \$8 million in lower program revenues such as permits and recreation and arts classes that have been cancelled. These revenue losses are partially offset by some expected expense savings due to strategies that have been implemented including an immediate hiring freeze and expected curbing of contractual expenses to only essential services.

Due to the immediate shift in social constraints, staff expects immediate and severe impacts to transient occupancy taxes, sales tax, documentary transfer tax, and revenue from licenses, permits, and charges for services. Although anecdotal, staff expects hotel occupancy levels to be below 10% and restaurants and retail establishments to remain primarily closed while the current social distancing practices are in effect. As part of the closure of non-essential services, the City continues to pay employees either emergency pay or repurposing and redeploying employees to the COVID-19 emergency response, thereby incurring costs while foregoing revenue generating services.

Most recently, as part of the FY2020 Mid-Year Budget Report, staff reported that the General Fund Budget Stabilization Reserve was expected to be at \$44.5 million, or 19.3 percent of the FY 2020 Adopted Budget for General Fund expenses, above the City Council’s target level of 18.5 percent. To assist in ensuring that the Budget Stabilization Reserve is not exhausted, staff

will review and recommend budget adjustments for City Council consideration to rebalance the FY 2020 budget. Looking forward, staff will recommend to Council necessary budget adjustments to address next fiscal year's expected budget shortfall.

It is important to note that these estimates do not factor in costs associated with the City's COVID-19 emergency response. These costs are likely to be significant and include staff costs, temporary lodging for those exposed to the virus, acquisition of needed supplies including personal protective equipment (PPE), and other services such as deferral of payments. Staff is monitoring and working on estimates of these costs which are directly related to the progression of the emergency in order to apply for and receive federal emergency relief funding.

Fiscal Year 2021 Estimated Fiscal Impacts

The duration and depth of the downturn, both unknown at this time, will correlate with both the measure to constrain the spread of the virus and the economic dislocation that occurs during this period of shelter in place. There are multiple models and varying analyses in the economic community, from the current precipitous drop recovering by the end of the 2020 calendar year to a multi-year scenario where a more muted recovery is seen taking until 2023 to recover. McKinsey and Company predicts that the implications on the US economy could exceed anything since the end of World War II. As such, little data is available to model the specific impacts on the City of Palo Alto and General Fund tax revenues and the lasting implications of this emergency. However, it is expected that no matter the eventual impacts, the return or recovery period will require a re-imagining of "normal" and shared sacrifices everyone will need to make moving forward together as the Palo Alto community.

The FY 2021 forecast projected a surplus of \$1.1 million that was not sustained throughout the forecast. The Forecast expected gaps ranging from \$2.4 million to \$1.1 million in the middle of the forecast with surpluses beginning in FY 2026 at \$2.3 million and increasing through the final years of the forecast. Staff expects that the precipitous drop in revenues seen today will take time to recapture as consumer confidence slowly rebuilds.

In the absence of data specific to an event such as this, below is a model of the City's major tax revenue sensitivity which is provided annually based on past performance during recessionary times. Below is that scenario for FY 2021 which was most recently presented as part of the FY 2021-2030 Long Range Financial Forecast. This economic contraction is displayed as occurring in January 2021, midway through FY 2021 (6 months).

Tax revenue accounts for approximately 60 percent of the General Fund's total revenues. This scenario assumes that average tax receipts contract by 1.7 percent, from \$140.3 million at FY 2020 Adopted to \$137.9 million in FY 2021. The scenario models a further decline in FY 2022 to \$131.3 million in tax revenues in FY 2022, a 6.4 percent decline and stays consistent in FY 2023. If all other assumptions in the base case remain constant and a major recession were to occur of a magnitude similar to the dot-com bust or the Great Recession, the loss in revenue would

be approximately \$12.6 million for a 6 month timeframe, \$24.6 million for a 12 month timeframe.

Alternative Forecast B

	Adopted 2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total Revenue	\$232,101	\$229,313	\$223,830	\$226,020	\$237,704	\$250,122	\$265,085	\$283,416	\$310,495	\$341,969	\$378,923
		-1.2%	-2.4%	1.0%	5.2%	5.2%	6.0%	6.9%	9.6%	10.1%	10.8%
Total Expenditures	\$230,809	\$240,447	\$250,168	\$258,194	\$265,396	\$272,465	\$277,743	\$283,366	\$291,169	\$298,276	\$304,382
		4.2%	4.0%	3.2%	2.8%	2.7%	1.9%	2.0%	2.8%	2.4%	2.0%
Net One-Time Surplus/(Gap)	\$1,292	(\$11,134)	(\$26,338)	(\$32,174)	(\$27,693)	(\$22,343)	(\$12,658)	\$50	\$19,326	\$43,694	\$74,542
Cumulative Net Operating Margin (One-Time)											\$5,271
Net Operating Margin		(\$11,134)	(\$15,204)	(\$5,836)	\$4,482	\$5,350	\$9,684	\$12,708	\$19,276	\$24,368	\$30,848
Cumulative Net Operating Margin											\$74,542

Assumes that the annual shortfalls are solved with ongoing solutions and annual surpluses are spent for ongoing expenditures.

For additional context below is a table outlining specific tax revenue implications of the Dot.Com Recession, impacts of September 11th, and the Great Recession:

Fiscal Year	Property Tax	Sales Tax	Transient Occupancy Tax	Documentary Transfer Tax	Utility User Tax	
2000	13.1%	13.1%	26.6%	41.8%	-2.9%	
2001	12.4%	12.8%	12.9%	-13.7%	17.6%	Dot.com Recession: 3/2001-11/2001
2002	9.3%	-22.1%	-29.3%	-24.5%	-6.4%	September 11th: 9/11/2001
2003	4.5%	-10.2%	-19.4%	22.2%	9.5%	SARS: 11/2002-7/2003
2004	-0.8%	0.6%	2.9%	59.4%	1.2%	
2005	21.5%	5.4%	3.6%	-8.1%	1.6%	
2006	12.4%	5.3%	12.4%	11.3%	20.5%	
2007	14.6%	9.9%	4.9%	1.9%	6.8%	
2008	7.6%	1.5%	18.9%	-7.8%	9.9%	Great Recession: 3/2008-1/2010
2009	10.1%	-11.0%	-10.8%	-42.5%	7.2%	
2010	2.1%	-10.7%	-3.6%	19.9%	2.4%	
2011	-1.1%	15.2%	17.8%	39.4%	-3.9%	
2012	3.1%	7.1%	19.6%	-6.7%	-0.2%	
2013	8.5%	16.1%	11.7%	41.2%	0.2%	
2014	6.4%	14.9%	13.5%	19.6%	1.4%	Ebola: 2014-2016
2015	11.5%	0.9%	36.3%	23.4%	-1.3%	
2016	7.3%	1.2%	33.9%	-37.7%	14.8%	Zika: 12/2015-9/2016
2017	7.6%	-0.3%	5.0%	19.6%	14.2%	
2018	8.8%	3.9%	6.2%	23.2%	8.2%	
2019	10.5%	17.4%	2.9%	-25.0%	6.4%	

Not Included in these Projections

These initial financial projections do not include costs associated with the City's COVID emergency response, any Federal or State emergency relief, expected significant increases in retirement contributions, or expense controls and actions related to the worsening budget outlook. In addition, the City has a number of other economically sensitive funds. This analysis

does not contemplate the impacts on those. Examples include the Refuse Fund, various utility funds, the development center and its full costs recovery operations.

Workforce Update

Under the Shelter in Place health order through April 7, approximately 600 City employees have continued to perform their duties by reporting to the worksite. These employees include emergency responders in Police and Fire, and employees in Public Works, Utilities, Planning and Community Services. When it became clear that the order required employers to minimize the number of employees at the worksite, the City assigned approximately 300 employees to telework. Telework employees are performing critical or ongoing work such as supporting police and fire operations, information technology, paying bills, payroll, and engineering projects. Many employees are not performing their normal work but have been assigned to necessary work during this emergency, including staffing the community call center, transitioning City meetings and documents to electronic format, and coordinating the cancellation of City events.

To minimize impacts to employees and their families during the initial shelter in place order, paid administrative leave is being provided for employees who are unable to work due to worksite closures, lack of childcare due to school closures or quarantine. This paid administrative leave ends on April 10, which is the close of the current pay period. In the first week of the Shelter in Place order, approximately 200 employees were unable to work their full schedule, of which 70 are full-time and the balance are part-time. The average usage of paid leave was 18 hours for full-time and 11 hours for part-time employees in one week. Since the start of the order, some crews have been assigned to work on a rotational basis, such as one week on and one week off. It is anticipated that unworked hours will increase in the new pay period, as additional work stoppages have gone into effect.

Absent alternative direction from Council, beginning April 11 the paid administrative leave will discontinue. Employees who are unable to work will be required to exhaust their leave banks and employees without leave will be unpaid. Once an employee loses pay, the employee is eligible to apply for unemployment. Those without paid time will trigger a loss of city-paid health coverage and the employee is responsible to pay the full monthly premiums. Employees who are unable to pay their monthly premiums will lose medical, dental and life insurance.

In order to minimize the number of employees moving to unpaid status, redeployment opportunities as disaster service workers have been established and will continue to be developed throughout the ongoing state of emergency.

Effective April 1, new Federal legislation, the Families First Coronavirus Response Act (FFCRA) was enacted with the following stated goal ...

“... to provide employees with paid leave, either for the employee’s own health needs or to care for family members. The legislation will ensure that workers are

not forced to choose between their paychecks and the public health measures needed to compact the virus...” ---Dept. of Labor News Release March 24, 2020

The Families First Act provides 2 weeks of Sick Leave and 10 weeks of extended Family Medical Leave for employees who are unable to work as a result of COVID-19. FMLA is only available for those unable to work because a child’s school or childcare is closed. The Families First Act requires caps employee pay at 2/3 regular rate with caps on the dollar amount per day. For an employee who uses 12 weeks of Family Leave, the leave is capped at \$12,000, or the equivalent of \$25/hour (\$1,000 per week) for the 12-week period. Employees may, however, supplement this pay with their accrued leave balances, if available, to 100% of pay.

To minimize impacts to staffing, emergency workers are exempted from the new leaves. As such, Police, Fire and dispatch workers will not receive additional leave for Sick or childcare that the general workforce are eligible to receive under the Families First Act. It should be noted that employees who become ill from a workplace exposure may apply for workers compensation. Exposure-only cases are not covered by workers’ compensation, however it a resulting illness from a workplace exposure.

Under the terms of the new order through May 3, certain City services currently being provided will be stopped, leaving additional employees without work. Employees who meet the conditions of the Families First Act will be provided paid leave as required under the law. Once all leaves are exhausted, employees may remain on unpaid leave until returned to work or laid off for lack of work in accordance with City merit rules and applicable MOA’s.

Any additional benefit to be provided to emergency workers or the general workforce in response to this public health emergency will require Council action.

Coordination of Nonprofit Partners and Services to Residents

Community Services Department staff reached out to Palo Alto’s community benefit organizations and has convened twice weekly remote meetings with the nonprofit essential needs providers since March 16th. This has allowed the City to receive up-to-date information on their current services in response to the COVID-19 pandemic and learn about their challenges and needs. These calls have also initiated cross cooperation and assistance between the participating agencies. The City has created a special page on the City’s website to list the services provided and donation/financial needs of the agencies. https://www.cityofpaloalto.org/services/public_safety/plans_and_information/coronavirus/support_services.asp

The services being provided for homeless and low-income residents by Palo Alto nonprofit organizations include:

- The Opportunity Services Center continues to operate Monday through Friday with continued access to case management, laundry, showers, breakfast and lunch, and emergency financial assistance.

- LifeMoves Opportunity Services Center operates as part of a County collaborative called the Emergency Assistance Network (EAN) Agency and distributes emergency funding for assistance with rent and utility bills. The current funding will be depleted by April 3, 2020. See below for further discussion on rental assistance needs.
- Peninsula HealthCare Connections, the clinic at the Opportunity Services Center is still operational. Patients are asked to call first to be triaged over the phone and will be directed to a telemedicine doctor or to come to the clinic, if feasible.
- The Downtown Food Closet continues to be open six days a week and provides bags of food for low income and homeless individuals.
- Hotel de Zink, a year-round rotating shelter at local churches is still operational with increased hours. Additional funding is needed to be open 7 days per week and 24 hours per day.
- Heart & Home Collaborative is a seasonal rotating shelter for women at local churches. The shelter is still operational with increased hours. Additional funding is needed to continue operating in April, one month longer than their original schedule, to allow their participants to shelter in place.
- Hotel vouchers are being allocated by the Office of Supportive Housing via a referral from Valley Medical Center related facilities, including Gardener Health Center and the Valley Homeless Health Care Program (VHHP). The program is only for very medically vulnerable individuals who meet strict criteria as set by the CDC. Homeless service providers in Palo Alto have been given details about how to have a client considered for a hotel voucher.

City services that support:

- All park restrooms remain open from dawn to dusk with twice daily cleaning.
- All parking garage bathrooms are open 24 hours per day and 7 days per week with twice daily cleaning.
- Staff is looking for availability of portable hand washing stations to place at several locations.
- The Human Services Emerging Needs fund has been opened to applicants for COVID-19 related needs. The deadline for applications is April 3, 2020.

Rental Assistance:

LifeMoves Opportunity Services Center is part of Santa Clara County's emergency assistance program for Palo Alto residents. Funding has primarily come from United Way Bay Area, the County and Destination Home. The average request for rental assistance is \$2,000 per household. The number of requests for rental assistance has increased from a few per month to up to 50 per day since the Shelter in Place Order began. There is currently \$20,000 remaining in the fund, which will likely be depleted by April 3, 2020.

To qualify for funding, applicants must:

1. Live in a Palo Alto zip code

2. Show proof of residency with utility bill and or lease agreement
3. Show proof that this is a onetime emergency and must provide sustainability of their income
4. Provide evidence that lost income is a result of the COVID-19 pandemic
5. Show proof of emergency (e.g., medical, no paid time off, loss of job)
6. Demonstrate that their landlord will accept a third-party check

On April 1, 2020 the Department of Housing and Urban Development awarded over \$10.5 million in grant funding to cities and counties in California's 18th Congressional District in response to the COVID-19 pandemic. The grant funding was authorized under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Palo Alto will receive \$294,909 of this grant funding. The details of what this funding can go toward are not yet known.

The City's moratorium on renter evictions provides for a 120-day grace period until a renter must re-pay rent owed during the Shelter in Place Order. Assuming that the Order is lifted on May 4, 2020, renters are protected from eviction until October 2020 at which time they would need to reconcile unpaid rent. It is likely that many renters would not be in a position financially to pay their landlord the full amount of past due rent by October 2020.

Considering the recent announcement that Palo Alto will receive funding from the CARES Act for homelessness and housing security programs and in consideration of the City's moratorium on evictions, staff will develop a funding proposal for rental assistance by October 2020, if it is needed. An example scenario for additional funding is a matching grant program that would leverage corporate and community funding for rental assistance. In this scenario, a third party would campaign for funding and the City would match the funding up to a certain amount not yet determined. Securing these funds later if needed would ensure that tenants who are facing eviction are able to pay their past due rent and does not require the City to expend funds now when its own financial status is still unknown.

Business Support and Assistance

The following provides a summary of efforts underway to support local businesses and connect them with local, state and federal resources during this challenging time:

- Established an online business assistance center with information on federal and state legislation, loans, protections and requirements potentially affecting the Palo Alto business community.
- Suspended enforcement of time-limited parking in RPP districts.
- Established an advertising campaign through our local newspapers to encourage the community to shop and eat local. An online webpage is also set up at www.cityofpaloalto.org/supportlocal providing details about local grocery store hours and links to a regularly updated restaurant listing of what's available for takeout and delivery.

- Supplemented police patrol staffing levels to provide ongoing and regular high-visibility patrols to both open and closed businesses and activated the public safety substation at the Stanford Shopping Center with daily support.
- Implemented a temporary ban on utility shut-offs for non-payment and lengthening repayment plans. Utility staff is also investigating whether adjusted billing rates for Refuse, Wastewater, and/or Stormwater utilities should be proposed, and researching the feasibility of additional support for small/medium businesses to cover utility costs.
- Zero Waste staff provided best practices guidance for social distancing and an offer of help with signs and such for grocery stores and the farmers market. They are also investigating how to provide modest financial relief for businesses that request refuse service changes during this period.
- Postponed collection of business registry and downtown business district fees for 90 days and staff is researching the feasibility of temporarily waiving fees altogether.
- Developing an ordinance to automatically extend previously approved planning entitlements, building permits and applications for six months.
- On April 6, seeking Council direction on whether a City ordinance to protect small businesses from closure or eviction for failure to pay rent due to COVID-19 is needed, in light of the County's adoption of an ordinance providing these protections.
- Created an online pre-application portal to enable commercial developers and residential homebuilders to file building permit applications prior to the 2020 Reach Code deadline on April 1, 2020. This action respects the months of work that go into making construction-ready drawings and enabled those who intended to submit before the deadline to do so despite the temporary closure of the city's development center.
- A more comprehensive online application portal to allow all Planning and Development Services applications to be filed online and enable electronic document review is currently under rapid development by City staff. Estimated time of completion is late April.
- Environmental Services staff is using enforcement discretion in response to business requests for reduced environmental monitoring when changes in business activity have made pollutant releases of significance extremely unlikely.
- Providing rent deferral for Cubberley long term lease tenants for the months of April May, and June 2020 to those tenants in good standing and who are unable to pay by the due date. The deferred rent can be paid back in 12 equal monthly installments with no interest starting on January 1, 2021.
- Recreation coordinators are working with contract instructors of special interest classes to maintain those offerings through virtual classes.
- While other transit providers are reducing service, Palo Alto has continued operation of the city's free shuttles to provide essential shopping and medical trips.

Virtual City Meetings in April

City staff from several departments are supporting a select group of Boards and Commission meetings in April. All will be virtual and based on the new platform that the City Council will pilot on Monday, April 6.

Other meetings planned for the month of April, include:

- April 9- Historic Resources Board at 8:30 a.m.
- April 13- Council Meeting
- April 15- Utilities Advisory Commission at 9:00 a.m.
- April 15- Planning and Transportation Commission at 5:00 p.m.
- April 16- City/School Meeting, Time TBD
- April 20- Council Meeting
- April 21- Finance Meeting at 7:00 p.m.

STAKEHOLDER OUTREACH

The City has set up a dedicated webpage and other communications efforts, including placing posters at high use public facilities and other printed materials distributed to libraries and community centers and other means, sending email communications and digital updates, sharing details via social media including Nextdoor, and other approaches to help inform and provide tools to help keep our community safe.

ENVIRONMENTAL REVIEW

This action is exempt from environmental review by statute. See CEQA Guidelines Section 15269, Emergency Projects Undertaken for Specific Actions Necessary to Prevent or Mitigate an Emergency.