

CDBG ANNUAL ACTION PLAN FY2020-21 - CDBG-CV SUBSTANTIAL AMENDMENT

INTRODUCTION:

The City of Palo Alto's Annual Action Plan details the funding strategy for the Community Development Block Grant (CDBG) program each year. Through the Annual Action Plan, the City implement its Five-Year Consolidated Plan. The City's Citizen Participation Plan (CPP) describes the efforts that the City will take to encourage its residents to participate in developing these plans. It also provides requirements for public process when a "substantial amendment" to the Annual Action Plan is proposed. The following changes constitute a substantial amendment and require public notice as described in the CPP:

- A change in the use of CDBG funds from one eligible activity to another;
- The implementation of an activity not previously identified in sufficient detail to provide affected citizens an opportunity to submit comments; or
- A change in an activity's program budget which exceeds ten percent of the City's latest annual entitlement grant.

The information provided in this attachment qualifies as a substantial amendment because it meets all three criteria of a substantial amendment as described in the City's CPP.

BACKGROUND:

The United States Congress passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) on March 27, 2020. The CARES Act expedites the use of CDBG funds to prevent and respond to COVID-19. Through the CARES Act, the City received a total of \$746,413 in two separate grant allocations. These funds are to be used specifically for responding to the COVID- 19 pandemic.

On June 15, 2020, Council allocated a portion of the first allocation of CARES Act funding (CDBG-CV1) in the amount of \$294,900 to LifeMoves to provide rental assistance to eligible low-income Palo Alto families (i.e. 80% Area Media Income and below) who have suffered documented income loss due to COVID-19. Of this amount, LifeMoves was able to spend \$99,499.50, and is now giving the remaining \$194,500.50 back to the City to reallocate.

The purpose of this substantial amendment to the City of Palo Alto's FY 2020-21 Annual Action Plan is to reallocate a portion of the CDBG-CV funds that was returned by a subrecipient to two new COVID-19 related projects and provide a summary of the recommended projects/activities.

DISCUSSION:

The City will re-allocate \$194,500.50 in CDBG-CV funds that was returned from LifeMoves Rental Assistance Program. The LifeMoves Rental Assistance Program was funded in FY 2020-21 under the CDBG public services category to provide eligible households who are unable

to meet their monthly financial obligations as a result of the COVID-19 emergency with rental assistance. Individuals and families in danger of becoming homeless or losing their homes, will be able to remain in their homes. LifeMoves informed the City that they would be unable to spend the remaining funds that they received for this program and are therefore returning the funds to the City to be reallocated towards different COVID-related activities. Table 1 provides an overview of the recommended re-allocation of the \$194,500.50 from the FY 20/21 program year.

Table 1. Staff Recommendation for the Reallocation of CDBG-CV Funds

	Agency – Name of Program	Amount
1.	MOVE Mountain View – Safe Parking Program	\$160,300
2.	LifeMoves – COVID-19 Testing Program	\$34,200.50
	TOTAL	\$194,500.50

Public Outreach Process for the Reallocation of CDBG-CV Funds

The City circulated the amendment to the FY 2020-21 Annual Action Plan for a 30-day public comment period from May 20, 2022 through June 20, 2022. After the public comment period concludes, the City Council will hold a public hearing on June 20, 2022.

A brief description of programs that will be funded with the City’s reallocated CDBG-CV funds is provided below. The CDBG-CV funds will provide a valuable funding source for the City and its non-profit partners to address the community needs in the wake of the COVID-19 pandemic.

Project Name	MOVE Mountain View – Safe Parking Program
Goals Supported and Needs Addressed	COVID-19 Response
Funding Amount	CDBG-CV: \$160,300
Description	The program provides reserved off-street parking for participants, as well as permanent housing solutions through intensive case management. The Geng Road Safe Parking Lot is where MMV will utilize the grant. There are 12 RV safe parking spaces with eight spaces for client commuter car parking. A unique resource on this lot is the presence of two buildings. A library, laundry, kitchen, showers, and office spaces will create many options for service to the clients in the program.

Estimate the number and type of families that will benefit from the proposed activities	Approximately eight Palo Alto residents will be served.
Location Description	Citywide (Palo Alto)

Project Name	LifeMoves – COVID-19 Testing Program
Goals Supported and Needs Addressed:	COVID-19 Response
Funding Amount	CDBG-CV: \$34,200.50
Description	LifeMoves will use this funding to purchase CUE Health Tests that test for COVID-19 and deliver accurate results in 20 minutes. They can be administered to anyone at any time that the Opportunity Services Center is open, whether the client is symptomatic or asymptomatic.
Estimate the number and type of families that will benefit from the proposed activities	Approximately 450 Palo Alto residents will be served.
Location Description	Citywide (Palo Alto)