



CITY COUNCIL AGENDA REPORT

City of Anaheim COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT

DATE: AUGUST 10, 2021

FROM: COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT

SUBJECT: APPROVE THE FOURTH AMENDMENT TO THE FY 2019-2020 ANNUAL ACTION PLAN THAT REALLOCATES CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT FUNDING

ATTACHMENT (Y/N): NO

ITEM # 02

RECOMMENDATION:

That the City Council, by Motion, approve the Fourth Substantial Amendment to the Fiscal Year 2019-2020 Annual Action Plan to reallocate Community Development Block Grant (CDBG) COVID, Emergency Solutions Grant (ESG) COVID, and Home Investment Partnerships (HOME) funds from the CARES Act totaling \$5,920,596 and designate the Acting Director of the Community and Economic Development Department to execute all documents related to the administration, management, and implementation of the supplemental CDBG and ESG funding; and authorize the Acting Director to reallocate funds to eligible activities as deemed necessary to address greatest need.

BACKGROUND:

In July 2019, staff presented the FY 2019-2020 Annual Action Plan to City Council as is customary each year. Approval is necessary to complete the process to obtain Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS/HIV (HOPWA) funds from the Department of Housing and Urban Development (HUD). The Action Plan outlines the activities and expenditures proposed for the upcoming program year. The Plan must be amended if there are significant deviations from what was proposed in the original approved Plan.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law, providing much needed assistance to help address economic impacts associated with the COVID-19 outbreak. As part of the CARES Act, HUD received an additional \$5 billion dollars to help America's low income families and most vulnerable. These funds were then allocated to entitlement jurisdictions, including Anaheim, based on an existing formula allocation. The City of Anaheim received increased program funding for three of the grants identified above. The award of these additional funds triggered the need for amendments to the original Plan adopted in July 2019.

Prior to the receipt of CARES funds, staff requested approval for a first amendment to the Plan in December 2019 for the purposes of allocating funds for the newly approved Senior Safety Net program. Thereafter, a second amendment was requested in April 2020 to seek approval of expenditures in connection with the first round of CDBG, ESG, and HOPWA CARES Act funding. The third amendment requested in January 2021 included additional CARES Act funds for both CDBG and ESG that were awarded in September 2020. In total, the city has received an additional \$17,419,206 in CDBG, ESG, and HOPWA CARES Act funding (HUD CARES Act Funding).

Staff is now requesting approval for a Fourth Amendment to the Plan adopted in July 2019 in order to reallocate funds to best address existing needs. Since CARES funds were received during the term of the FY 2019-2020 Action Plan, that is the document that must be amended.

CARES Act Funding Reallocations

HUD CARES Act funding was allocated to numerous activities focused on mitigating the impacts of COVID-19, with a significant portion of the funding allocated to the Emergency Rental Assistance Program (ERAP) and Microenterprise Business Grant Program (MBGP). Since incorporating the HUD CARES Act funding, the city received additional federal and state resources to operate both the ERAP and MBGP programs, thus providing an opportunity to redirect funding originally identified for these two programs to other much needed programs and services.

Below are the projects staff recommends funding through the proposed reallocation. All projects continue to expand or deliver services that mitigate the impacts of COVID-19 among homeless individuals, vulnerable populations, and working families. The complete fourth amendment to the Annual Action Plan, which outlines the proposed projects and budgets is attached.

Community Services Department – COVID-19 Prevention and Mitigation (CDBG CV -\$421,800)

Utilizing the additional CDBG-CV funds identified in this amendment, the Community Services Department will enhance COVID-19 measures by implementing the following measures:

- Purchase of necessary PPE to help prevent, prepare for, and respond to the ongoing threat of COVID-19 to Parks and Community Services staff and patrons at all of Anaheim's parks and recreational programs. Additionally, the Citywide Parks and Community Services COVID Safety and Mitigation Program will fund city staff that will be responsible for transporting and setting up all PPE for COVID relief and various park and recreation programs.
- Funding for highly requested transportation assistance (OCTA Bus Passes and Gasoline Fuel Cards) for those experiencing financial shortfalls due to COVID-19.

- Enhance existing wireless internet capabilities for all persons utilizing the Miraloma Park Family Resource Center, the Ponderosa Park Family Resource Center, and the Downtown Anaheim Family Resource Center. This improvement will boost free Wi-Fi services inside Family Resource Centers to provide underserved residents enhanced access to much needed resources, programs and information. Additionally, service providers and non-profit organization partners working out of the Family Resource Centers will be better equipped to provide on the spot emergency services online.

Homeless Assistance Program (HAP) Expansion (ESG CV and HOME - \$575,000)

The Homeless Assistance Pilot Program (HAPP) was created in November 2012 to assist homeless families with children attending Anaheim schools. Since then the program has assisted more than 132 families living in the Anaheim area. Due to the success of the program and continued need to assist families who have been greatly impacted by COVID-19, the program will be expanded to provide assistance for 40 additional homeless families. The services provided include up to 24 months of Tenant Based Rental Assistance (TBRA) and case management services. The TBRA and the case management services will be funded with ESG COVID funds.

Emergency Housing Vouchers (EHV) Case Management (\$1,400,000)

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (“the ARP”) into law, which appropriated \$5 billion from the U.S. Department of Housing and Urban Development (“HUD”) for new incremental Emergency Housing Vouchers (“EHVs”). These EHVs are intended to provide rental assistance specifically targeted to families experiencing homelessness (or at risk of homelessness); fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking or human trafficking; or were recently homeless and for whom providing rental assistance will prevent the family’s homelessness or having a high risk of housing instability. HUD has allocated 278 EHVs to the Anaheim Housing Authority (“Authority”). The Authority has been required to partner with Orange County Continuum of Care (“OC CoC”) in order to receive and administer EHVs. The OC CoC is requiring that families and individuals receiving an EHV receive 12 months of case management services. The case management services will be paid for with ESG CV funds.

Anaheim Blvd. Public Facility Improvement Project (Store One/Northgate Market) (CDBG CV - \$1,000,000)

Originally approved in the FY 2020/21 Annual Action Plan, the City will award an additional \$1,000,000 in CDBG-CV funds to the Anaheim Boulevard Public Facility Project, located at 718A, 718B, and 722 Anaheim Boulevard. The neighborhood facility is to be utilized as an educational and vocational training center. The space will provide a supportive environment for youth, young adults, and displaced workers to develop

practical skills that will lead to future employment and to promote entrepreneurial thinking. The public facility will also revitalize affected labor force and business sectors within the City that have been impacted by the Coronavirus by providing training or re-training for expanding sectors. CDBG-CV funds will also be used to create an outdoor space to promote social distancing among individuals while gathering, and a space for food distribution in the event of an outbreak. This project will also provide job training and skill development for persons that have lost employment or are under employed due to the pandemic.

Salvation Army (ESG CV - \$500,000)

Assist residents currently at the Salvation Army shelter move into permanent and stable housing. Staff will assist clients integrating back into the community and provide support and stabilization services. These services include:

- Landlord engagement services to locate housing for shelter residents.
- Housing stabilization specialists to provide 12 months of case management using evidence based Critical Time Intervention (to ensure stable housing and prevent entry back into the homeless system).
- Provide resident support services to remain in housing (utility, food, and transportation as needed).

Homeless Services (ESG CV - \$723,796)

In an effort to continue providing services to the City's most vulnerable population, a Request for Proposals (RFP) for homeless services was released on April 8, 2021. A total of ten proposals were received from various homeless and domestic violence service providers. In order to provide expansive services to the homeless community, nine of the ten applications were approved and awarded funding. The services to be provided include engaging individuals and families experiencing homelessness; improving the quality of emergency shelters for individuals and families experiencing homelessness by helping to operate these shelters and provide essential services; rapidly re-housing individuals and families experiencing homelessness; and preventing individuals/families from becoming homeless.

Street Outreach (CDBG CV - \$1,300,000)

The street outreach services, should Council approve an upcoming Agreement on a future agenda, will be provided by the non-profit organization, Be Well OC. The mobile crisis team will consist of experienced professionals (crisis intervention specialists and medical professionals) who will support the Police Department and emergency services, relieving first responders of the often time-intensive mental health and social service-related calls. This proposed program will help to prevent, prepare, and respond to COVID-19 by supporting infectious disease preparedness to individuals encountered by the mobile crisis response team. This includes case management services to connect unsheltered individuals into shelters or stable housing reducing the risk of contracting the Coronavirus.

IMPACT ON BUDGET:

All activities in the substantial amendment are anticipated to be fully funded by the supplemental HUD funding. In the event grant funds are reduced or eliminated, the Substantial Amendment would be amended to only support activities that are fully funded by available grant allocations.

Respectfully submitted,

Grace Ruiz-Stepter
Acting Director
Community and Economic Development Department

Attachments:

1. Substantial Amendment (All amendments are included in the attachment, latest changes are shown in red)
2. Proposed Budget