

# City of Sacramento

## Legislation Text

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**Title:**

**(City Council) Emergency Solutions Grant Funding - Coronavirus Aid, Relief, and Economic Security Act (CARES) COVID-19 [Oral Report]**

File ID: 2020-00743

**Location:** Citywide

**Recommendation:**

Review and provide direction regarding the allocation of Emergency Solutions Grant Coronavirus (ESG-CV) funding to address COVID-19 impacts.

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**Attachments:**

1-Description/Analysis

### Description/Analysis

**Issue Detail:** On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES), Public Law 116-136 was approved which made \$5 billion in Community Development Block Grant Coronavirus (CDBG-CV) and \$4 billion in Emergency Solutions Grant Coronavirus (ESG-CV) funds available to respond to the growing effects of the historic COVID-19 public health crisis. In April 2, 2020, the Department of Housing and Urban Development (HUD) allocated CARES Act funding to the City of Sacramento based on the existing entitlement formulas for the two programs. The City received \$2,869,932 in CDBG-CV and \$1,453,941 in ESG-CV.

### Sacramento COVID-19 Homeless Response Plan

As part of the broader County and City emergency and public health response to COVID-19, the COVID-19 Homelessness Response Team (Response Team) composed of staff from the City and County of Sacramento, Sacramento Steps Forward (SSF), and the Sacramento Housing and Redevelopment Agency (SHRA) was established.

On April 7, 2020, the Sacramento City Council and Sacramento County Board of Supervisors approved the funding plan developed by the COVID-19 Homelessness Response Team. Subsequently, on April 21, 2020, the City Council allocated all of the CDBG-CV of \$2,869,932 and ESG-CV of \$1,453,941 as one of the funding sources for the Homeless Response Plan (Plan). This included expansion of isolation/quarantine shelter capacity and support for existing shelters. The Plan provides safe places for persons experiencing homelessness who are COVID-19 positive or pending test results, symptomatic, or otherwise highly vulnerable. The units are located in motels, State-donated trailers and existing shelters including North 5<sup>th</sup> Street, North A Street, Mather Community Campus and scattered sites. Ultimately, the goal is to rehouse all program participants to permanent housing.

As of June 12, 2020, 522 motel rooms and 59 trailers have been utilized for quarantine and isolation centers and have served 764 people in 635 households since early April. The original Plan provided funding for isolation/quarantine through July (for motels) and through June (for trailers). Sacramento County Department of Human Assistance manages the motel portion and the City manages the trailers. Sacramento County Department of Health Services provides medical support at all locations.

### **SHRA Rehousing Plan Discussion**

In May, SHRA presented a Rehousing Plan for review and direction which included various options to address the immediate need to move the individuals participating in the isolation/quarantine programs and in existing shelters into permanent housing. The Rehousing Plan included three components:

- Motel Acquisition Program: Acquisition of motels for use as immediate permanent affordable housing
- Manufactured Homes: A range of development types, including: manufactured home housing, tiny home concepts, and modular development products.
- Flexible Housing Program: The Flexible Housing Program (FHP) helps families and individuals transition from the streets or temporary emergency shelter to permanent housing. This existing County of Sacramento Program provides assistance in locating a residence, rental assistance, and other services.

### **Eviction Moratorium**

On March 17, 2020, the Sacramento City Council adopted an emergency ordinance to establish a temporary moratorium on evicting residential tenants unable to pay rent due to a loss of income caused by the Coronavirus Disease 2019 (COVID-19). The ordinance provides protection from eviction for tenants who comply with the ordinance requirements and provides for waiver of late fees and a 120-day repayment period after expiration of the ordinance. The ordinance term is based on the Governor's Executive Order N-28-20. The Governor extended the order to July 28, 2020. It is

unknown if the Governor will again extend that order, but with the phased opening of nonessential businesses, such protections may not need to be extended. With this recent extension, the City's 120-day payback period extends to November 25, 2020.

### **Sacramento COVID-19 Homeless Response Plan Amendment**

The course of the pandemic did not significantly impact the homeless population to the degree anticipated, as a result the Response Team is recommending amending the Plan to focus on providing services and housing for those in the isolation/quarantine units. The proposed Amendment is scheduled for the June 30, 2020 City Council meeting and extends the period of operation for isolation/quarantine units for two to three additional months through September. Additionally, the Plan adds strategies to move households into stable permanent housing through 1) Re-housing assistance for 500 households into existing permanent housing using current programs and expanding the County's FHP for approximately 225 housing placements; and 2) Development of new permanent supportive housing through motel acquisition and conversion. These changes are funded through reallocation of more than \$1.1 million from isolation/quarantine units to rehousing and supporting existing shelters. New funding totaling \$4,300,000 in Coronavirus Relief Funds (CRF) is also proposed to be allocated for Re-housing activities. The City of Sacramento and the County of Sacramento will each contribute \$2,150,000.

### **New ESG-CV Allocation**

On June 9, 2020, HUD notified the City of Sacramento it will receive a second allocation of ESG-CV in the amount of \$10,205,871 based upon a new formula. As with the first allocation, these ESG-CV funds are to be used to prevent, prepare for, and respond to the coronavirus pandemic among individuals and families who are homeless or receiving homeless assistance and to support additional homeless assistance and homelessness prevention activities to mitigate the impact of COVID-19.

Staff is seeking direction from the Council on the programs to fund with the ESG-CV. Due to the quick notification of the funding and urgency of situation, SHRA and City staff are evaluating the needs and will present programs for consideration.

The ESG program provides funding for:

- (1) Street Outreach: engage homeless individuals and families living on the street;
- (2) Emergency Shelters: shelter operations and providing essential services to shelter residents,
- (3) Rapid Rehousing - rapidly rehouse homeless individuals and families with rental assistance and services; and
- (4) Prevention - providing rental assistance and services to prevent families/individuals from becoming homeless.

Staff recommends the following:

- Motel Acquisition 44%

(Exchange with CDBG)	
• Emergency Shelters	22%
(North 5th operations for 12 months)	
• Homeless Prevention	29%
• Administration	5%

**Policy Considerations:** The discussion of ESG-CV funding to activities addressing and preventing homelessness is consistent with the goals and objectives outlined in the Consolidated Plan. The Consolidated Plan goals include assisting low- and moderate-income persons and areas with the following: housing, homeless facilities and services, public services, public facility and infrastructure improvements, and planning activities.

**Economic Impacts:** Not applicable.

**Environmental Considerations:** Not applicable.

**Sustainability:** Not applicable.

**Commission/Committee Action:** Not applicable.

**Rationale for Recommendation:** Not applicable

**Financial Considerations:** The second allocation of Emergency Solutions Grants is \$10,205,871 which allows allocation of 5% for administration of the funds.

**Local Business Enterprise (LBE) - M/WBE and Section 3 requirements:** Not applicable.