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11/10/2020	1	Council and Authorities Concurrent Meeting	Approved	Pass

REPORT TO COUNCIL

SUBJECT

Action on a Proposed Cost-Sharing Agreement with the County of Santa Clara to Fund a Countywide Isolation and Quarantine Support Program (IQSP)

COUNCIL PILLAR

Deliver and Enhance High Quality, Efficient Services and Infrastructure

BACKGROUND

On February 3, 2020, the County of Santa Clara (County) declared a local health emergency in response to the Coronavirus Disease (COVID-19) pandemic. On March 16, 2020, a Public Health Order was issued for all residents to shelter in place and for businesses to close except for essential services to mitigate the spread of the disease.

As one of many efforts put in place to respond to the COVID-19 pandemic, the County developed and implemented a Countywide Isolation and Quarantine Support Program (IQSP) available to all residents within the County of Santa Clara.

The IQSP consists of three primary components: 1) Motel rooms for isolation and/or quarantine; 2) Rental and financial assistance and 3) Support services including transportation to and from medical appointments, daily meals and/or groceries, weekly laundry services, and case management services to help individuals apply for safety-net benefits.

In late July 2020, the County Executive's Office presented a cost-sharing proposal to all 14 cities in the County requesting approval by early September and that each City contribute funding to the County to offset its share of costs to operate the IQSP. The projected contribution for the City of Santa Clara was estimated to be \$352,721 for the period August 1, 2020 through December 31,

2020. This included fixed costs for the County's administration of the program in the amount of \$37,659 and \$315,062 for direct costs for motel rooms and support services. Attachment A is a copy of the County's proposed cost sharing agreement.

On August 19, 2020, the City received notification from the County of Santa Clara that as of September 7, 2020, the County would no longer provide IQSP services to Santa Clara residents unless the City notified the County of its decision to opt-in to the cost-sharing agreement. Santa Clara County has subsequently excluded Santa Clara residents from the Countywide IQSP and has referred residents to the City of Santa Clara.

Like most cities in the County, there was delay with evaluating and taking action on this County request because the County did not collaborate with cities about the development of the IQSP or advise that proportionate costs would be assigned participating cities. Essentially, the County developed the IQSP without any city coordination, assumed that cities would pay for the costs, and put an unattainable deadline for opting in or out of IQSP. In fact, the IQSP was the topic of several Santa Clara County City Managers Association meetings because county cities were not aware of this program and required more time to determine whether to participate or not. Given the absence of coordination and inability to meet the deadline, the County did relax its opting in or out requirements and met with cities over the course of weeks to respond to questions about the program. In the end, the cities of Saratoga, Milpitas, and Morgan Hill have opted in and all other cities have either opted out or not taken any action on the County's request. Other regional cities have opted out of the program for a broad range of reasons or have taken no action.

City staff believes that the concept of supporting individuals with recovery and/or quarantining from COVID-19 exposure has merit, but there should be limits on eligibility given the broad range of fiscal support assumed in the County's proposal. In light of the County's recent decision to terminate services to Santa Clara residents, staff is requesting Council direction on one of the following three policy options:

Option #1: Accept County's original proposal and authorize the City Manager to negotiate and execute a funding agreement in the amount of \$352,721 for IQSP services as proposed by the County of Santa Clara.

Option #2: Amend the County's proposal and authorize the City Manager to negotiate and execute a modified funding agreement in an amount not to exceed \$50,500 that would support the City's share of fixed costs for the IQSP program (\$37,659 - City will seek a two month pro-ration of this amount) as well as the cost of motel rooms for up to 12 low-income Santa Clara residents for a period of up to 10 days (12 rooms x 10 days x \$107 per night for a total motel cost of \$12,841).

Options #3: Direct staff to take no additional action; therefore, resulting in opting out of the County's program.

Staff considered a fourth option of a City-run/funded program but determined that City staff does not have the capacity nor the required expertise to operate such a program in a cost-effective manner. Consequently, staff does not recommend this as a viable policy option.

Should the Council wish to proceed with either Option 1 or 2, it would be necessary to appropriate funds from the City's Budget Stabilization Reserve.

DISCUSSION

The purpose of this item is to seek Council direction on a preferred policy option.

As a public health issue and the primary provider of safety net benefits, it is appropriate that the County implemented the IQSP to provide access to shelter for those who cannot safely isolate/quarantine and are in need of support services.

The proposed funding agreement for IQSP services from the County of Santa Clara seeks to recover the expenses incurred by the County to provide assistance to households living outside the unincorporated areas of the County.

Major terms of the proposed funding agreement include:

1. The City of Santa Clara's maximum financial obligation for the term August 1, 2020 through December 31, 2020 would be \$352,721, subject to an adjustment based on actual utilization by Santa Clara residents. The maximum financial obligation estimate is based on program utilization during the month of June through July 2020 with a minimum of five individuals requiring motel rooms (one per month) and support services.
2. Residency is determined by the location of their last permanent address or the city or unincorporated area where they spend most of their time.
3. Fixed costs would be assigned to each City proportionally to its share of countywide population regardless of utilization.
4. Each jurisdiction will contribute to the cost of operating motels based on a proportion of motel nights that its residents use.
5. Each jurisdiction will reimburse the County for supportive services provided to the jurisdiction's residents while in isolation or quarantine.
6. Each jurisdiction will reimburse the County for rental or financial assistance provided directly to the jurisdiction's residents. Qualifying individuals would be eligible to receive up to \$5,000 in assistance.
7. If the number of City residents exceeds 50% of the total estimated participation for each jurisdiction, City agrees to confer with County to adjust maximum financial obligation.
8. City funds may be used for any expenses necessary for the successful operation of IQSP. This may include expenses categorically ineligible for FEMA reimbursement.
9. FEMA reimbursement will require a 25% match. The County will submit requests for reimbursement.

The County estimates that it would provide support services to 76 Santa Clara households and motel rooms to eight households during the period of August 1, 2020 through December 31, 2020. The City's share of fixed costs for the County's oversight and coordination of IQSP services for the five-month period would be \$37,659 with an additional \$315,062 in costs for motels, at-home support, and financial assistance for a total of \$352,721.

Historically, the Department of Public Health has provided hotel rooms for quarantine and isolation for any infectious disease when it has been needed. Moreover, meal service and enrolling eligible residents into safety net programs has also been a core function of the County.

Fundamentally, staff believes that this program, designed and implemented by the County, should be funded by the County and continue to serve all residents within the County. To date, the City of Santa Clara has invested significantly in a wide array of COVID-19 relief programs using one-time General Fund savings, CARES Act Funding, and other available funding sources. This includes a large

investment in a City-run Emergency Rental Assistance Program. For this reason, it does not make sense for the City to enter into an IQSP program with the County for rental assistance or for enrolling individuals into safety-net programs which are a function of the County.

However, it is fully acknowledged that the City does not have the medical expertise to determine eligibility of individuals who cannot safely isolate and/or quarantine nor the capacity to negotiate and oversee agreements with local hotels/motels to guarantee room availability for COVID-impacted individuals. Moreover, the City desires to work cooperatively with the County to stop the spread of the COVID-19 virus.

The County has reported that the majority of COVID-19 impacted individuals have the ability to self-isolate at home and do not require outside assistance. However, one of the groups that does not have the ability to self-isolate without assistance is the unhoused population.

The City has limited ability to address issues of short-term homelessness. It is the County, through their Office of Supportive Housing, that has been the prime provider of supportive services for the unhoused population in this region. As such, it is the City's expectation that the County would continue to serve that population as it relates to COVID-19 isolation and quarantine service needs.

There is a group of individuals that has difficulty self-isolating either due to lack of space or cohabitation with vulnerable populations. Should the Council wish to consider entering into a funding agreement with the County for isolation and quarantine services, staff would recommend that the scope of the agreement be limited to fixed costs for program coordination and direct costs to house up to 12 low-income individuals for a total cost not to exceed \$50,500 through the end of the calendar year (\$37,659 in fixed costs and \$12,841 in motel costs. Staff will seek a two-month pro-ration of the fixed costs).

This modified IQSP option would enable the City to utilize the appropriate expertise and resources of the County, guarantee shelter for the City's most vulnerable of COVID-19 patients, and leverage the City's investment in the Emergency Rental Assistance Program.

Based on the current level of funding and the projected demand for services through the remainder of the fiscal year, there would be sufficient funding in the Emergency Rental Assistance Program to support the modified cost sharing agreement with the County and to provide emergency rental assistance to individuals who are in need.

ENVIRONMENTAL REVIEW

The action being considered is exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines sections 15301 "Existing Facilities", 15302 "replacement or reconstruction", and 15303 "new construction or conversion of small structures" as the activity consists of the operation, repair, maintenance, permitting or minor alteration of existing public facilities or topographical features involving negligible expansion of use beyond that existing at the time of the lead agencies determination.

FISCAL IMPACT

If approved, this action would re-direct up to \$50,500 from the City's emergency rental assistance program to support the cost of the limited IQSP. Based on the current balance in the program and the anticipated need for the remainder of the fiscal year, there are sufficient funds to support this program.

COORDINATION

This item has been coordinated with the City Attorney's Office and the Department of Community Development, Community Services Division

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

ALTERNATIVES

1. Delegate authority to the City Manager to negotiate and execute a funding agreement as proposed by the County of Santa Clara in an amount not to exceed \$352,271.
2. Delegate authority to the City Manager to negotiate and execute a funding agreement with the County of Santa Clara in an amount not to exceed \$50,500 for a limited IQSP that includes program oversight and coordination, motel rooms for low-income, City of Santa Clara COVID positive individuals (and/or COVID exposed City of Santa Clara residents) and referral to the City's rental assistance program.
3. Direct staff to take no action.

RECOMMENDATION

Alternative 2: Council action to delegate authority to the City Manager to negotiate and execute a funding agreement with the County of Santa Clara in an amount not to exceed \$50,500 for a limited IQSP that includes program oversight and coordination, motel rooms for low-income, City of Santa Clara COVID positive individuals (and/or COVID exposed City of Santa Clara residents) and referral to the City's rental assistance program.

Reviewed by: Cynthia Bojorquez, Assistant City Manager/Acting City Librarian

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Cost Sharing Agreement