

Agenda Report

December 3, 2018

TO: Honorable Mayor and City Council

FROM: Department of Housing

SUBJECT: AUTHORIZATION TO SUBMIT A FUNDING APPLICATION WITH THE STATE OF CALIFORNIA IN RESPONSE TO A NOTICE OF FUNDING AVAILABILITY FOR HOMELESS EMERGENCY AID PROGRAM GRANT FUNDS

RECOMMENDATION:

It is recommended that the City Council:

- 1) Find that the recommended action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines per Section 15061 (b)(3), the "General Rule" that CEQA only applies to projects that may have an effect on the environment;
- 2) Authorize the submittal of an Application in the amount of \$1,428,216 in response to the Notice of Funding Availability ("NOFA") issued by the State of California Business, Consumer Services and Housing Agency to receive Homeless Emergency Aid Program funding for eligible homeless programs;
- 3) Authorize the City Manager to certify or execute, and the City Clerk to attest, the Application and all other related documents, agreements and amendments.

BACKGROUND:

On September 5, 2018 the State of California Business, Consumer Services and Housing Agency (BCSH) issued a Notice of Funding Availability for Homeless Emergency Aid Program (HEAP) funding. HEAP is a \$500 million block grant program authorized by SB 850 that was signed into law in June 2018, and is designed to provide direct assistance to cities, counties and Continuums of Care (CoCs) to address the homelessness crisis throughout California. HEAP funds are intended to provide immediate emergency assistance to people experiencing homelessness or those at imminent risk of homelessness. The eligible uses of these funds and the parameters of

the program are intentionally broad and flexible to allow each community to be creative and craft programs that meet any specific needs that have been identified.

BCSH allocates its funding to the CoC service areas based on the 2017 Point-in-Time (PIT) Count and the percentage of the total state homeless population in 2017. The Pasadena CoC has been allocated \$1,428,216 in HEAP funding, of which a minimum of \$71,410 (5%) is required to be set-aside for at-risk or homeless youth aged 18-24. Administrative costs are capped at five percent of program funds, but this does not include staff costs directly related to carrying out the program activities. One hundred percent of the funds will be disbursed in a one-time allocation upon execution of the standard agreement with the State. The HEAP statute mandates that 50 percent of the awarded funds must be contractually obligated by January 1, 2020, and 100 percent of the funds must be expended by June 30, 2021. Any unexpended funds at that time will be returned to BCSH.

As the next step in the process of serving as an Administrative Entity for the Continuum of Care Allocation of HEAP funds, the City is required to submit an application to the State in response to this NOFA for final funding approval before the deadline of December 31, 2018. The City's application will be for the amount of \$1,428,216 in a one-time block grant allocation, of which \$71,410 is for administration costs and the balance of \$1,356,806 for the following strategies:

1. Emergency Shelter: \$525,556
2. Housing Locators: \$ 380,000
3. Direct Healthcare Services: \$237,500
4. Capital Improvements: \$142,500
5. Community Engagement:\$71,250

BSCH anticipates issuing award letters by January 2019, with the standard distribution of funds beginning in April 2019. Funds are required to be spent by June 30, 2021. Once a standard agreement is executed with the State and the HEAP funds are received, the City will issue a Request for Proposals to distribute the funds to local homeless service providers and other qualified agencies. The funding recommendations will be brought to City Council for approval.

COLLABORATION

The HEAP statute specifies that CoCs must demonstrate that a local collaborative effort had been conducted prior to the application submission. The Pasadena CoC posted a public survey regarding possible uses of HEAP funding on the Pasadena Partnership website on August 23, 2018. Forty seven responses were received, which guided City staff in creating a draft funding strategy. The Pasadena CoC hosted a public workshop to discuss the proposed uses of HEAP funds on October 10, 2018. There were approximately 40 attendees at this workshop, including representatives of local homeless service providers, advocates with lived experience of homelessness, City

staff, faith-based organizations, health care providers, and the business sector. The CoC presented a revised plan at the CoC Semi-Annual meeting on November 7th, and the CoC Board voted to approve the final funding strategy on November 15th.

EMERGENCY SHELTER CRISIS DECLARATION

A shelter crisis declaration is required for all cities and counties within a CoC that wish to receive HEAP funds, except for CoCs with fewer than 1,000 homeless people based on the 2017 Point-in-Time Count. Since Pasadena is a CoC with fewer than 1,000 people experiencing homelessness (with a count of 677 homeless people), the City will be submitting a waiver with the application that exempts the CoC from declaring a shelter crisis. The declaration waiver will not negatively impact any of the shelters currently operating in the City.

COUNCIL POLICY CONSIDERATION:

Approval of the recommended action has the potential to provide essential housing and supportive services for people experiencing homelessness. Submittal of this solicitation is in accordance with the Pasadena Continuum of Care system, General Plan Housing Element, Five-Year Consolidated Plan, and Five-Year Public Housing Authority Plan.

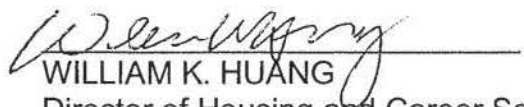
ENVIRONMENTAL ANALYSIS:

The action proposed herein is exempt from the California Environmental Quality Act (CEQA), pursuant to State CEQA Guidelines Section 15061 (b)(3), the "General Rule" provision of CEQA which applies to projects which may have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The submittal of an application to BCSH for HEAP funding will not have a significant effect on the environment and, hence, is not subject to CEQA.

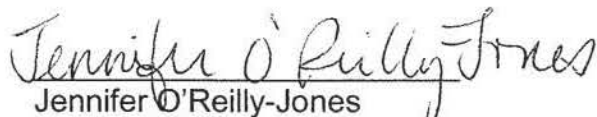
FISCAL IMPACT:

Approval of the recommended action to submit an application to the state for HEAP funding will have no direct fiscal impact. However, if the application results in a state award of funds to the City, staff will return to City Council with a recommendation to amend the Department of Housing Operating Budget and recognize additional revenue in the amount of \$1,428,216 in HEAP funding and appropriating the same amount for the provision of contract services to address homelessness. There is no matching contribution requirement for activities funded with HEAP Program funds.

Respectfully submitted,


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Approved by:


STEVE MERMELL
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