

Agenda Report

May 13, 2019

TO: Honorable Mayor and City Council
FROM: Department of Housing
SUBJECT: AMENDMENT TO FISCAL YEAR 2019 ADOPTED OPERATING BUDGET FOR ADDITIONAL CONTINUUM OF CARE FUNDING

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; and
- 2) Amend the Department of Housing's Fiscal Year (FY) 2019 Operating Budget by recognizing and appropriating \$121,397 in Continuum of Care grant revenue, as detailed in the table found in the Background section of this agenda report.

BACKGROUND:

Each year the City of Pasadena, as the Administrative Entity and Collaborative Applicant for the Pasadena Continuum of Care, submits an application to the U.S. Department of Housing and Urban Development (HUD) for new and renewal funding for homeless services. The application consists of multiple project applications for individual grants to fund permanent supportive housing, the Coordinated Entry System, and the Homeless Management Information System. Prior to submittal, City Council approves the filing of the application, as well as authorizes the City Manager to execute and the City Clerk to attest the application and all other related documents, agreements and amendments.

Applications for renewal grants are submitted in dollar amounts equal to the amount of the previous year's grant except in instances when a grant has been partially reallocated due to poor funding utilization. Permanent supportive housing grants are

typically awarded in slightly higher dollar amounts than applied for, as HUD adjusts the final award amount to account for annual increases in Fair Market Rents. As such, additional grant revenue must be recognized and appropriated.

On September 18, 2017, Council approved the filing of the 2017 Continuum of Care application which included individual renewal project applications for several Permanent Supportive Housing projects including CHOISS, Euclid Villa, Holly Street Housing, Step Up, and Hestia House. These five Permanent Supportive Housing project applications totaled \$1,676,135. On January 11, 2018 HUD awarded these five projects a total of \$1,718,283, which represents an increase of \$42,148. The programs have project terms that span Fiscal Year 2018 and 2019.

On August 27, 2018 Council approved the filing of the 2018 Continuum of Care application which included individual renewal project applications for the above-listed projects. These five project applications totaled \$1,633,247. On February 6, 2019, HUD awarded these five projects a total of \$1,712,496, which represents an increase of \$79,249. The programs have project terms that span Fiscal Year 2019 and 2020.

Combined, the additional grant funding for the 2017 and 2018 Continuum of Care renewal projects totals \$121,397.

| | 2017 | | | 2018* | | | |
|----------------------|--------------------------------|-------------|-------------|------------|-------------|---------------------------------|------------------|
| | Sub-recipient Agreement Number | Applied | Awarded | Additional | Applied | Awarded | Additional |
| CHOISS | 31419 | \$243,881 | \$251,184 | \$7,303 | \$166,148 | \$175,355 | \$9,207 |
| Euclid Villa | 31417 | \$172,622 | \$176,124 | \$3,502 | \$176,124 | \$183,407 | \$7,283 |
| Holly Street Housing | 31418 | \$878,740 | \$899,542 | \$20,802 | \$899,542 | \$940,997 | \$41,455 |
| Step Up | 31415 | \$134,481 | \$139,793 | \$5,312 | \$139,793 | \$150,221 | \$10,428 |
| Hestia House | 31333 | \$246,411 | \$251,640 | \$5,229 | \$251,640 | \$262,516 | \$10,876 |
| Total | | \$1,676,135 | \$1,718,283 | \$42,148 | \$1,633,247 | \$1,712,496 | \$79,249 |
| | | | | | | Total Additional Revenue | \$121,397 |

*Sub-recipient agreement numbers for 2018 grants are TBD.

COUNCIL POLICY CONSIDERATION:

The proposed action 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.

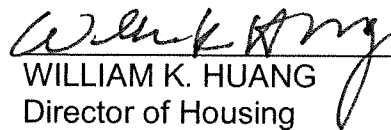
ENVIRONMENTAL ANALYSIS:

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 recognition and appropriation of additional Continuum of Care grant funding will not have a significant effect on the environment and, hence, is not subject to CEQA.


FISCAL IMPACT:

Approval of the recommended action will increase the Department of Housing's Fiscal Year 2019 Operating budget by \$121,397 in revenue (Acct. No. 22316015-623600) and appropriations in the same amount (Acct. No. 22316015-818800).

Respectfully submitted,


WILLIAM K. HUANG
Director of Housing

Prepared by:


Jennifer O'Reilly-Jones
Program Coordinator II

Approved by:


STEVE MERMELL
City Manager