

Agenda Report

April 15, 2019

TO: Honorable Mayor and City Council

FROM: Housing Department

SUBJECT: AUTHORIZATION TO SUBMIT A FUNDING APPLICATION AND ADOPTION OF RESOLUTION IN CONNECTION WITH THE STATE OF CALIFORNIA NOTICE OF FUNDING AVAILABILITY FOR CALIFORNIA EMERGENCY SOLUTIONS AND HOUSING 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 \$419,594 in response to the Notice of Funding Availability ("NOFA") issued by the State Department of Housing and Community Development to receive California Emergency Solutions and Housing funding for eligible homeless programs;
- 3) Adopt a Resolution certifying that any funds received through the submittal of the Application in response to this NOFA will be used in a manner consistent with all applicable state, federal and other statutes, rules, regulations, guidelines, and laws regarding the CESH Program; and
- 4) 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 March 21, 2019, the State Department of Housing and Community Development (HCD) issued a Notice of Funding Availability for a second round of California Emergency Solutions and Housing (CESH) funding in the total amount of \$29 million to assist people experiencing or at risk of homelessness, as authorized by SB 850. CESH

funding may be used for five primary activities: Housing relocation and stabilization services (including rental assistance), operating subsidies for permanent housing, flexible housing subsidy funds, operating support for emergency housing interventions, and systems support for homelessness services and housing delivery systems.

HCD allocates its funding to the state's Continuum of Care ("CoC") service areas using a formula method set forth under Health and Safety Code Section 50490.2(a) which allocates funding based on the following factors:

1. The 2017 Point-In-Time Count;
2. The number of extremely low-income households in rental housing that pay more than 50 percent of household income on rent; and
3. The percentage of households below the federal poverty line.

As the next step in the process of serving as an Administrative Entity for the Continuum of Care allocation for the second round of CESH funding, the City is required to submit an application to the State in response to this NOFA for final funding approval before the deadline of June 28, 2019. The City's application will be in the amount of \$419,594, of which 5% (\$20,980) is for administrative costs and the balance of \$398,614 is for eligible activities. HCD anticipates issuing award letters by September 2019, and funds are required to be spent within five years. Once the CESH funds are received, the City will issue a Request for Proposals to allocate the funds to local homeless service providers. The funding recommendations will be brought to City Council for approval upon completion of this process.

In connection with the funding application, the City is also required to adopt a Resolution certifying that any funding awarded to the City as part of the NOFA will be used in a manner consistent with all applicable state, federal and other statutes, rules, regulations, guidelines, and laws regarding the CESH Program, as well as in compliance with the contract the City will enter into with the State.

COUNCIL POLICY CONSIDERATION:

Approval of the recommended action has the potential to provide essential housing and supportive services for homeless individuals and families. 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:

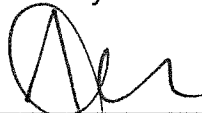
The action proposed herein is exempt from the California Environmental Quality Act (CEQA), pursuant to State CEQA Guidelines Section 15061 (b)(3), the "General Rule" provision of CEQA which applies to projects which may have the potential for causing a

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 HCD for CESH funding will not have a significant effect on the environment and, hence, is not subject to CEQA.

FISCAL IMPACT:

Approval of the recommended action, and an award by the state of the funding application, will result in additional revenue to the Department's FY 2020 operating budget in the amount of \$419,594 in CESH funding which will be appropriated for the provision of contract services to address homelessness and systems support administered by City staff. There is no matching contribution requirement for activities funded with CESH Program funds.

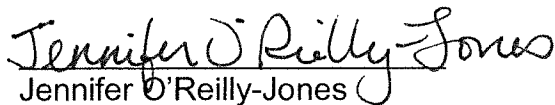
Respectfully submitted,



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WILLIAM K. HUANG
Director of Housing

Prepared by:



Jennifer O'Reilly-Jones
Program Coordinator II

Approved by:



STEVE MERMELL
City Manager

ATTACHMENT: Authorizing Resolution