

# Agenda Report

January 27, 2020

**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 HOUSING, ASSISTANCE AND PREVENTION 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 Section 15061 (b)(3), the "General Rule" that CEQA only applies to projects that may have an effect on the environment; and
- 2) Authorize the submittal of an application in the amount of \$638,478 in response to the Notice of Funding Availability ("NOFA") issued by the State of California Business, Consumer Services and Housing Agency to receive Homeless Housing, Assistance and Prevention funding for eligible programs and activities that serve people experiencing homelessness; and
- 3) Authorize the City Manager to certify or execute, and the City Clerk to attest, the application and all other documents, agreements and amendments related to the application and subsequent State award.

## **BACKGROUND:**

On December 6, 2019, the State of California Business, Consumer Services and Housing Agency (BCSH) issued a Notice of Funding Availability for Homeless Housing, Assistance and Prevention Program (HHAP) funding. HHAP is a \$650 million block grant program, authorized by AB 101, designed to support regional coordination and expand or develop local capacity to address immediate homelessness challenges throughout the state. The spending of HHAP funds must be informed by a best

practices framework focused on moving individuals and families experiencing homelessness into permanent housing and ensuring those individuals and families maintain their permanent housing. HHAP funding is available to Continuums of Care (CoCs), large cities with a population over 300,000 people and counties.

### **Eligible Uses**

The HHAP program requires grantees to expend funds on evidence-based solutions that address and prevent homelessness among eligible populations. Eligible uses of this funding include:

1. Rental assistance and rapid rehousing;
2. Operating subsidies (including operating reserves) in new and existing affordable or supportive housing units, emergency shelters and navigation centers;
3. Landlord Incentives;
4. Outreach and coordination to assist vulnerable populations in accessing permanent housing and to promote housing stability in supportive housing;
5. Systems support for activities necessary to create regional partnerships and maintain a homeless services and housing delivery system;
6. Delivery of permanent housing and innovative housing solutions (such as hotel and motel conversions);
7. Homelessness prevention and shelter diversion to permanent housing; and
8. New navigation centers and emergency shelters based on demonstrated need.

Grantees are mandated to use at least 8% of the funding allocation for programs and services specific to the needs of youth experiencing homelessness. In addition, grantees are not permitted to use HHAP grant program funding to supplant existing local funds for existing or developing homeless assistance programs.

### **Next Steps**

As the next step in the process of serving as the Administrative Entity for the Pasadena Continuum of Care allocation of HHAP funds, the City is required to submit an application to the State in response to the NOFA for final approval before the deadline of February 15, 2020. The City's application will be in the amount of \$638,478, of which 8% (\$51,078) is mandated to be spent on a youth specific project(s), 7% (\$44,693) is for administration costs and the balance of \$542,707 for other eligible activities. HHAP program funds are expected to be disbursed within 90 days of the date the application is deemed complete by the State and the funds must be fully expended by June 30, 2025. If the City is awarded HHAP funds, the City will issue a Request for Applications (RFA) to allocate funds to local homeless services providers. The funding recommendations will be brought to City Council for approval.

### **COUNCIL POLICY CONSIDERATION:**

Approval of the recommended action has the potential to provide essential housing and services for individuals and families who are experiencing or at-risk of experiencing homelessness. Submittal of this funding application 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 a funding application to BCSH for HHAP 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 the HHAP funding application to the State will have no direct fiscal impact. Should the City's application be selected for an award of funds, staff will bring back a recommendation to the City Council to recognize additional revenue in the anticipated amount of \$638,478 and to appropriate funding for the provision of contract services to address homelessness. There is no matching contribution requirement for activities funded with HHAP Program funds.

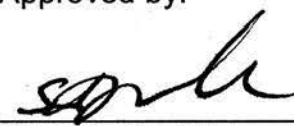
Respectfully submitted,

  
WILLIAM K. HUANG  
Director of Housing

Prepared by:

  
Jennifer O'Reilly-Jones  
Program Coordinator II

Approved by:

  
STEVE MERMELL  
City Manager