

Agenda Report

December 14, 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 ROUND 2 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 \$302,105 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 Round 2 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 January 27, 2020, the City Council approved the submittal of an application to receive Homeless Housing, Assistance and Prevention (HHAP) funding in the amount of \$638,478 from the State of California Business, Consumer Services and Housing Agency (BCSH). Of this total allocation, the Pasadena Continuum of Care (CoC) Board voted to prioritize funding for the following eligible activities:

Table 1: Homeless Housing, Assistance and Prevention (HHAP) Allocations	
Eligible Activity	Allocated Funding
Homelessness Prevention	\$300,000
Outreach and Coordination	\$160,000
Emergency Shelter	\$82,707
Youth Set-Aside (8%)	\$51,078
Administration (7%)	\$44,693
TOTAL ALLOCATION	\$638,478

On November 13, 2020, BCSH issued a Notice of Funding Availability for Homeless Housing, Assistance and Prevention Round 2 (HHAP-2) grant funding, of which the CoC's allocation is a total of \$302,105. This second round of HHAP funding was authorized by AB 83 (Committee on Budget, Chapter 15, Statutes of 2020) and was signed into law by Governor Gavin Newsom on June 29, 2020. Building on the regional coordination created through previous State grant funding, HHAP-2 is intended to support local jurisdictions in their unified regional response to reduce and end homelessness. HHAP-2 funding is available to CoCs, large cities with a population over 300,000 people and counties.

Eligible Uses

HHAP Round 2 requires grantees to expend funds on evidence-based solutions that prevent, reduce and end homelessness. These grant funds also cannot be used to supplant existing local funds for permanent housing assistance or prevention. Eligible uses of this funding include:

1. Rapid rehousing, including rental subsidies and incentives to landlords, such as security deposits and holding fees;
2. Operating subsidies (including operating reserves) in new and existing affordable or supportive housing units, emergency shelters, non-congregate shelters, interim or bridge housing and navigation centers;
3. Street outreach;
4. Services coordination or other services needed 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. Prevention and shelter diversion including crisis resolution, mediation and conflict resolution, creative problem solving, connection to mainstream resources, and light-touch financial assistance that directly results in a housing solution, and;
8. New navigation centers and emergency shelters, with clients obtaining housing as the primary goal, 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 unaccompanied youth experiencing homelessness. In addition, no more than 7% of a grantee's allocation may be expended on administrative costs.

Proposed Uses

The Pasadena CoC Board met on November 23rd to discuss HHAP-2 funding and vote on eligible activities that should be prioritized. After accounting for the youth set-aside and administration percentage caps, the Board determined the remaining funding should align with the CoC's continued investment in permanent housing solutions and be utilized to assist people experiencing literal homelessness move into safe and stable housing. The youth-set aside funding will support emergency shelter interventions in the form of motel vouchers. The following HHAP-2 funding allocations were approved unanimously by the Board and will be included in the final application to the State:

Eligible Activity	Allocated Funding
Rapid Rehousing	\$256,790
Youth Set-Aside (8%)	\$24,168
Administration (7%)	\$21,147
TOTAL ALLOCATION	\$302,105

Next Steps

As the next step in the process of serving as the Administrative Entity for the Pasadena CoC's allocation of HHAP-2 funds, the City is required to submit an application to the State in response to the NOFA for final approval before the deadline of January 23, 2021. The City's application will be in the amount of \$302,105 and allocations will correspond with the eligible activities outlined in Table 2. All HHAP-2 grant funds must be fully expended by June 30, 2026. 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/or families who are 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:

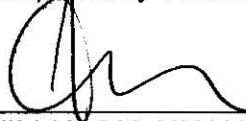
The action proposed herein is exempt from the California Environmental Quality Act

(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:

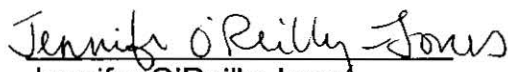
Approval of the recommended action to submit a HHAP-2 funding application to the State will have no direct fiscal impact. Should the City's application be selected for an award of funds, staff will bring back a recommendation to the City Council to recognize additional revenue in the anticipated amount of \$302,105 and to appropriate funding for the provision of contract services to address homelessness. There is no matching contribution requirement for activities funded with HHAP-2 grant funds.

Respectfully submitted,



for WILLIAM K. HUANG
Director of Housing

Prepared by:


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Approved by:



STEVE MERMELL
City Manager