

Agenda Report

December 14, 2020

TO: Honorable Mayor and City Council

FROM: Housing Department

SUBJECT: PUBLIC HEARING: A SUBSTANTIAL EMERGENCY AMENDMENT TO THE 2020-2021 ANNUAL ACTION PLAN AND FIVE-YEAR 2020-2024 CONSOLIDATED PLAN RELATED TO THE CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT ESG-CV FUNDS AND EMERGENCY SOLUTIONS GRANT FUNDS; CONTRACT AUTHORIZATION WITH UNION STATION HOMELESS SERVICES; AMENDMENT TO CONTRACT (NO. 31829) WITH FRIENDS IN DEED

RECOMMENDATION:

It is recommended that upon close of the public hearing the City Council take the following actions:

- 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) Approve the submission of a Substantial Emergency Amendment to the 2020-2021 Annual Action Plan to the U.S. Department of Housing and Urban Development to reprogram available Emergency Solutions Grant (ESG-CV) funding made available through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act); and
- 3) Approve the submission of a Substantial Emergency Amendment to the 2020-2024 Consolidated Plan to use annual entitlement ESG funds, including Fiscal Year 2020 and prior fiscal year grant funds, to prevent, prepare for, and respond to COVID-19; and
- 4) Authorize the City Manager to enter into a contract with Union Station Homeless Services with terms to start January 1, 2021 and conclude no later than September 30, 2022 (21 months) with ESG-CV funding in an amount not to exceed \$220,000 without competitive bidding pursuant to City Charter Section

1002(F), contracts for professional or unique services, and Pasadena Municipal Code Section 4.08.049 (B), contracts for which the City's best interests are served, to provide necessary services to facilitate the movement of people experiencing homelessness who are living on the properties of religious institutions into permanent housing; and

- 5) Approve a budget amendment appropriating \$163,376 in expenditures from the Emergency Solutions Grant (ESG-CV) fund balance to amend Contract No. 31829 with Friends In Deed in the Housing Department's FY 2021 operating budget; and
- 6) Authorize the City Manager to amend Contract No. 31829 with Friends In Deed to increase the total contract value by \$163,376 for a not-to-exceed amount of \$220,706.

BACKGROUND:

The Annual Action Plan sets forth the projected uses of federal entitlement funds, including Community Development Block Grant (CDBG), HOME, and Emergency Solutions Grant (ESG) program funds for the coming program year. The Plan addresses the efforts made toward accomplishing the goals and objectives included in the City's Five-Year Consolidated Plan (2020-2024). On July 20, 2020, the City Council convened a public hearing approving the submission of the 2020-2021 Annual Action Plan as an application to the U.S. Department of Housing and Urban Development (HUD). On October 19, 2020, the City Council approved a "Substantial Amendment" (as that term is used in the Citizen Participation Plan of the Five-Year Consolidated Plan) to the 2020-2021 Annual Action Plan and the 2020-2024 Consolidated Plan to receive Emergency Solutions Grant (ESG-CV) funding made available through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The modifications described herein will require that the 2020-2021 Annual Action Plan and 2020-2024 Consolidated Plan be amended in accordance with HUD regulations by a Substantial Emergency Amendment (as that term is used in the Citizen Participation Plan of the Five-Year Consolidated Plan).

The Substantial Emergency Amendment to the 2020-2021 Annual Action Plan will enable the City to reprogram ESG-CV funding to sufficiently fund street outreach programming and the Substantial Emergency Amendment to the 2020-2024 Consolidated Plan will enable the City to utilize annual entitlement ESG funding, including Fiscal Year 2020 and prior unspent fiscal year grant funds, to prevent, prepare for, and respond to coronavirus.

The subject Substantial Emergency Amendments were issued for public review from December 10, 2020 to December 14, 2020 in a published notice of the scheduled public hearing to amend the 2020-2021 Annual Action Plan and 2020-2024 Consolidated Plan. Staff will present or deliver to the Council any public comments received prior to the Council meeting.

REPROGRAMMING ESG-CV FUNDING:

As proposed in the Substantial Emergency Amendments, the previously approved allocation of ESG-CV funds would be modified by reprogramming \$120,000 from rapid rehousing activities to increase the duration of enhanced street outreach activities and create a new street outreach activity.

The Substantial Amendment approved by City Council on October 19, 2020 programmed \$3,372,793 in ESG-CV funds as shown in Table 1 below.

Activity	Budget	Percent of Allocation
Street Outreach	\$125,000	4%
Homelessness Prevention	\$500,000	15%
Emergency Shelter	\$1,000,000	29%
Rapid Rehousing	\$1,410,514	42%
Administration	\$337,279	10%
Total	\$3,372,793	100%

Following the approval of these eligible activities, the need emerged to increase available funding for street outreach by \$120,000. In the initial Substantial Amendment, \$125,000 was allocated to facilitate connections to housing navigation and supportive services for homeless households living on properties of religious institutions. However, this only took into account the funding needed to operate the program for a total of 12 months given a January 1, 2021 start date. Per CARES Act funding statutory requirements, all ESG-CV funding must be fully expended by September 30, 2022. Taking into consideration the time necessary to formally ramp up and ramp down grant funded projects, staff is recommending a proportional funding increase in the amount of \$95,000 to ensure program operation for a full 21 months through September 30, 2022.

Furthermore, staff is recommending a new allocation of \$25,000 to create a street outreach activity that will fund supplies and staffing to distribute cold weather supplies to address the urgent physical needs of people experiencing unsheltered homelessness during the winter season. This year due to the challenges directly associated with the pandemic, the annual Bad Weather Shelter will not be in operation as it was determined the program's weather-activated, night-by-night, low-barrier model of operation would impede the implementation of measures necessary for the health and safety of clients and staff. In lieu of a congregate shelter program and in addition to motel vouchers for a subset of people who are highly vulnerable to severe illness or death if they were to contract COVID-19, this funding will help meet the cold weather needs of our unsheltered neighbors by distributing warm clothing and cold weather supplies through street outreach teams and at community meal programs.

The combined \$120,000 in additional street outreach funding will be reprogrammed from the rapid rehousing budget category. The City intends to provide additional funding

for rapid rehousing services using Homeless Housing, Assistance and Prevention Round 2 (HHAP-2) funding to meet this reprogramming need. The revised budget by activity that incorporates these recommendations is shown in Table 2 below and is summarized in Attachment A:

Activity	Budget	Percent of Allocation
Street Outreach	\$245,000	7%
Homelessness Prevention	\$500,000	15%
Emergency Shelter	\$1,000,000	29%
Rapid Rehousing	\$1,290,514	39%
Administration	\$337,279	10%
Total	\$3,372,793	100%

ANNUAL ESG FUNDING FOR COVID-19 RESPONSE:

As part of a notice issued by HUD on September 1, 2020 (CPD-20-08), recipients of annual entitlement ESG funds, including Fiscal Year 2020 and prior fiscal year grant funds, can take advantage of waivers and alternative requirements related to the use of ESG-CV funds so long as the funds are used to prevent, prepare for, and respond to coronavirus. These flexibilities include but are not limited to increasing the income limit for people at risk of homelessness from 30 to 50 percent of area median income and exemption from the dollar for dollar match requirements. As such, staff is advising all programs previously approved by Council on July 20, 2020 to revise their scope to be able to serve households who are experiencing or at-risk of homelessness and have been impacted by COVID-19. The following changes described herein are reflected in the Substantial Emergency Amendments and summarized in Attachment A:

- 1. Amendment to the scope of the Bad Weather Shelter program administered by Friends In Deed (no change to the \$25,000 funding) to provide motel vouchers.**

The current contract between the City and Friends In Deed to administer the Bad Weather Shelter program will be amended to revise the scope and modify the budget of \$25,000 for the provision of non-congregate shelter using motel vouchers. This funding will be reserved to serve a limited number of homeless households who are highly vulnerable to serious illness from COVID-19 during a winter season where the availability of site-based emergency shelter beds will be severely limited due to the local state of emergency and accompanying social distancing protocols.

- 2. Amendment to the scope of the Homelessness Prevention program administered by Friends In Deed (\$163,376 funding increase) to reprogram unexpended ESG funding from previous fiscal years.**

Funding in the amount of \$163,376 will be reprogrammed to support an existing ESG-funded homelessness prevention program operated by Friends In Deed. This funding is equivalent to the amount of unexpended funding across programs at the close of previous fiscal years. Reprogramming these funds will serve to “roll over” any unexpended funds from previous fiscal years by increasing the amount available to Friends In Deed for use in Fiscal Year 2021.

3. Amendment to the scope of the Mobile Integrated Service Team program administered by Housing Works (no change to \$80,838) to allow for the flexibilities provided through the ESG-CV notice.

The current contract between the City and Housing Works to administer a street outreach program will be amended to serve households who have been impacted by COVID-19.

CONTRACT AUTHORIZATION WITH UNION STATION HOMELESS SERVICES:

On October 19, 2020, the City Council approved a substantial amendment to the 2020-2024 Five-Year Consolidated Plan and the 2020-2021 Annual Action Plan to receive Emergency Solutions Grant (ESG-CV) funding made available through the Coronavirus Aid, Relief and Economic Security Act (CARES Act). Funding was budgeted for street outreach activities to facilitate connections to housing navigation and supportive services for homeless households living on the properties of religious institutions, as the needs of these highly vulnerable individuals have substantially increased as a result of the coronavirus pandemic.

Prior to the COVID-19 pandemic, First United Methodist Church allowed a limited number of people experiencing homelessness to utilize a subspace of their property for overnight stays. In response to the worsening COVID-19 pandemic and severe shortage of temporary shelter options due to the implementation of social distancing requirements in congregate environments, All Saints Church also opened their campus for overnight guests to sleep in designated outdoor spaces. Since the onset of the pandemic, the need for safe spaces to sleep as well as field-based case management and housing navigation services have increased. The availability of local site-based emergency shelter beds has dropped by 75% in the past eight months, and the annual Bad Weather Shelter hypothermia prevention program will not be in operation this winter season due to the program's model that would impede the implementation of measures necessary for safe operations. This program administered by Union Station Homeless Services will enable the provision of a safe space to sleep for the City's vulnerable homeless residents while providing them with services necessary to move forward on their path to permanent housing during a time of projected increases in homelessness and substantial decreases in shelter capacity directly related to COVID-19.

Safe Haven Bridge to Housing Program

During the summer of 2020, both churches reached out to Union Station Homeless Services for additional guidance and support in serving the highly vulnerable individuals sleeping on their properties. Many of these individuals served by the churches are experiencing chronic homelessness, are not actively engaged with the homeless services system, and have underlying health conditions and other significant risk factors that place them at higher risk for severe illness or death if they were to become infected with COVID-19. In partnership, these entities have developed a program that will provide up to 24 people with a safe outdoor sleeping space on a local church campus paired with access to specialized care coordination, case management and housing navigation services from a Union Station Homeless Services staff member designed to move each participant from homelessness to permanent housing. Funding for this program will be contingent on both of the churches obtaining a minor conditional use permit.

The benefits of this program include creating a platform for streamlining the process of helping people get connected to services and a housing resource that meets their needs, all while building a consistent relationship with one assigned Housing Navigator who will develop an increased sense of trust with all participants in addition to providing individualized and intensive support. Furthermore, as participants move into permanent housing, open slots will be filled with new participants, thereby maximizing the number of people served. Union Station will assist the churches with providing community education and developing a Good Neighbor plan in addition to providing case management and housing navigation services. This program will also include monthly power washing and disinfection at each location, lockers and storage areas for guests' belongings, and access to bathrooms and handwashing stations.

Union Station Homeless Services is a Pasadena-based non-profit with over 45 years of experience in homeless services and is the leading agency serving homeless, formerly homeless, and very low-income individuals and families in Pasadena and across the San Gabriel Valley. The Department recommends a competitive selection exemption due to Union Station's strong relationships with each of the churches and because the majority of program participants have started receiving services through their existing programs during the summer months. These competencies would facilitate a quick formalization of the program and serve the City's best interests during the local state of emergency by reducing duplication of resources.

AMENDMENT TO CONTRACT WITH FRIENDS IN DEED

In March 2020, the Department of Housing undertook a competitive selection process to select qualified agencies to administer ESG funding for emergency shelter, street outreach and homelessness prevention. As the highest scoring applicant for homelessness prevention activities, Friends In Deed was awarded \$57,330 in funding

and the Department executed Contract No. 31829 following City Council approval on July 20, 2020.

Friends In Deed is currently the only agency that receives funding for homelessness prevention services through the Department of Housing. For the past 11 years, this homelessness prevention program has promoted self-sufficiency by assisting clients with maintaining stable housing. It is proposed that the existing contract with Friends In Deed be increased by \$163,376 to expand the scope of work to allow for additional assistance to households that have been impacted by COVID-19 and are at-risk of falling into homelessness. With the flexibilities offered by the CARES Act, these funds will be able to assist people whose income is at or below 50 percent of area median income rather than 30 percent area median income. This funding is equivalent to the amount of unexpended funding across programs at the close of previous fiscal years.

ENVIRONMENTAL ANALYSIS:

The actions proposed herein are 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 approval of Substantial Emergency Amendments to the 2020-2021 Annual Action Plan and 2020-2024 Five-Year Consolidated Plan, contract authorization with Union Station Homeless Services, and the amendment of the Department's budget and related contract with Friends In Deed are funding mechanisms only and are excluded from the definition of "project" pursuant to State CEQA Guidelines Section 15378(b)(4). Furthermore, the actions proposed herein will not have a significant effect on the environment and, hence, are not subject to CEQA.

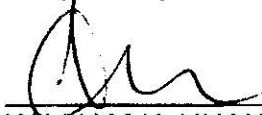
COUNCIL POLICY CONSIDERATION:

The proposed actions support the City Council Strategic Planning Three-Year Goals in the areas of improving, maintaining, and enhancing public facilities and infrastructure; improving mobility and accessibility throughout the City of Pasadena; and supporting and promoting the quality of life and the local economy. Approval of the recommended actions has the potential to provide connections to housing and supportive services for people experiencing homelessness in Pasadena and 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.

FISCAL IMPACT:

City Council approval of Substantial Emergency Amendments to the 2020-2021 Annual Action Plan and 2020-2024 Consolidated Plan (and subsequent approval by HUD), contract authorization with Union Station Homeless Services and amendment to Contract No. 31829 with Friends In Deed will result in the reprogramming of previously approved ESG-CV and ESG entitlement funds to support housing, homeless services and homelessness prevention activities. Approval of the subject recommendation will also increase the Housing Department's FY 2021 Operating Budget by \$163,376 in Emergency Solutions Grant – ESG-CV (22416043-817000-50901) for Contract No. 31829 with Friends In Deed.

Respectfully submitted,


for WILLIAM K. HUANG
Housing Director

Prepared by:


JENNIFER O'REILLY-JONES
Program Coordinator II

Approved by:


STEVE MERMELL
City Manager

Attachment A: Revisions to ESG-CV and ESG Funding Allocations and Activity Scopes