



Department of Housing

**PUBLIC HEARING: A SUBSTANTIAL AMENDMENT TO THE 2020-2021 AND 2021-2022 ANNUAL ACTION PLANS RELATED TO CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT ESG-CV FUNDS AND EMERGENCY SOLUTIONS GRANT FUNDS**

**Department of Housing  
September 20, 2021**





# BACKGROUND

## Department of Housing

- The Annual Action Plan sets forth the projected uses of federal entitlement funds, including Community Development Block Grant (CDBG), HOME, Emergency Solutions Grant (ESG and ESG-CV) program funds for the coming program year.
  - > **December 14, 2020:** City Council approved the most recent Substantial Amendment to the Annual Action Plan (2020-2021).
  - > **June 7, 2021:** City Council approved the 2021-2022 Annual Action Plan.



# REPROGRAMMING ESG-CV FUNDING

Department of Housing

- The Substantial Amendment approved by City Council on December 14, 2020 programmed ESG-CV funds as shown in Table 1 below.

**Table 1: ESG CV Budget by Activity as of 12/14/2020**

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%
<b>Total</b>	<b>\$3,372,793</b>	<b>100%</b>

PASADENA



# REPROGRAMMING ESG-CV FUNDING

## Department of Housing

- The Department originally recommended a \$500,000 funding allocation to homelessness prevention activities to ensure residents would not fall into homelessness due to the pandemic.
  - > In June 2021, the State announced a large-scale rent relief program that continues to cover 100 percent of back-rent and all prospective rent for income-qualified tenants.
- As such, the Department recommends reprogramming the \$500,000 for homelessness prevention to supplement emergency shelter capacity with motel vouchers.
  - > Approval of the proposed staff recommendation will support timely spend-down of the funds while ensuring the City remains in compliance with federal regulations governing the use of these funds.
  - > All ESG-CV funding must be fully expended by September 30, 2022.



# REPROGRAMMING ESG-CV FUNDING

Department of Housing

- Revised budget by activity that incorporates staff recommendations:

**Table 2: ESG CV Budget by Activity as of 12/14/2020**

Activity	Budget	Percent of Allocation
Street Outreach	\$245,000	7%
Homelessness Prevention	\$0	0%
Emergency Shelter	\$1,500,000	44%
Rapid Rehousing	\$1,290,514	39%
Administration	\$337,279	10%
<b>Total</b>	<b>\$3,372,793</b>	<b>100%</b>

PASADENA



# ESG ALLOCATION REVISIONS

## Department of Housing

- The Department intends to revise the annual ESG allocations as approved by Council in June 2021 for emergency shelter and homelessness prevention, as well as add funding allocations for the Homeless Management Information System (HMIS) and street outreach services.
  - > There will be no changes to the total ESG allocation or to the services currently being provided. These revised allocations will align with the funding awards that were included in the previous year's Annual Action Plan (2020-2021).



# FISCAL IMPACT

Department of Housing

- Approval of Substantial Amendments to the 2020-2021 and 2021-2022 Annual Action Plans will result in the reprogramming of previously approved ESG-CV and ESG entitlement funds to support homeless services. These federal funds are included as revenue in the FY 2021 operating budget of the Department of Housing.



# RECOMMENDATION

## Department of Housing

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 "common sense" provision that CEQA only applies to projects that may have an effect on the environment; and
2. Approve the submission of a Substantial Amendment to the 2020-2021 Annual Action Plan to the U.S. Department of Housing and Urban Development to reprogram ESG-CV funding from homelessness prevention to emergency shelter activities; and
3. Approve the submission of a Substantial Amendment to the 2021-2022 Annual Action Plan to the U.S. Department of Housing and Urban Development to revise previously approved funding allocations for Emergency Solutions Grant (ESG) funds and add project activities.