

Agenda Report

September 20, 2021

TO: Honorable Mayor and City Council

FROM: Housing Department

SUBJECT: 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

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 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.

BACKGROUND:

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. The Plan addresses the efforts made toward accomplishing the goals and objectives included in the City's Five-Year Consolidated Plan (2020-2024). On December 14, 2020, the City

Council approved the most recent “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 to reprogram ESG-CV funding to sufficiently fund street outreach programming and utilize annual entitlement ESG funding to prevent, prepare for, and respond to coronavirus. On June 7, 2021, the City Council approved the 2021-2022 Annual Action Plan which included funding allocations for program activities under the ESG program.

REPROGRAMMING ESG-CV FUNDING:

As proposed in the Substantial Amendments, the previously approved allocation of ESG-CV funds would be modified by reprogramming \$500,000 from homelessness prevention activities and to increase the funding available for emergency shelter, which would support the provision of motel vouchers.

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%
Total	\$3,372,793	100%

The Department originally recommended a \$500,000 funding allocation to homelessness prevention activities in preparation for the lifting of federal, state and local eviction moratoria and the anticipated need for increased financial assistance to ensure residents would not fall into homelessness due to unpaid rent or a backlog of arrears. 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. The program also includes assistance for past-due utility bills and tenant legal assistance. With this wide-spread infusion of new resources available to renters, the Department recommends reprogramming the \$500,000 for homelessness prevention to supplement emergency shelter capacity with motel vouchers.

Furthermore, per the CARES Act funding statutory requirements, all ESG-CV funding must be fully expended by September 30, 2022. 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.

The revised budget by activity that incorporates these recommendations is shown in Table 2 below:

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%
Total	\$3,372,793	100%

ESG ALLOCATION REVISIONS:

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. These revised allocations will align with the funding awards that were included in the previous year’s Annual Action Plan (2020-2021). The revised activity allocations and goals are summarized in Attachment A.

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 Amendments to the 2020-2021 and 2021-2022 Annual Action Plans 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.

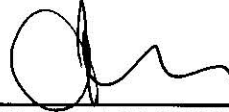
COUNCIL POLICY CONSIDERATION:

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 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 adopted FY 2021 operating budget of the Department of Housing.

Respectfully submitted,



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Approved by:


STEVE MERMELL
City Manager

Attachment A: Revisions to ESG-CV and ESG Funding Allocations and Goals