

Agenda Report

April 24, 2023

TO: Honorable Mayor and City Council

FROM: Department of Housing

SUBJECT: AUTHORIZATION TO APPLY FOR ENCAMPMENT RESOLUTION FUNDING WITH THE STATE OF CALIFORNIA BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY; APPROVAL OF CONTRACT WITH UNION STATION HOMELESS SERVICES SUBJECT TO AWARD OF STATE 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 per Section 15061 (b) (3), the "common sense" provision that CEQA only applies to projects that may have an effect on the environment;
- 2) Authorize the submittal of an application for State of California Encampment Resolution Funding, Round 2 for eligible programs and activities that serve people experiencing unsheltered homelessness living in encampments;
- 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;
- 4) Authorize the City Manager to enter into a contract with Union Station Homeless Services to co-administer the proposed project, should the application be selected for funding, in an amount no greater than what is awarded by the State, and with the contract term concluding on June 30, 2026. Competitive bidding is not required pursuant to City Charter Section 1002(F), contracts for professional or unique services. To the extent that this grant funding is subject to City procurement requirements, grant the proposed contract an exemption from the Competitive Selection process pursuant to Pasadena Municipal Code Section 4.08.049(B) contracts for which the City's best interests are served; and

- 5) Authorize the City Manager to approve no-cost amendments to the contract with Union Station Homeless Services which may extend the term beyond June 30, 2026.

BACKGROUND

The state Encampment Resolution Funding (ERF) Program was established to increase collaboration between the California Interagency Council on Homelessness (Cal ICH), local jurisdictions, and Continuums of Care for the following purposes:

1. Assist local jurisdictions in ensuring the safety and wellness of people experiencing homelessness in encampments.
2. Provide grants to local jurisdictions and Continuums of Care to resolve critical encampment concerns and transition individuals into safe and stable housing.
3. Encourage a data-informed, coordinated approach to address encampment concerns.

The ERF Program was initially authorized in 2021 through Assembly Bill (AB) 140 (Chapter 111, Statutes of 2021), which allocated \$50 million for what would become the first round of funding. SB 197 (Chapter 70, Statutes of 2022) amended the program and AB 178 (Chapter 45, Statutes of 2022) allocated an additional \$300 million for Round 2 of ERF funding (ERF-2-R). The program will be administered by Cal ICH, a division of the State of California Business, Consumer Services, and Housing (BCSH) Agency. The City will submit an application on or before April 30, 2023 and Cal ICH is expected to issue funding awards by June 30, 2023. All ERF-2-R grant funds must be expended by June 30, 2026.

ERF-2-R funds may only be used for proposals that connect people experiencing homelessness in encampments to interim shelter with clear pathways to permanent housing or place people directly into permanent housing. If awarded funding, it is proposed that the program be co-administered by the Public Health Department and Union Station Homeless Services ("Union Station"). The City's proposed application will include funding for street outreach, motel vouchers and housing navigation for up to 50 people per year who are living in encampments. An "encampment" is defined as people staying in temporary structures that are not intended for long-term, continuous occupancy on an ongoing basis. Staff have collaborated with the HOPE team and a designated Caltrans Encampment Coordinator to identify and prioritize ten encampments that are located along the 210 freeway embankments and off/on transition ramps. The street outreach component will be leveraged from the City's PORT and HOPE teams. The Public Health Department and Union Station will both administer motel vouchers and Union Station will provide the housing navigation services.

It is recommended that the City enter into a contract with Union Station to co-administer the proposed project should the City's ERF-2 funding application be selected for funding, in an amount not to exceed the state's award, with the contract term concluding on June 30, 2026. Furthermore, as recommended, no-cost amendments to the contract may be approved administratively, such as revisions to the contract term to comport with extensions of the state's grant expenditure deadline. Union Station currently provides staff that support the City's PORT and HOPE teams with service referrals, case management and housing navigation; thus the agency has established relationships with both outreach teams and the majority of participants that will be served through this program. This existing infrastructure would also enable the services to begin immediately following an award notification from the state, ensuring that grant expenditure deadlines could be met within the first 12 months. As such, staff recommend a competitive selection exemption for which the City's best interests are served.

COUNCIL POLICY CONSIDERATION:

The proposed actions support the City Council Strategic Planning Three-Year Goals in the area of supporting and promoting the quality of life and the local economy. Approval of the recommended action has the potential to provide essential housing and services for people experiencing unsheltered homelessness in Pasadena. 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 actions proposed herein are exempt from the California Environmental Quality Act (CEQA), pursuant to State CEQA Guidelines Section 15061 (b)(3), the "common sense" 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 for state ERF-2-R grant funding will not have a significant effect on the environment and, hence, is not subject to CEQA.

FISCAL IMPACT:

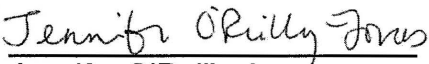
Approval of the recommended action will have no direct fiscal impact. Should the City's application be selected for state ERF Program funding, staff will recommend an amendment to the Department's FY 2024 Operating Budget through the City's budget clean-up process and appropriate the awarded funding for the provision of contract services to address homelessness.

Respectfully submitted,



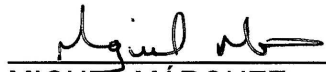
WILLIAM K. HUANG
Director of Housing

Prepared by:



Jennifer O'Reilly-Jones
Program Coordinator III

Approved by:



MIGUEL MÁRQUEZ
City Manager