

Agenda Report

May 22, 2023

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Department of Housing

SUBJECT: AMENDMENT TO HOUSING DEPARTMENT'S FISCAL YEAR 2023 OPERATING BUDGET AND AUTHORIZATION TO AMEND CONTRACTS NOS. 31386 WITH UNION STATION HOMELESS SERVICES AND 32093 WITH SYCAMORES TO ADD FUNDING FOR HOMELESS SERVICES PROGRAMS

RECOMMENDATIONS:

It is recommended that the City Council:

- 1) Find that the recommended actions are 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) Amend the Housing Department's Fiscal Year 2023 Operating Budget by recognizing revenue and appropriating \$302,105 in the Other Housing Fund (238) for Homeless Housing, Assistance and Prevention Round 2 grant funding for homeless services;
- 3) Authorize the City Manager to amend Contract No. 31386 with Union Station Homeless Services to increase the contract value by \$265,790 for a total not-to-exceed contract value of \$757,739 through June 30, 2024;
- 4) Authorize the City Manager to amend Contract No. 32093 with Sycamores to increase the contract value by \$24,168 for a total not-to-exceed contract value of \$250,246 through June 30, 2024;
- 5) Authorize the City Manager to approve no-cost amendments to Contract Nos. 31386 and 32093 which extend the term beyond June 30, 2024; and
- 6) To the extent the amendments to Contracts Nos. 31386 and 32093 could be considered a separate procurement subject to the Competitive Selection Process, grant the contracts an exemption pursuant to Pasadena Municipal Code

(PMC) Section 4.08.049(B), contracts for which the City's best interests are served. Competitive price bidding is not required pursuant to City Charter Section 1002(F) contracts for professional or unique services.

BACKGROUND:

On August 2, 2021, the City executed an agreement with the State of California Business, Consumer Services and Housing Agency (BCSH) for Homeless Housing, Assistance and Prevention Program Round 2 ("HHAP-2") funding in the total amount of \$302,105. Per state statute, jurisdictions receiving HHAP-2 funds must obligate 50% of HHAP-2 dollars by May 31st, 2023. Jurisdictions that do not meet this obligation deadline will be required to submit an alternative disbursement plan on or before June 30, 2023. The City's HHAP-2 application included funding for the following eligible activities: \$256,790 (85%) for rapid rehousing, \$24,168 (8%) for youth set-aside emergency shelter and \$21,147 (7%) for administration costs. Of the \$21,147, the City will retain \$12,147 for administration costs and will contract \$9,000 out to Union Station.

Staff recommend amending an existing Measure H-funded rapid rehousing contract (No. 31836) with Union Station Homeless Services ("Union Station") in the amount of \$265,790 and a HHAP-1/ESG-CV emergency shelter contract (No. 32093) with Sycamores in the amount of \$24,168 to obligate the remaining HHAP-2 funding. Both contracts were originally awarded as the result of a competitive RFP process. The scope of work will mirror the activities that were solicited in the original RFP and the contract amendment will incorporate any additional funding source requirements.

Since Fiscal Year 2021, the City's annual Measure H allocation has been reduced due to shortfalls in tax revenue caused by the COVID-19 pandemic and changes to countywide Measure H funding priorities. To date the City has relied on previously unspent Measure H funds from prior fiscal years to sustain Measure H-funded homeless services. Staff expect all carryover funds from prior fiscal years to be expended by the end of Fiscal Year 2024. The HHAP-2 funds will allow the City to sustain existing rapid rehousing programming administered by Union Station. The Department recommends a competitive selection exemption due to Union Station's demonstrated success in administering this program since 2018. Additionally, Union Station is the lead agency, regional coordinator and housing matcher for the Coordinated Entry System (CES) and successfully manages approximately 50 housing and homeless services contracts totaling over \$20,000,000 from federal, state, county and local government funding sources. The total not-to-exceed contract amount for Contract No. 31836 would be \$757,739.

Sycamores is the CES lead in Pasadena and the San Gabriel Valley for youth experiencing homelessness ages 18-24. Sycamores is the only agency that applied for the youth set-aside funding to provide emergency shelter using motel vouchers under HHAP-1 and has been providing motel stays to youth with federal ESG-CV funding

since 2021. As such, staff also recommend a competitive exemption for this amendment. The total not-to-exceed contract amount for Contract No. 32093 would be \$250,246. The addition of additional funds to contract 32093 would sustain motel-based shelter services for unaccompanied and parenting youth into Fiscal Year 2024.

COUNCIL POLICY CONSIDERATION:

Approval of the subject recommendations will provide permanent housing to single adult households and emergency shelter to youth who have experienced homelessness in Pasadena. This action is consistent with the City Council's goal to support and promote the quality of life and local economy. The proposed projects are in accordance with the Pasadena Continuum of Care system, General Plan Housing Element, Five-Year Consolidated Plan, and Five-Year Public Housing Authority Plan.

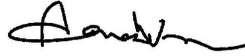
ENVIRONMENTAL ANALYSIS:

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. Authorizing amendments to increase funding for existing contracts and extend the term to provide homeless services assistance will not have a significant effect on the environment and, hence, is not subject to CEQA.

FISCAL IMPACT:

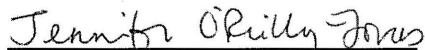
Approval of the recommended actions will increase the Department of Housing's Fiscal Year 2023 Operating Budget in the Other Housing Fund (238) by \$302,105 in both revenue (Acct. No 23816048-70000-51044) and appropriations (Acct. No. 23816048-818800-51044). There is no impact to the General Fund.

Respectfully submitted,



for WILLIAM K. HUANG
Director of Housing

Prepared by:


Jennifer O'Reilly-Jones
Program Coordinator III

Approved by:


MIGUEL MÁRQUEZ
City Manager