



DATE: December 4, 2023

TO: Honorable Mayor and Members of the City Council through City Manager

FROM: Karen Shimizu, Assistant Director of Community Development

SUBJECT: Adoption of Resolution Authorizing City Manager or Designee to Apply to State of California Housing and Community Development Emergency Solutions Grants Program to Receive Homelessness Prevention Funding

RECOMMENDATION

It is recommended that the City Council adopt the attached Resolution authorizing the City Manager or designee to apply to the State of California Department of Housing and Community Development Emergency Solutions Grants program to Receive Homelessness Prevention Funding.

BACKGROUND

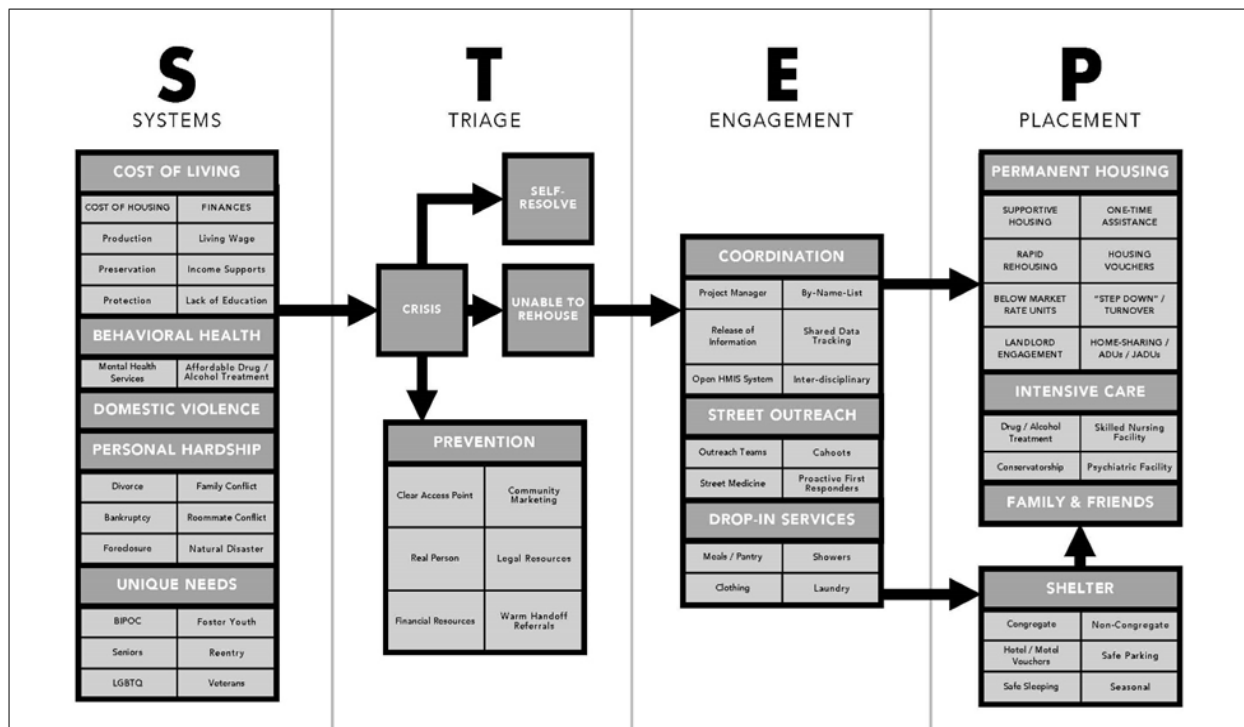
On September 25, 2023, the California Department of Housing and Community Development (HCD) announced the availability of approximately \$1.7 million in disencumbered federal funds for the Emergency Solutions Grants (ESG) program, Homelessness Prevention (HP) activities only. Funding for the Notice of Funding Availability (NOFA) is made available pursuant to Subtitle B of Title IV of the McKinney-Vento Homeless Assistance Act. The Department began accepting 2023 ESG applications for Homelessness Prevention beginning September 25, 2023, and will make awards on an over the counter (OTC) basis until all funds have been awarded.

Grants awarded through this NOFA will provide funding to help prevent individuals or families from moving into an emergency shelter or living in a public or private place not meant for human habitation. ESG funds may be used to provide housing relocation and stabilization services and short or medium-term rental assistance necessary to prevent an individual or family from moving into an emergency shelter or another place described that meets the HUD “homeless” definition in 24 CFR 576.2.

The minimum application amount is \$75,000 and maximum application amount is \$200,000. Pursuant to the program regulations, applicants must have identified a dollar-for-dollar match for the federal ESG funding. A minimum of 50% of the award amount must be expended within 180 days of contract execution.

DISCUSSION

The [City of Petaluma Homelessness Strategic Action Plan 2022-2024](#) identifies increasing homelessness prevention as a critical component in the Plan's *Pathway to Housing* framework



Through the American Rescue Plan Act (ARPA) of 2021, the City was allocated \$500,000 in a one-time CDBG-CV award which has funded homelessness prevention in the form of rental assistance and case management provided through Petaluma People Services Center and Committee on the Shelterless (COTS). The program funds have been fully expended. The CDBG-CV funds enabled 224 at-risk individuals to remain stably housed. City staff recommends accessing this one-time funding through the HCD ESG Homeless Prevention NOFA to provide additional homelessness prevention resources for low-income residents facing continued economic pressures and housing instability.

Below is the criteria used to determine if households qualify for Homeless Prevention assistance under the ESG program, a household will have to meet one or more of the following eligibility criteria:

A. Imminent Risk of Homelessness (HUD Category 2 Definition of Homelessness)

- i. The household will lose their primary nighttime residence within 14 days of the date of application for assistance, and
- ii. No subsequent residence has been identified, and

- iii. The household lacks the resources or support networks (e.g., family, friends, faith-based or other social networks) needed to obtain other permanent housing, and
- iv. The household's annual income is below 30% of the median family income for the area (the area median income or "AMI")

B. Fleeing Domestic Violence (HUD Category 4 Definition of Homelessness)

- i. The household is fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against a household member, including a child, that has either taken place within the household's primary nighttime residence or has made the household afraid to return to its primary nighttime residence, and
- ii. The household has no other residence, and
- iii. The household lacks the resources or support networks to obtain other permanent housing, and
- iv. The household's annual income is below 30 percent AMI.

C. "At Risk" HUD Definition of Homelessness (ESG Program Interim Rule)

- i. The household's annual income is below 30% AMI, and
- ii. Household does not have sufficient resources or support networks immediately available to prevent them from experiencing literal homelessness, and
- iii. The household meets at least one of the following criteria:
 - 1. Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance
 - 2. Is living in the home of another because of economic hardship
 - 3. Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after their date of application for assistance
 - 4. Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by Federal, State, or local government programs for low-income individuals
 - 5. Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two people or lives in a larger housing unit in which there reside more than 1.5 people per room as defined by the US Census Bureau
 - 6. Is exiting a publicly funded institution or system of care such as a health care facility, a behavioral health facility, a foster care or other youth facility, or a correction program or institution
 - 7. Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness as identified in CA HCD's approved consolidated plan

HCD ESG program standards require that the Homelessness Prevention program administered by the City align with the following Housing First practices to maximize the impact of prevention on reducing overall homelessness. The City Homelessness Prevention program will:

- Be integrated into the local Coordinated Entry System,
- Target those who would otherwise enter the homeless system. The primary goal of HP is to prevent people from falling into literal homelessness—not eviction prevention;
- Be designed with protocols to assist with shelter diversion and provide immediate access to HP assistance, including financial assistance;
- Include HP screening done with an eye towards vulnerability so that those with the greatest vulnerabilities are prioritized for assistance;
- Acknowledge that participation in services is voluntary and the focus of the HP provider is on engagement;
- Support housing stabilization through the use of Housing Plans with a focus on retaining housing; and
- Ensure that HP staff can provide rapid linkages to a wide array of mainstream, public, and private housing and services in a flexible, engaging manner.

PUBLIC OUTREACH

This agenda item appeared on the City’s tentative agenda document on November 6th, which was a publicly noticed meeting.

COUNCIL GOAL ALIGNMENT

Applying for and obtaining HCD ESG Homelessness Prevention funds aligns with the City Council Goal “A Safe Community That Thrives,” supporting facilities and designing programs that create a healthy, resilient, and engaged community that is prepared, safe, and housed. This action also aligns with goals outlined in the City of Petaluma Housing Element 2023-2031 Goal 5: Special Needs Housing/Policy 5.1 to support efforts to prevent homelessness and to rapidly re-house the recently homeless.

ENVIRONMENTAL REVIEW

The proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15378, as the action does not meet CEQA's definition of a “project,” because applying for a grant is not a project as it does not commit the City to a definite course of action (See, *City of Irvine v. County of Orange* (2013) 221 Cal 4th 846, 865) and because this action constitutes organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment. Further, any use of the grant funds if received will have its own analysis for compliance with CEQA.

FINANCIAL IMPACTS

This item has the potential for a positive fiscal impact estimated to provide the City a total of \$200,000 in FY 2024-25. The one-to-one matching fund requirement associated with this NOFA will be met through other City homeless services sources which may include CDBG, Permanent Local Housing Allocation (PLHA) or other existing funding streams.

ATTACHMENTS

1. Resolution with Exhibit A HCD Mandated Resolution Form
2. 2023 Emergency Solutions Grants Homelessness Prevention NOFA