



Agenda Report

File #: 20-0638

**AGENDA REPORT
REQUEST FOR CITY COUNCIL ACTION**

DATE: 08/05/2020

TO: Honorable Mayor and City Council Members

FROM: Management Services Department

SUBJECT:

City Council consideration of Resolution No. 2020-111, approve and adopt State Permanent Local Housing Allocation (PLHA) Five-Year Plan, and repeal Resolution No. 2020-081, Motel Voucher Emergency Shelter Program, and Potential Grant Opportunities.

RECOMMENDED ACTION:

That the City Council:

- a. Adopt Amended Resolution No. 2020-111, reaffirming authorization of the City of Corona's Permanent Local Housing Allocation Grant Application and adoption of the Five-Year Plan and repeal Resolution No. 2020-081.
- b. Approve a \$200,000 contract increase with City Net for the Motel Voucher Emergency Shelter Program, and authorize the City Manager or his designee to execute a Third Amendment to the City Net Professional Services Agreement for the Motel Voucher Emergency Shelter Program for a new maximum obligation of \$465,000.
- c. Direct staff to evaluate State RoomKey and Continuum of Care grants and, if feasible, submit grant applications and return to City Council for approval of grant any awards.

ANALYSIS:

Amended Permanent Local Housing Allocation Grant Resolution:

Consistent with goals and strategies in the Homeless Strategic Plan, on July 1, 2020, the City Council authorized the submission of the State SB2 Permanent Local Housing Allocation (PLHA) Grant Application and adopted a Resolution for authorization of the Five-Year Plan. The Application and

Five-Year Plan was submitted to the State Department of Housing and Community Development on July 6, 2020. On July 10, 2020, the State sent an email notice indicating the City's Grant Application and Five-Year Plan met all requirements; however, an amended Resolution was requested for submission by August 26, 2020.

The State confirmed that the required narrative additions were not included in the resolution template the State provided as part of the application process. The State also confirmed that a public hearing was not required for approval of the amended Resolution. The narrative additions provide the date the City's public notice was issued for the PLHA public hearing and confirm that the funds will be used for emergency shelter activities, as already stated in the PLHA Application and Five-Year Plan.

As outlined in the July 1, 2020 Agenda Staff Report, the PLHA funds will be used to support operation of the Harrison Emergency Shelter. If awarded, the City is eligible to receive \$582,003 for FY 2021 and potentially \$3,492,018 over the five-year plan period, depending upon the State budget.

Motel Voucher Emergency Shelter Program:

On January 13, 2020, the City's Motel Program was officially launched through a contract with City Net in the amount of \$100,000 in General Funds. The Motel Program was initially developed to provide shelter during inclement weather. On April 1, 2020, City Council approved a Second Amendment to the City Net Agreement to add a County Continuum of Care Grant of \$65,000 and City General Funds of \$100,000.

Funds from the Second Amendment were used to extend the Motel Program to provide safe shelter during the COVID-19 pandemic. These actions increased the maximum obligation of the City Net contract to \$265,000. The recommendation to add an additional \$200,000 in General Funds will increase the maximum obligation of the City Net contract to \$465,000.

On June 17, 2020, City Council approved the Homeless Strategic Plan and related budget, and on July 15, 2020, the City Council approved the FY 2021 Homeless Solutions Annual Action Plan. These actions approved continuation of the City's Motel Program to provide year-round emergency shelter. Currently, the Motel Program provides shelter to homeless single males, single females, and families. Consistent with Council direction, once the Harrison Shelter is operational, single males will be served at that facility and single females and families will be served through the Motel Emergency Shelter Program.

The Harrison Shelter will not be operational until renovations have been completed and a nonprofit operator has been selected. The target date to open the Harrison Shelter is December 2020. Prior to that time, staff will return to Council for approval of the contractor who will renovate the Harrison facility and the nonprofit who will operate the Harrison Shelter as well as the other components of the City's Homeless System of Services, which include the Motel Emergency Shelter Program, HOME Tenant-Based Rental Assistance Program, and the 12 Housing Units on 5th Street.

Because the Motel Program is in transition, staff is only requesting funding to extend the Motel

Program through December 31, 2020. City Net has indicated the existing contract funds will be depleted in the early part of September 2020. According to City Net's Motel Program report dated July 3, 2020, the program has provided 3,816 shelter bed nights through payment of 2,117 motel room nights. Shelter bed nights are always higher than motel room nights because the program serves homeless families and homeless individuals; therefore, some rooms have multiple occupants. The average motel room cost is \$75.40, and the average per room, case management/supportive service cost is \$19.30 for an average fully loaded per room cost of \$94.70.

State HomeKey and Continuum of Care Grant Opportunities:

On July 16, 2020, the State Department of Housing and Community Development released a \$600 Million Notice of Funding Availability for the HomeKey Program. This program has extremely aggressive expenditure and occupancy deadlines because most of the funding is derived from the State's allocation of Federal Coronavirus Aid Relief Funds. To be eligible to apply for the grant funds, cities and counties must participate in a mandated application consultation and participate in a webinar to determine if the expenditure deadline of December 30, 2020 and 90-day occupancy mandates can be achieved.

Examples of eligible grant activities include acquisition, rehabilitation, leasing, relocation, and capitalized operating subsidies. The Homeless Solutions Manager will be collaborating with the State and other City staff to determine if these funds are a good match for the Harrison Shelter and 12 Housing Units as well as if the spending and occupancy mandates of the grant can be achieved. If feasible, staff would need to submit the grant application by September 29, 2020.

In the near future, the Riverside County Continuum of Care is expected to release RFPs for the Homeless Housing, Assistance, and Prevention Program (HHAP), the State Emergency Solutions Grant Program (ESG), and the California Emergency Solutions and Housing Program (CESH). Because the RFPs have not been released, timelines and specific eligible activities cannot be provided at this time.

Similar to the State HomeKey grant, staff would evaluate the Continuum of Care grant opportunities and, if feasible, submit grant applications. The objective would be to secure funding that would not only support or expand the homeless system of services approved by City Council but also leverage limited City funding and fulfill goals and objectives in the Homeless Strategic Plan. Staff would return to City Council for approval of any grant awards.

COMMITTEE ACTION:

On July 24, 2020, the Homeless Strategic Plan Ad Hoc Committee concurred with staff recommendations.

STRATEGIC PLAN:

The item supports the City's Homeless Strategic Plan Goal 2: Develop A Low Barrier Emergency Shelter/Navigation Center System, Goal 6: Develop Public/Private Partnerships, and Goal 7: Develop Partnerships with the County and Continuum of Care to Support Plan Initiatives.

FISCAL IMPACT:

Approval of the recommended actions will not result in any additional fiscal impacts to the City. Funding for the Motel Voucher Emergency Shelter Program was included in the Fiscal Year 2021 budget, which was adopted by City Council on June 17, 2020. With respect to potential grant opportunities, if any grants are submitted and subsequently awarded, staff will return to City Council for approval of any grant agreements and related budget adjustments.

ENVIRONMENTAL ANALYSIS:

No environmental review is required because the proposed action is not a project governed by the California Environmental Quality Act.

PREPARED BY: KAREN ROPER, HOMELESS SOLUTIONS MANAGER

REVIEWED BY: KIM SITTON, ACTING ADMINISTRATIVE SERVICES DIRECTOR

REVIEWED BY: ROGER BRADLEY, ASSISTANT CITY MANAGER

SUBMITTED BY: JACOB ELLIS, CITY MANAGER

Attachments:

1. Resolution No. 2020-111
2. City Net Second Amendment to Motel Program Professional Services