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Title: Actions pertaining to the CARES Act Emergency Solutions Grant Round 2 (ESG-CV2) funding from the United States Department of Housing and Urban Development (HUD):

1. ***RESOLUTION - Adopting and approving submission of Substantial Amendment 2019-05 to the 2019-2020 Annual Action Plan to the U.S. Department of Housing and Urban Development (HUD) to program \$8,845,443 in Emergency Solutions Grant Round 2 (ESG-CV2) funds to prevent, prepare for, and respond to the Coronavirus (COVID-19) and authorizing the City Manager to sign all necessary implementing documents (Requires 5 affirmative votes) (Subject to Mayor's Veto); and
2. Approve an Amendment to the HEARTH Emergency Solutions Grant (HESG) Agreement with the County of Fresno Department of Social Services in the amount of \$2,100,000 for a total award of \$4,098,334.50 for implementation of the Joint COVID-19 Homeless Response Plan.

Sponsors: Mayor's Office

Indexes:

Code sections:

Attachments: 1. 20.001406 HUD Letter ESG CV2 6-16-20, 2. 20-001406 Initialed Substantial Amendment Reso, 3. ESG-CV2 Attachments C and D.pdf, 4. Additional Information Community Emails Received 1-N, 1-T, 1-Q, 1-N.pdf

Date	Ver.	Action By	Action	Result
10/22/2020	1	City Council	continued	

REPORT TO THE CITY COUNCIL

October 22, 2020

FROM: LEE BRAND, Mayor
Office of the Mayor & City Manager

BY: H. SPEES, Director, Strategic Initiatives
Office of the Mayor & City Manager

SUBJECT

Actions pertaining to the CARES Act Emergency Solutions Grant Round 2 (ESG-CV2) funding from the United States Department of Housing and Urban Development (HUD):

1. ***RESOLUTION - Adopting and approving submission of Substantial Amendment 2019-05 to the 2019-2020 Annual Action Plan to the U.S. Department of Housing and Urban Development (HUD) to program \$8,845,443 in Emergency Solutions Grant Round 2 (ESG-CV2) funds to prevent, prepare for, and respond to the Coronavirus (COVID-19) and authorizing the City Manager to sign all necessary implementing documents (Requires 5 affirmative votes)

(Subject to Mayor's Veto); and

2. Approve an Amendment to the HEARTH Emergency Solutions Grant (HESG) Agreement with the County of Fresno Department of Social Services in the amount of \$2,100,000 for a total award of \$4,098,334.50 for implementation of the Joint COVID-19 Homeless Response Plan.

RECOMMENDATION

Staff recommends the Council approve the resolution adopting and approving submission of Substantial Amendment 2019-05 to HUD to program \$8,845,443 in ESG-CV2 funds and approve an amendment to the HESG Agreement with the County of Fresno Department of Social Services for \$2,100,000 for implementation of the Joint COVID-19 Homeless Response Plan.

EXECUTIVE SUMMARY

The City of Fresno (City), the County of Fresno (County) and the Fresno Madera Continuum of Care have aligned various resources to execute the COVID-19 Homeless Response (Response) for the prevention and containment of COVID-19 among individuals experiencing homelessness throughout the greater Fresno community. This has resulted in making over 300 beds available for various uses and has effectively prevented any major outbreak among our community's homeless population.

The City previously provided funding to the Response in the form of its one-time State COVID-19 Emergency Homelessness Funding Grant (\$1,012,869.44), as well as its CARES ESG-CV1 (\$2,103,510). To date, the funding directed to the Response collectively totals \$13,164,574 as shown below:

- State Emergency funds (\$1,883,712);
- ESG-CV1 (\$5,370,431);
- County CDBG (\$539,000);
- County CARES (\$2,000,000), and
- County ESG-CV2 (\$3,371,431).

The total funding (\$13,164,574) includes 54% (\$7,139,432) from the County; 23% (\$3,088,763) from the Fresno Madera Continuum of Care and 22% (\$2,936,379) from the City. Approval of the resolution and proposed amendment will authorize \$2 Million (23%) of the City's ESG-CV2 grant (\$8,845,443) to the Response thereby increasing the City's contribution to \$4,936,379 or 33% of the new total (\$15,164,574). The City's additional funding will maintain the continuum of services including funding for those sheltered through the Response to find safe exits including permanent housing and various recovery and service settings.

Like ESG-CV1, this special allocation is separate from the City's annual ESG allocation. The City's ESG-CV2 funds will be applied to the Response as substantially set for in the table attached to this report as Attachment C. Any major reallocations of these resources due to changes in the nature or duration of the pandemic will be brought back to the City Council for reconsideration.

BACKGROUND

On March 19, 2020, the State allocated approximately \$2 Million in flexible COVID-19 Emergency Homelessness Funding Grant allocations to the City (\$1,012,869.44), the County (\$382,080.59) and

the Fresno Madera Continuum of Care (\$488,763.33). Recipients quickly developed a partnership to implement and execute the community-wide COVID-19 Homeless Response for prevention and containment.

The Response consisted of approximately 300 beds for families and individuals experiencing homelessness, supports handwashing and sanitizing stations throughout the community, continues security services at contracted hotels, adds cleaning at new bed sites and existing shelters, and other required services and supplies originally through the middle of June 2020.

During the Special Meeting on April 16, 2020, the City redirected its State allocation to the County through a Memorandum of Understanding to support the Response.

On April 2, 2020, the City was notified that it would receive an allocation of ESG-CV1 funds from HUD in the amount of \$2,103,510. These funds were redirected to the County through a subrecipient agreement by Council to the communitywide Response on May 14, 2020.

On June 16, 2020, the City received notification of an ESG-CV2 grant from HUD allocating an additional \$8,845,443 to the City to address the COVID-19 pandemic. (See Attachment B-ESG-CV2 Letter from HUD dated June 9, 2020).

Pursuant to a Substantial Amendment required by HUD, the City would use the ESG-CV2 allocation as follows:

- Direct \$2 Million, or approximately 23% of ESG-CV2 funds, into the communitywide Response and up to \$100,000 to the County in administration costs;
- Program the remaining \$5,960,899, or 67% of the ESG-CV2 funds, for use by the City or its subrecipients to provide emergency shelter and street outreach, rapid rehousing, or homelessness prevention to prevent, prepare for, or respond to the coronavirus (specific sub-awards and agreements to be presented to Council at a date to be determined); and
- Authorize \$884,544, or 10% of the ESG-CV2 funds, for the City or its subrecipients to administer the programs.

Pursuant to CPD-20-08 issued by HUD on September 1, 2020, ESG-CV funds are not subject to the consultation and citizen participation requirements that otherwise apply to the Emergency Solutions Grants program. However, as required by the CARES Act, each recipient must publish how it has used or will use its allocation, at minimum, on the Internet at the appropriate government website or through other electronic media. Substantial Amendment 2019-05 will be available on the website of the City's Housing and Community Development Division to meet this requirement.

In discussions with the County, the Council Subcommittee on Homelessness raised several key items for consideration that staff brings forth with the following recommendations:

1. Who will administer the \$2 Million? Staff recommends the County remain the contract holder for service agreements during the extended period of service.
2. Will these funds be used to support the County's Homekey project? Staff recommends that ESG-CV2 funds are used to support individuals qualifying for ESG-CV funding. The County has indicated that it has other funds to support its Homekey project.
3. Can the City assure that those housed in current COVID-19 shelters will experience safe

exits? The plan included as Attachment C to the staff report outlines a plan to transition existing COVID-19 shelter individuals into safe exits including permanent housing and various recovery and service settings.

ENVIRONMENTAL FINDINGS

This is not a project for purposes of CEQA pursuant to CEQA Guidelines Section 15378 and is exempt for purposes of NEPA pursuant to 24 CFR 58.34.

LOCAL PREFERENCE

Local preference is not applicable due to the use of federal funding.

FISCAL IMPACT

There is no increase in Net City Cost associated with the recommended action. There is no matching contribution requirement for these funds. These funds have been appropriated in the FY21 Revised Budget.

Attachments:

Attachment A - Substantial Amendment 2019-05 Resolution (and Exhibit A: 2019-2020 Annual Action Plan Substantial Amendment 2019-05)

Attachment B - ESG CV2 Letter from HUD dated June 9, 2020

Attachment C - Homeless Response Strategies and Spending Plan

Attachment D - First Amendment to Agreement between City and County