

# STAFF REPORT



## COMMUNITY DEVELOPMENT

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**DATE:** March 28, 2023

**TO:** Justin Hess, City Manager

**FROM:** Patrick Prescott, Community Development Director  
VIA: Simone McFarland, Assistant Community Development Director,  
Economic Development and Housing  
BY: Marcos Gonzalez, Housing Development Manager

**SUBJECT:** Adoption of a Resolution Approving an Allocation Plan to Receive \$1.8 Million in HOME Investment Partnership - American Rescue Plan Funds to Address Homelessness

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### **RECOMMENDATION**

Adopt A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK AUTHORIZING AND APPROVING:

1. THE SUBMISSION OF AN ALLOCATION PLAN FOR THE HOME INVESTMENT PARTNERSHIP PROGRAM (HOME)<sup>1</sup> - AMERICAN RESCUE PLAN FUNDS (ARP) AND AMENDED FISCAL YEAR 2022-2023 ANNUAL ACTION PLAN TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD);
2. THE FILING OF APPLICATIONS AND CERTIFICATIONS FOR HOME-ARP FUNDS TOTALING \$1,896,632; AND
3. THE CITY MANAGER OR DESIGNATED OFFICIAL TO EXECUTE HOME-ARP AGREEMENTS AND AMENDMENTS WITH SUBRECIPIENTS; AND
4. AMEND THE FISCAL YEAR 2022-2023 BUDGET BY APPROPRIATING HOME-ARP FUNDS (ATTACHMENT 1).

### **BACKGROUND**

The American Rescue Plan Act (ARP) was passed on March 11, 2021, as a response to the COVID-19 Pandemic which established a special, one-time allocation of HOME Investment Partnerships American Rescue Plan Program (HOME-ARP) funds to reduce homelessness and increase housing stability across the country. Congress appropriated \$5 billion in ARP funds to be administered through HOME. In September of 2021, the City of Burbank received the notification of a one-time allocation of \$1,896,632 in HOME-

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<sup>1</sup> HOME is the largest federal block grant to state and local governments designed exclusively to create affordable housing for low-income households.

ARP from HUD. To receive the HOME-ARP funds, an Allocation Plan must be received by HUD on or before March 31, 2023 (Attachment 2).

## **DISCUSSION**

As a one-time funding resource, HUD requires all HOME-ARP grantees to describe in their Allocation Plan how these funds will be managed to support local homeless efforts and goals while complying with all HOME-ARP requirements. Primarily, HOME-ARP requires these funds to be used for the benefit of individuals and families who are homeless or at risk of homelessness; persons fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking; as well as other populations requiring services or housing, or at the greatest risk of housing instability.<sup>2</sup>

Funds can be used on the following types of eligible programs that are allowed by HOME-ARP.

1. Tenant-based rental assistance;
2. Provision of supportive services;
3. Development and support of affordable housing;
4. Acquisition and development of non-congregate shelter;
5. Nonprofit capacity building and operating assistance; and/or
6. Program planning and administration.

HOME-ARP rules allow for various uses. Staff, together with our consultant Ramsay Group, completed a needs and gap analysis and community consultation process to develop Burbank's Allocation Plan. The community engagement process provided multiple opportunities for service and health providers, local non-profits, advocacy groups and residents, as well as people with lived experience to provide their feedback. A summary of the analysis, community input, and staff's recommendations are described in the HOME-ARP Allocation Plan (refer to Attachment 2).

### **Burbank's Five-Year (2022-2027) Homelessness Plan**

In November 2022, the City Council approved a five-year Homelessness Plan to address homelessness in the City of Burbank. The Plan includes six actions, as listed below, with specific timeframes that one-time HOME-ARP funds can support. Particularly, *Activity 4 – Shelter & Housing Accessibility*.

1. Capacity Building
2. Advocacy
3. Access, Outreach, & Engagement
- 4. Shelter & Housing Accessibility**
5. Health & Stabilization
6. Homelessness Prevention

Within the City of Burbank there are 264 people who were unhoused as reported in the 2022 Homeless Count. A total of 77 were in interim housing, while 187 were living on the street, in a vehicle, tent, or make-shift shelter. By allocating HOME-ARP toward a non-

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<sup>2</sup> Homelessness and at-risk of homelessness as defined in 24 Code of Federal Regulations (CFR) § 91.5.

congregate shelter, it brings Burbank a step closer to assisting more of our unhoused as quickly as possible. Below are the recommended uses of HOME-ARP.

Staff Recommended Use of HOME-ARP Funding

<b>HOME-ARP Allocation Distribution</b>	<b>Amount Requested</b>
Non-Congregate Shelter (site to be determined)	\$1,801,801
Administration and Planning (appropriated in the FY 2021-22 budget)	\$94,831
<b>Total HOME-ARP Funding Available</b>	<b>\$1,896,632</b>

According to HOME-ARP, the rules allow only for the construction and development of a Non-Congregate Shelter.<sup>3</sup> The one-time capital improvements to develop a non-congregate shelter are estimated at \$3 million. Staff recommends that \$1,801,801 of the HOME-ARP allocation support the non-congregate shelter development with \$94,831 to be used for the administration and planning. Other fund resources such as Community Development Block Grant and future Measure H funds can contribute to the \$1.2 million gap.

Staff is in the pre-planning process to build a Homeless Services Center with a non-congregate shelter. Two sites were identified that are being reviewed for feasibility, design, and operating costs per the recommendation of the Council in 2022. Upon completing the pre-planning for the Homeless Services Center, staff will present the project to Council for consideration. Should Council authorize the use of the HOME-ARP funds for a non-congregate shelter, the action commits the City to use funding for this purpose but does not approve such a project.

Public Comment on the Allocation Plan

Staff solicited public review and comment on the HOME-ARP Allocation Plan for 15 days. A notice was published in the Los Angeles Times on February 18, 2023. The Allocation Plan was available on-line in the City’s website at [www.burbankca.gov](http://www.burbankca.gov) from February 18, 2023 through March 4, 2023. No written comments were received.

**ENVIRONMENTAL REVIEW**

The recommended actions to adopt a resolution approving an Allocation Plan to receive \$1.8 million in HOME-ARP funds to address homelessness do not have the potential to cause a significant effect on the environment and has been determined to be categorically exempt from environmental review pursuant to the California Environmental Quality Act (CEQA) 14 Cal. Code Regs § 15378. The HOME-ARP Allocation Plan falls under a categorically exempt activity.

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<sup>3</sup> Non-Congregate Shelters would provide private units or rooms as temporary shelter to individuals or families and does not require occupants to sign a lease or occupancy agreement. HOME-ARP funds may not be used to pay operating costs of a non-congregate shelter.

## **FISCAL IMPACT**

Staff is recommending the City Council to:

- a. Amend the Fiscal Year 2022-23 Budget by appropriating \$1,801,801 in revenue account number 128.CD000.48010.1034.000000.24787 (HUD Affordable Housing (HOME) Fund, Community Development General, Other Intergovernmental Revenue, HUD HOME Program, HOME ARP Act) to account number 128.CD25A.70004.0000.24787 (HUD Affordable Housing (HOME) Fund, Grants, Remodeling of Facilities, HOME ARP Act).

Funds will initially be drawn from 128.ND000.30011.0000.00000 (Affordable Housing Program Fund, Non-Departmental, Assigned Fund Balance) until reimbursed.

## **CONCLUSION**

Staff requests that the City Council adopt the resolution authorizing the submission of the Allocation Plan for HOME-ARP and FY 2021-22 Annual Action Plan amendment for use of the HOME-ARP funds to reduce homelessness and increase housing stability. Staff is committed to utilizing these federally restricted funds in the most efficient and effective manner. Further, adoption of the resolution supports Council's Housing/Homelessness priority and the overarching Homeless Plan's goal to reduce the number of unsheltered homeless in Burbank by 50% by 2027.

## **ATTACHMENTS**

Attachment 1 – Resolution

Attachment 2 – HOME Investment Partnership Program American Rescue Plan -  
City of Burbank Allocation Plan

Correspondences