



Agenda Report

November 8, 2021

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Department of Housing

SUBJECT: **AUTHORIZATION TO ENTER INTO CONTRACT AMENDMENT NO. 3 TO THE INTERAGENCY AGREEMENT WITH THE LOS ANGELES COMMUNITY DEVELOPMENT AUTHORITY IN THE AMOUNT OF \$103,667 IN MEASURE H FUNDS FOR THE HOMELESS INCENTIVE PROGRAM**

RECOMMENDATION:

It is recommended that the City Council:

- 1) Find that the recommended action is 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 a significant effect on the environment; and
- 2) Authorize the City Manager to approve and execute Contract Amendment No.3 to the Interagency Agreement and all agreements, amendments, other related documents, with Los Angeles Community Development Authority (LACDA) to receive Measure H Funds for the Homeless Incentive Program (HIP) in the amount of \$103,667 for twelve months. Neither Competitive Bidding nor Competitive Selection are required pursuant to City Charter Section 1002(H) and Pasadena Municipal Code Section 4.08.049(A)(3), contracts with other governmental agencies; and
- 3) Amend the Fiscal Year 2022 Operating Budget by recognizing revenue and appropriating \$103,667 in Measure H Funds in the Other Housing Funds (238); and
- 4) Authorize the City Manager to approve and execute subsequent amendments to the Interagency Agreement, or to enter into new Interagency Agreements, to receive additional Measure H funds for the HIP in a total amount not to exceed \$350,000 over the next three fiscal years (FYs 2023, 2024, and 2025).

BACKGROUND:

In March, 2017, Los Angeles County voters approved Measure H, a quarter percent sales tax to fund previously developed strategies to combat homelessness. These strategies are outlined in the Los Angeles County Homeless Initiative. One of those strategies, B4: Facilitate Utilization of Federal Housing Subsidies, provides for the funding of the Homeless Incentive Program ("HIP"). HIP provides incentive payments to landlords to rent their units to homeless persons who are using housing vouchers to assist with rent, and on behalf of homeless voucher holders to assist them to secure a unit.

The Los Angeles County Board of Supervisors allocated HIP funding to the Housing Authority of the County of Los Angeles (HACoLA), now known as the Los Angeles Community Development Authority (LACDA) which has been authorized to enter into Interagency Agreements with other Public Housing Authorities (PHAs) in the County so that this assistance may be provided for homeless rental assistance voucher holders throughout areas of the County that are not covered by LACDA. The Housing Department acts as the PHA for the City.

The City was initially allocated \$96,250 in HIP funds in 2018, following Council approval on March 26, 2018 of the Interagency Agreement between the City and LACDA (the "Agreement"). Two subsequent amendments to the Agreement were entered into for additional HIP funding in the amounts of \$101,750 and \$123,750, for a total of \$321,750 to date, including the initial allocation. The City is now eligible to receive an additional \$103,667 in HIP funding for landlord incentives and administrative funding by entering into Amendment No. 3 to the Agreement, as recommended.

Eligible incentives under HIP include holding fees to landlords in the amount of one month's rent, renewable for one additional month; credit check and rental application fee assistance; security and utility deposit assistance; and damage claim assistance if a program participant causes damages to a unit costing in excess of the security deposit. These incentives assist persons exiting homelessness to compete more effectively in the current rental market, which is experiencing very low vacancy rates and average rents that are generally higher than housing vouchers are able to pay.

Since the implementation of HIP by the City, 49 households experiencing homelessness who have been issued a rental voucher have been able to secure a rental unit and become permanently housed through the use of these funds.

COUNCIL POLICY CONSIDERATION

Approval of the subject recommendation has the potential to assist 25 homeless households to secure permanent housing. 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 action proposed herein is exempt from the California Environmental Quality Act (CEQA), pursuant to State CEQA Guidelines Section 15061 (b)(3), the "General Rule" 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. The receipt of HIP funding to administer a landlord incentive program will not have a significant effect on the environment and, hence, is not subject to CEQA.

FISCAL IMPACT:

Approval of the recommended actions will result in the City receiving \$103,667 in Measure H HIP funding for landlord incentives and administrative funding in 23816048-700000-51025 and the award will be appropriated in the expenditure account 23816048-811400-51025 of the FY 2022 Operating Budget. Additional Measure H HIP funds received in subsequent fiscal years through amendments to the existing Agreement, or through new Interagency Agreements, will be incorporated into future year budgets. There are no anticipated indirect or support costs such as maintenance and IT support.

Respectfully submitted,


for WILLIAM K. HUANG
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Concurred by:


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for Anne Lansing
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STEVE MERMELL
City Manager