

Agenda Report

June 10, 2024

TO: Honorable Mayor and City Council

FROM: Department of Housing

SUBJECT: AUTHORIZE THE CITY MANAGER TO ENTER INTO CONTRACT AMENDMENT NO. 6 TO THE INTERAGENCY AGREEMENT WITH THE LOS ANGELES COMMUNITY DEVELOPMENT AUTHORITY TO RECEIVE COUNTY OF LOS ANGELES FUNDS IN THE AMOUNT OF \$211,463 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;
- 2) Authorize the City Manager to approve and execute Contract Amendment No.6 to the Interagency Agreement (City Contract No. 22,928), and all related agreements, amendments, and documents, with Los Angeles Community Development Authority (LACDA) to receive County of Los Angeles Measure H Funds for the Homeless Incentive Program (HIP) in the amount of \$211,463 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) 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 \$700,000 over the next three Fiscal Years 2026, 2027, and 2028.

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 (Contract No. 22,928) between the City and LACDA (the “Agreement”). Five subsequent amendments to the Agreement were entered into for additional HIP funding in the amounts of \$101,750, \$123,750, \$103,667, \$187,482, and \$330,579 for a total of \$943,478 including the initial allocation. The City is now eligible to receive an additional \$211,463 in HIP funding for Fiscal Year 2025 by entering into Amendment No. 6 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, over 100 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. Approval of the subject recommendation has the potential to assist an additional 50 homeless households to secure permanent housing.

COUNCIL POLICY CONSIDERATION

The proposed program is 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:

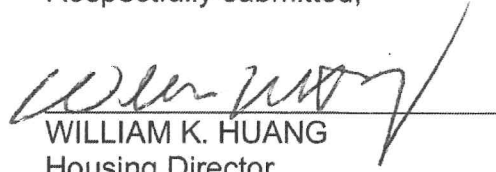
The action proposed herein is exempt from the California Environmental Quality Act

(CEQA), pursuant to State CEQA Guidelines Section 15061 (b)(3), the “common sense” 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.

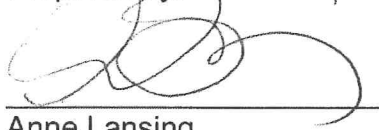
FISCAL IMPACT:

Approval of the recommended actions will result in the City receiving \$211,463 in Measure H HIP funding for landlord incentives and administrative funding. Upon receipt of these funds, they will be recognized as revenue and appropriated through a Council budget cleanup action in the first quarter of Fiscal Year 2025. 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 associated with this funding.

Respectfully submitted,


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Approved by:


MIGUEL MÁRQUEZ
City Manager