

Agenda Report

June 2, 2025

TO: Honorable Mayor and City Council

FROM: Department of Housing

SUBJECT: **AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONTRACT WITH THE COUNTY OF LOS ANGELES FOR THE RECEIPT OF MEASURE A CONTINUUM OF CARE FUNDS IN THE AMOUNT OF \$1,324,440 FOR HOMELESS SERVICES**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the recommended actions are exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061 (b)(3), the "common sense" provision that CEQA only applies to projects that may have an effect on the environment;
2. Authorize the City Manager to enter into a contract with the County of Los Angeles for the receipt of Fiscal Year 2026 Measure A Continuum of Care Funds in the amount of \$1,324,440 with a term ending June 30, 2026 for the provision homelessness prevention, time-limited subsidies, housing navigation, and emergency shelter programs for households experiencing and at risk of homelessness;
3. Authorize the City Manager to execute a first amendment to the subject contract with a not-to-exceed amount of \$1,500,000 and a term extension through June 30, 2027, subject to the availability of Fiscal Year 2027 Measure A Continuum of Care Funds for the continued provision of homeless services; and
4. Authorize the City Manager to execute a second amendment to the subject contract with a not-to-exceed amount of \$1,500,000 and a term extension through June 30, 2028, subject to the availability of Fiscal Year 2028 Measure A Continuum of Care Funds for the continued provision of homeless services.

BACKGROUND:

From Fiscal Year (FY) 2017 through FY 2025, the City, as the administrative entity for the Pasadena Continuum of Care (CoC), has received a direct allocation of funding through Measure H, a voter-approved countywide quarter-cent sales tax to fund homeless services. The total amount received to date is \$7,713,308, although additional Measure H funding administered by County agencies has supported the provision of various homeless services throughout the City. This direct allocation of Measure H funds has supported homeless services including homelessness prevention, emergency shelter, housing navigation and location, and time-limited subsidies (rapid-rehousing).

On November 5, 2024, the voters of Los Angeles County approved Measure A, also known as the Affordable Housing, Homelessness Solutions, and Prevention Now Transactions and Use Tax Ordinance, which went into effect on April 1, 2025. The measure authorizes a half-cent sales tax without sunset to generate long-term, dedicated funding for affordable housing production, homelessness services, and supportive housing infrastructure across the County. Measure A repeals, replaces, and expands upon Measure H, which was set to expire in 2027. Measure A is anticipated to generate over \$1 billion annually which will be shared by LA County, cities and councils of government, the Los Angeles County Development Authority (LACDA), and the Los Angeles County Affordable Housing Solutions Agency (LACAHSa), a body made up of leaders including the LA County Supervisors, elected officials representing cities countywide, as well as nonprofit and community leaders. Measure A funds will be distributed as follows:

- 60% to the County for Comprehensive Homelessness Services
 - At least 15% of these funds to be used for the Local Solutions Fund (LSF)
 - At least 1.65% of these funds to be used for Homelessness Solutions Innovations
- 1.25% to the County for Accountability, Data, and Research
- 3% to LACDA for Local Housing Production
- 35.75% to the LACAHSa for Affordable Housing and Prevention

On March 25, 2025 the Los Angeles County Board of Supervisors approved Chief Executive Office's Homeless Initiative FY 2026 funding recommendations which included Measure A funds. The adopted budget allocates \$10 million in Comprehensive Homelessness Services funding to the cities of Glendale, Long Beach, and Pasadena, matching the FY 2025 Measure H funding for these city-operated CoCs. The City will receive \$1,324,440, equal to the City's FY 2025 Measure H direct allocation. The funding will be used to sustain existing homeless services programming, and staff will return to Council at a later date to seek authorization for the subcontracting of these funds.

Staff recommend entering into a contract with the County of Los Angeles in the amount of \$1,324,440, representing the City's FY 2026 CoC allocation, with a term ending June 30, 2026. Staff also recommend authorizing a first amendment to the subject contract to

add the City's FY 2027 CoC allocation in an amount not-to-exceed \$1,500,000. Staff further recommend authorizing a second amendment to the subject contract to add the City's FY 2028 CoC allocation in an amount not-to-exceed \$1,500,000. As recommended, each amendment would include a contract term extension of one year through June 30, 2027 and June 30, 2028, respectively.

On May 19, Council approved entering into a separate contract with the County of Los Angeles for the receipt of \$867,473 of Measure A funding through the Local Solutions Fund. The City will also receive a portion of the \$5,462,381 of Measure A funds allocated to the cities of Burbank and Pasadena through LACAHS for Affordable Housing and Prevention, which will be passed through the Burbank-Glendale-Pasadena Regional Housing Trust and will be brought to Council at a later date. The methodology for determining each city's Affordable Housing and Prevention allocation is yet to be determined, although Glendale will receive a separate allocation not included in the \$5.46 million. These funds can be used for the construction of affordable housing, affordable housing preservation, tenant protection and support programs, and planning and technical assistance related to affordable housing and land use.

COUNCIL POLICY CONSIDERATION:

Approval of the recommended actions has the potential to provide essential housing and supportive services for individuals and families experiencing and at risk of homelessness. Authorization of this contract is in accordance with the General Plan Housing Element, Five-Year Consolidated Plan, and Five-Year Public Housing Authority Plan.

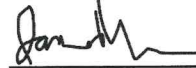
ENVIRONMENTAL ANALYSIS:

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 approval of the proposed contract with the County for the receipt of Measure A funding will not have a significant effect on the environment and, hence, is not subject to CEQA.

FISCAL IMPACT:

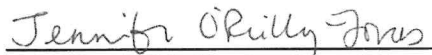
Approval of the subject recommendations will have no fiscal impact as the funding is currently included in the Department of Housing's proposed FY 2026 Operating Budget.

Respectfully Submitted,



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Housing Director

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Approved by:



MIGUEL MÁRQUEZ
City Manager