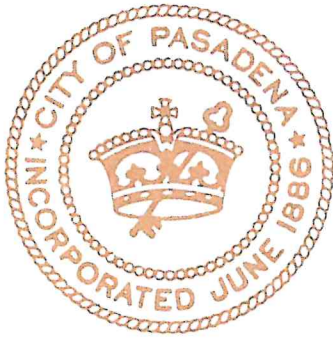




# Agenda Report

November 24, 2025

**TO:** Honorable Mayor and City Council

**THROUGH:** Finance Committee

**FROM:** City Attorney/City Prosecutor's Department

**SUBJECT: AUTHORIZE THE CITY MANAGER TO EXECUTE AGREEMENTS TO ACCEPT A CALIFORNIA PROPOSITION 47, COHORT 5, GRANT IN THE AMOUNT OF \$4,498,269 FOR PASADENA'S HOME DIVERSION PROGRAM AND TO ENTER INTO AGREEMENTS TO EFFECTUATE THE SCOPE OF WORK FOR THE GRANT, AMEND THE CITY ATTORNEY/CITY PROSECUTOR DEPARTMENT'S FISCAL YEAR 2026 OPERATING BUDGET AND ADD 1.0 LIMITED-TERM FTE**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the action proposed herein is not a "project" subject to the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 21065 and within the meaning of Section 15378(b);
2. Authorize the City Manager to enter into a contract with the California Board of State and Community Corrections (BSCC) for the acceptance of a Proposition 47, Cohort 5, grant for Pasadena's HOME Diversion Program, and execute any subsequent agreements regarding this grant award;
3. Amend the City Attorney/City Prosecutor Department's Fiscal Year (FY) 2026 Operating Budget by recognizing revenue and appropriating \$4,498,269 in California Proposition 47, Cohort 5, grant funds and adding a 1.0 limited-term FTE Program Coordinator II position through June 30, 2029;
4. Authorize the City Manager to enter into a Grant Subrecipient Agreement, without competitive bidding pursuant to City Charter Section 1002(F), contracts for professional or unique services, with Illumination Foundation to execute subcontracts and operate Pasadena's HOME Diversion Program for an amount not-to-exceed \$3,677,869, which will be paid for by the grant, for a service period of three years, from January 1, 2026 through December 31, 2028; and

5. Grant the proposed subrecipient agreement an exemption from the Competitive Selection process pursuant to Pasadena Municipal Code Section 4.08.049(B), contracts for which the City's best interests are served.

### **BACKGROUND:**

A few years ago, to reduce homelessness and criminal activity involving people experiencing homelessness, the Prosecution Division of the City Attorney/City Prosecutor's Department proposed the creation of a homeless court in the Pasadena Courthouse. As envisioned, the homeless court would have connected homeless defendants who were alleged to have committed low-level misdemeanor crimes, such as trespassing, drug use, theft crimes, and PMC violations, to a service provider who would transport defendant-participants directly into "shelter housing" at a motel that was contracted for housing. While at the motel, defendant-participants would be referred to, as appropriate, drug treatment, job training, housing placement, counseling, and educational supports to address each participant's unique situation. The goal was to transition the participants into permanent housing and reduce recidivism. Successful participants would have their criminal cases dismissed. The Pasadena homeless court would not accept serious or violent misdemeanor cases, such as domestic violence, sexual battery, or DUI cases.

The Prosecution Division looked to partner with a service provider and conducted outreach and held meetings to find a suitable partner. This eventually led to a partnership with Illumination Foundation, which had been recommended by the City's Interim Health Officer and which had the resources, experience, and willingness to launch a homeless court in Pasadena.<sup>1</sup> This partnership was also supported by the City's Housing Department.

In December 2024, the proposed homeless court program design and collaboration with Illumination Foundation was presented to the Public Safety Committee. The Public Safety Committee voiced its support for starting a Pasadena homeless court, but the primary obstacle to launching the program was funding. Efforts to secure financial support from Senator Padilla's and LA County Supervisor Barger's offices were unsuccessful due to budget constraints, which became further strained with the January 2025 Eaton Fire.

In response, the City Attorney/City Prosecutor's Office and Illumination Foundation reimaged the program to serve a broader population in a community-based setting rather than just the courtroom. This strategic pivot led to the creation of the Helping Offenders with Meaningful Engagement (HOME) Program and a competitive proposal for funding in response to the California State Board of State and Community Corrections (BSCC) Proposition 47, Cohort 5, requests for proposals.

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<sup>1</sup> One service provider decided to remove itself from consideration as it did not believe it could handle all of the responsibilities; another service provider did not follow through with requested information.



In June 2025, the Prosecution Division applied for a Prop 47, Cohort 5, grant seeking \$8,000,000 in funding for the HOME Program over a three-year performance period. The grant was prepared through a joint effort of the City Attorney/City Prosecutor's Office, Illumination Foundation, and Elizabeth Anderson, a grant consultant. The \$8,000,000 sought would serve 54 individuals annually, with an estimate of up to 36 graduates per year.

On September 11, 2025, BSCC voted to fund the top 12 large scope proposals and the Prosecution Division's proposal was ranked 14 out of 42 eligible large scope proposals.

On October 24, 2025, the Prosecution Division was notified by the BSCC that additional funds had become available and the HOME Program proposal was now being recommended for a partial grant in the amount of \$4,498,269. The grant award is about 55% of the original request and will provide sufficient resources to serve about half the originally planned number of participants. Even with this reduction, the design of the HOME Program remains unchanged.

### **Pasadena's HOME Diversion Program**

The Pasadena HOME Diversion Program is a transformative initiative that connects justice-involved, unhoused adults to housing, treatment, and long-term support. HOME is designed to reduce recidivism and promote stability. The program targets individuals charged with non-violent low-level misdemeanors, including drug and theft offenses, and offers them a path toward recovery and reintegration into the community.

This innovative program is led by the City Attorney/City Prosecutor's Office, in collaboration with trusted community-based organizations and community stakeholders, including:

- **Illumination Foundation** has a proven track record of disrupting the cycle of homelessness through integrated housing and healthcare services across Southern California. Illumination Foundation provides integrated housing and healthcare services to unhoused people in Los Angeles, Orange, Riverside, and San Bernardino Counties, and has deep experience with HOME's target population, including serving approximately 150 chronically homeless individuals with co-occurring health, substance use, and/or mental health issues annually through two ongoing, long-running, federal permanent supportive housing contracts.
- **Flintridge Center** and **Shepard's Door**, both rooted in Pasadena, offer culturally competent, trauma-informed services that are essential to supporting participants reach employment and recovery goals.
- The BSCC required **HOME Advisory Committee** brings together Pasadena stakeholders and experts serving the community through social services, the justice system, faith community, advocacy organizations, and City Departments, including the City Manager's Office and the Housing Department.

HOME is built on a housing-first model, ensuring that participants are placed in safe, interim housing immediately upon entry. This housing is provided at a local motel site staffed by Illumination Foundation staff and security. Once stabilized, participants receive clothing, food, and a comprehensive needs assessment. From there, they work with case managers to develop an individualized service plan that may include therapy, substance use disorder treatment, and mental health services. As participants progress along their service plan goals, they are connected to job training opportunities through Flintridge Center. Survivors of domestic violence are referred to Shepard's Door for specialized counseling and support. Every participant is assigned a housing navigator to guide them toward permanent housing solutions – this will be an especially important staff support role given rapidly changing federal funding priorities and anticipated reduced investment in permanent supportive housing.

Eligibility for HOME is intentionally broad to maximize impact: participants must be unhoused and at risk of arrest for low-level misdemeanor offenses. Open criminal cases are not required. However, individuals with non-serious and non-violent existing cases handled by the City Prosecutor's Office will have those cases stayed during participation as a pre-plea diversion and dismissed upon successful completion—a strong incentive for engagement and accountability.

To ensure equitable access, HOME offers multiple referral pathways through trusted community partners:

1. **Pasadena Outreach Response Team (PORT)** will refer high-acuity clients with criminal justice involvement.
2. **Pasadena Police Department** will offer direct referrals as an alternative to citation/arrest.
3. **City Attorney/City Prosecutor's Office** will identify candidates through arrests, referrals, and criminal cases.
4. **Public Defender** will recommend eligible clients.
5. **Superior Court** will set dates and progress reports for qualifying defendants that will allow time for completion and eventual dismissal of criminal cases.

Illumination Foundation will coordinate immediate transportation for all referred individuals, ensuring a seamless transition into services.

Per BSCC requirements, candidates for Prop 47-funded services are eligible based on two criteria: (1) Criminal justice involvement (arrest, charge, conviction, or at risk of arrest); and (2) a history of mental health or substance use disorder. The HOME Program's target population of adults experiencing homelessness aligns with the grant's guiding principles.

HOME participation requires a commitment to remain in interim housing and engage in an Individual Service Plan focused on long-term stability. The program is designed to



support each participant for 9 to 12 months, providing consistent access to services while participants work to establish permanent housing.

HOME anticipates enrolling 27 individuals annually, with 18 expected to graduate each year. Over the three-year grant period, the program aims to graduate 54 participants, each of whom will graduate with improved health, housing, and prospects for the future.

As required by the Prop 47 grant, most funds are passed through to Illumination Foundation, which is responsible for providing comprehensive wrap-around services with the combination of staff they hire directly and through subcontracts with local social service providers offering specialized programs focused on employment readiness, domestic violence support, and other mental health support. The City Attorney/City Prosecutor's Office will hire a full-time temporary Program Coordinator II to coordinate data collection, referrals, the Advisory Committee, updates to the community, and cost reimbursement from the State. This position is paid for by the grant. The program is also supported by the City Manager's Office, Housing Department, and Public Health Department, ensuring a whole-of-government approach to addressing homelessness.

With the grant funding awarded, the Pasadena HOME program can be implemented in an effort to break the cycle of homelessness and incarceration. The partnerships identified reflect the City's commitment to investing in people, not punishment – and to building a safer and healthier community for all.

**Grant Budget To Be Approved by BSCC (through June 30, 2029)**

|                                                                                                                                              |                    |
|----------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| • Salary and Benefits for Program Coordinator II                                                                                             | \$406,000          |
| • Services and Supplies                                                                                                                      | \$13,000           |
| • Travel and Training Costs                                                                                                                  | \$2,000            |
| • Professional Services                                                                                                                      | \$85,000           |
| • Data Collection and Project Evaluation/Audit                                                                                               | \$314,400          |
| • Non-Governmental Organization Subrecipient Agreement                                                                                       | <u>\$3,677,869</u> |
| ○ Illumination Foundation                                                                                                                    |                    |
| ○ Includes subcontracts with motel(s), Flintridge Center, Shepherd's Door, and other specialized service providers                           |                    |
| ○ Illumination Foundation will bring an additional \$107,958 in leveraged external funds from Medi-Cal to support the HOME housing navigator |                    |

**TOTAL:**                      \$4,498,269

Staff recommends the award of a grant subrecipient agreement to Illumination Foundation for an amount not-to-exceed \$3,677,869, which will be paid for by the grant. Illumination Foundation's budget will include one fulltime case manager, one fulltime substance use counselor, one fulltime onsite assistant, client services (including food and sundries, motel, motel damage mitigation, security services), staff vehicle and travel, and subcontracts with the Flintridge Center for employment readiness, Shepherd's Door for domestic violence survivor support, and others as needed for

mental health treatment. Since 2023, Illumination Foundation has been a partner with the City Attorney/City Prosecutor's Office – first in working on the homeless court proposal and now in reconfiguring the concept into the HOME Program. Illumination Foundation participated in writing the Prop 47, Cohort 5, grant application and will be integral to the success of the HOME Program.

The Professional Services budget will include funds for Elizabeth Anderson Consulting to provide grant consulting and expertise, as well as for a certified public accountant/auditor as required by the grant. Ms. Anderson worked with the City Attorney/City Prosecutor's Office and Illumination Foundation in applying for the Prop 47, Cohort 5, grant. Ms. Anderson's assistance will be critical throughout the duration of the grant, and is particularly needed as a Program Coordinator II is not expected to be recruited, hired, and employed before late February 2026. The Data Collection and Project Evaluation/Audit budget will include a portion of the funds allocated to the Program Coordinator II position for the data collection and a portion of the funds allocated to the program evaluator. The City Attorney/City Prosecutor's Office expects to retain Baker Tilly, an experienced advisory and assurance firm with expertise evaluating Prop 47 grants. As the sixth-largest advisory CPA firm in the United States, its grant management and compliance team specializes in program evaluation, programmatic planning, and grant compliance monitoring to ensure grant-funded programs achieve their objectives and comply with all funding requirements. As the evaluator, Baker Tilly will develop BSCC-required reports for HOME: (1) A local evaluator plan; and (2) an evaluation report on HOME's three-year performance. Baker Tilly staff will be available as needed to help structure data and reporting workflows, progress reports, and quality assurance checks. BSCC also requires that two staff travel to Sacramento, which is covered by the \$2,000 training and travel costs line item.

#### **COUNCIL POLICY CONSIDERATION:**

The proposed action is consistent with the City Council's strategic planning goals to ensure public safety and to maintain fiscal responsibility and stability.

#### **ENVIRONMENTAL ANALYSIS:**

CEQA excludes from environmental review actions that are not "projects" as defined by CEQA Guidelines Section 21065 and within the meaning of Section 15378(b). Sections 21065 and 15378(b) define a project as an action which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Section 15378 excludes from the definition of "project" organizational or administrative governmental activities that do not result in physical changes to the environment. The actions proposed herein, authorizing the City Manager to execute all contract-related documents, add appropriate staffing, and amending the operating budget, are organizational and administrative governmental activities that does not result in physical changes to the environment, and therefore is not a "project" as defined by CEQA. Since the action is not a project subject to CEQA, no environmental document is required.



**FISCAL IMPACT:**

Approval of the recommended action will amend the City Attorney/City Prosecutor Department's FY 2026 Operating Budget by recognizing revenue and appropriating \$4,498,269 and adding a 1.0 limited-term FTE in the General Fund (101) for a grant from California Proposition 47, Cohort 5, through June 30, 2029 for Pasadena's HOME Diversion Program. The Department will request unspent grant funds be carried forward into the future budget years during the annual operating budget cycle.

Respectfully submitted,



MICHELE BEAL BAGNERIS  
City Attorney/City Prosecutor  
City Attorney/City Prosecutor's Office

Prepared by:

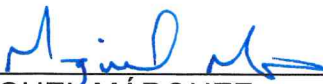


Tim Wellman  
Chief Assistant City Prosecutor  
City Attorney/City Prosecutor's Office



Alex Hernandez  
Assistant to the City Manager  
City Manager's Office

Concurrence by:



MIGUEL MÁRQUEZ  
City Manager