

# Agenda Report

February 23, 2026

**TO:** Honorable Mayor and City Council

**THROUGH:** Finance Committee

**FROM:** Department of Housing

**SUBJECT: AUTHORIZATION TO ENTER INTO AN INTERAGENCY AGREEMENT WITH THE LOS ANGELES COMMUNITY DEVELOPMENT AUTHORITY IN THE AMOUNT OF \$218,505 IN MEASURE A FUNDS FOR THE HOMELESS INCENTIVE PROGRAM; AMEND THE HOUSING DEPARTMENT'S FISCAL YEAR 2026 OPERATING BUDGET BY RECOGNIZING THE SAME AMOUNT IN REVENUE AND APPROPRIATION**

## **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 the Interagency Agreement and all related agreements, amendments, and documents with the Los Angeles Community Development Authority to receive Measure A Funds for the Homeless Incentive Program (HIP) in the amount of \$218,505 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;
- 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 A funds for the HIP in a total amount not to exceed \$700,000 over the next three Fiscal Years 2027, 2028, and 2029; and
- 4) Approve a budget amendment by recognizing and appropriating the amount \$218,505 in the Other Housing Fund (238) to the Housing Department's Fiscal Year (FY) 2026 Operating Budget for the Measure A HIP landlord incentives and administrative funding.

**BACKGROUND:**

On April 1, 2025, Measure A, also known as the Affordable Housing, Homelessness Solutions, and Prevention Now Transactions and Use Tax Ordinance, went into effect, repealing, replacing, and expanding upon Measure H. Among the strategies funded with Measure A, as outlined in the Los Angeles County Homeless Initiative, is the Homeless Incentive Program (HIP). HIP provides incentive payments to landlords to rent their units to homeless persons who are using rental assistance 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 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 began receiving Measure H-supported HIP funding in 2018 following approval by Council on March 26, 2018. The City is now eligible to receive an additional \$218,505 in Measure A-supported HIP funding for Fiscal Year 2026 by entering into this Interagency Agreement, as recommended.

Eligible HIP activities under Measure A remain the same as those activities funded under Measure H. These 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 damage to a unit that totals more than the security deposit. These incentives assist people exiting homelessness to compete more effectively in the rental market.

Since the implementation of HIP by the City, over 125 households experiencing homelessness who have been issued a rental assistance voucher have been able to secure a rental unit and become permanently housed through the use of these funds. The number of households who can be served is limited by the availability of rental assistance vouchers. Approval of the subject recommendation has the potential to assist an additional 50 homeless households to secure permanent housing, provided vouchers are available.

**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 increase the Housing Department's FY 2026 Operating Budget by recognizing partial revenue in the amount of \$218,505 in the Other Housing Fund (23816048-700000-51071) and appropriating same amount in account (23816048-810500-51071) for the Measure A HIP funding for landlord incentives and administrative funding. Additional Measure A 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.

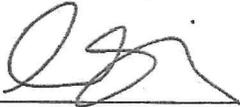
Respectfully submitted,



---

JAMES WONG  
Housing Director

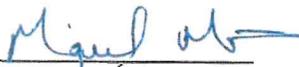
Prepared by:



---

Anne Lansing  
Housing Assistance Officer

Approved by:



---

MIGUEL MÁRQUEZ  
City Manager