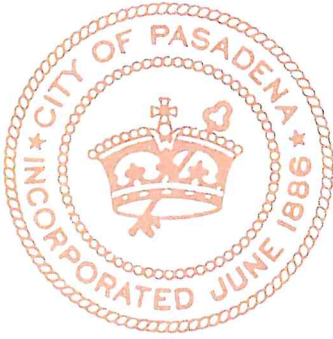




Agenda Report

September 15, 2026

TO: Honorable Mayor and City Council

FROM: City Attorney/City Prosecutor's Department

SUBJECT: **AUTHORIZE THE CITY MANAGER TO ENTER INTO A GRANT SUBRECIPIENT AGREEMENT WITH LOS ANGELES CENTERS FOR ALCOHOL AND DRUG ABUSE (L.A. CADA) TO EXECUTE SUBCONTRACTS AND OPERATE PASADENA'S HOME DIVERSION PROGRAM FOR AN AMOUNT NOT-TO-EXCEED \$3,677,869 FOR A SERVICE PERIOD UP TO THREE YEARS, FROM OCTOBER 1, 2026 THROUGH DECEMBER 31, 2028**

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 Public Resources Code Section 21065 and within the meaning of State CEQA Guidelines Section 15378; and
2. Authorize the City Manager to enter into a Grant Subrecipient Agreement, following a competitive selection process pursuant to Pasadena Municipal Code Section 4.08.047, with Los Angeles Centers for Alcohol and Drug Abuse (L.A. CADA) to execute subcontracts and operate Pasadena's HOME Diversion Program for an amount not-to-exceed \$3,677,869 for a service period of up to three years, from October 1, 2026 through December 31, 2028. Competitive price bidding is not required pursuant to City Charter Section 1002(F) (contracts for professional or unique services); and
3. Authorize the City Manager to approve no-cost amendments to the subject agreement including durational extensions.

BACKGROUND:

In June 2025, the Prosecution Division of the City Attorney/City Prosecutor's Office applied for a California Board of State and Community Corrections (BSCC) Proposition 47, Cohort 5, grant seeking \$8,000,000 to fund its Helping Offenders with Meaningful Engagement (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, a non-profit service provider, and a grant consultant. The \$8,000,000 sought would serve 54 unhoused 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.

On November 24, 2025, City Council, through the Finance Committee and after a CEQA finding:¹

- Authorized 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 the grant award;
- Amended 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;
- Authorized 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, to be paid for by the grant, for a service period of three years, from January 1, 2026 through December 31, 2028; and
- Granted 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.

On June 21, 2026, BSCC executed the agreement with the City of Pasadena. On July 13, 2026, the grant Program Coordinator II started working in the Prosecution Division of the City Attorney/City Prosecutor's Office. With the agreement fully executed, the next step was to enter into a grant subrecipient agreement with Illumination. However,

¹ For more information about the HOME Program, please see the November 24, 2025 Agenda Report.

on July 15, 2026, Illumination provided written notice that it was “withdrawing from consideration” as the service provider for the Prosecution Division’s HOME Program.

With Illumination withdrawing, the Prosecution Division prepared and, on July 30, 2026, issued a Request for Application (RFA) on OpenGov seeking qualified service providers to apply through a competitive selection process to operate the grant program under the terms and conditions authorized by the BSCC.

Request for Applications

In issuing the RFA, the City Attorney/City Prosecutor’s Office sought a competitive selection process to identify and select a new and qualified non-governmental organization (NGO) service provider to implement the HOME Diversion Program. Under this RFA, the City emphasized to interested NGOs that the program scope of work and budget were fixed as the HOME Program’s design had been reviewed and approved by the BSCC.

This RFA was advertised through the City’s OpenGov vendor portal. In total, two applications were received by the August 20, 2026 RFA deadline. A third applicant started the application, but did not end up submitting the application.

On August 31, 2026, an Evaluation Panel comprised of a City Department of Public Health staff member, a City Department of Housing staff member, and a City Attorney/City Prosecutor’s Office staff member met virtually to evaluate the applications that were received and assign each a score with a maximum of 100 points. Per the BSCC contract, the selected service provider shall provide leveraged funding in an amount of at least \$107,958.

The RFA evaluation criteria are summarized in Table 1.

Scores are summarized in Table 2.

Table 1: City Attorney/City Prosecutor’s Office RFA Evaluation Criteria	
Criteria	Points
Experience, Certifications, and References	40
Program Outcomes	25
Community Engagement	5
Administrative Capacity	20
Reverse Ratio Method (leveraged funds)	10
Score Total	100

Table 2: City Attorney/City Prosecutor's Office RFA Evaluation Results

Rank	Applicant	Average Total Points (Out of 100)
1.	Los Angeles Centers for Alcohol and Drug Abuse (L.A. CADA)	85.3
2.	Friends in Deed	67.0

Recommendation

Los Angeles Centers for Alcohol and Drug Abuse (L.A. CADA) received the highest score through the evaluation process. As a non-profit with over 55 years of experience providing behavioral health and substance use treatment across Los Angeles County, the organization also offers homeless outreach, housing navigation, intensive case management, and other supportive services, including for justice-involved individuals.

L.A. CADA contracts with the San Gabriel Valley Council of Governments (SGVCOG) to provide homeless outreach, engagement, and supportive services across 19 cities in the region. The agency also operates a Mobile Crisis Program that delivers immediate, community-based responses for individuals experiencing behavioral health crises, mental health emergencies, and co-occurring substance use challenges. Given the existing homeless outreach activities within the San Gabriel Valley and service presence in Pasadena, L.A. CADA is familiar with Pasadena's homeless response system, community partners, housing resources, and service landscape.

L.A. CADA has also implemented diversion programs in partnership with prosecutorial agencies. Since 2017, it has partnered with the Long Beach City Prosecutor's Office to provide pre- and post-arrest diversion services for individuals with substance use and co-occurring mental health disorders.

L.A. CADA will contribute an additional \$824,842.88 in leveraged funds, far exceeding the BSCC-approved amount of \$107,958. These leveraged funds will support HOME personnel and program operating costs.

The Evaluation Panel recommended entering into a service provider subrecipient agreement with L.A. CADA to operate the HOME Diversion Program as it received the highest point total.

The contract term will start the date the subrecipient agreement is executed and run through December 31, 2028, per the BSCC agreement. In the event there are unexpended program funds, there is a possibility that the BSCC would grant a no-cost extension for the project to continue delivering services past the approved program term, although this will not be known until later in the grant cycle.

Accordingly, staff recommends that a subrecipient agreement be executed with L.A. CADA to operate the HOME Diversion Program for an amount not-to-exceed

\$3,677,869, which will be paid for by the grant. L.A. CADA will be able to execute subcontracts as needed to operate the program.

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 Public Resources Code Section 21065 and within the meaning of State CEQA Guidelines Section 15378. Sections 21065 and 15378 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(b) excludes from the definition of “project” continuing administrative or maintenance activities, such as purchases for supplies and services. The actions proposed herein, authorizing the City Manager to enter into an agreement for the operation of the Pasadena HOME Diversion Program, is an administrative activity for the purchasing of services, 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:

The cost of the recommended action is \$3,677,869 over three years, to be reimbursed by the grant. The Department will use existing budgeted appropriations as part of the Prop 47, Cohort 5, grant funding that has been awarded per the agreement with the BSCC.

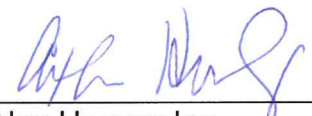
Respectfully submitted,


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