



Administrative Report

H.10., File # 26-0732

Meeting Date: 6/16/2026

To: MAYOR AND CITY COUNCIL

From: JOY A. FORD, CITY ATTORNEY
STEPHANIE JOHNSON, QUALITY OF LIFE PROSECUTOR

TITLE

APPROVE LETTER OF AGREEMENT FOR FUNDING AND OPERATION OF THE REDONDO BEACH EMERGENCY HOMELESS SHELTER (PALLET SHELTER) FOR AN AMOUNT NOT TO EXCEED \$145,927.74 FOR THE TERM APRIL 1, 2026 TO SEPTEMBER 30, 2026

EXECUTIVE SUMMARY

The Redondo Beach Pallet Shelter has been in operation since 2020. The attached Letter of Agreement is being presented to the Mayor and Council for approval to continue current operations at the Pallet Shelter for another six months.

BACKGROUND

On December 31, 2020, the City Council approved an LOA with Los Angeles County for the shared operational and human services costs of the Redondo Beach Pallet Shelter. This interim housing site provides people who are experiencing homelessness with a place to stay while they work to acclimate to a more structured lifestyle and secure permanent housing. On June 8, 2021, the City Council approved a first amendment to the LOA to extend the term of the Pallet Shelter for thirteen (13) months. On June 7, 2022, City Council approved a second amendment to the LOA to extend the term to September 30, 2022 to give staff time to explore grant funding to continue the operations of the Pallet Shelter. On August 9, 2022, the City Council extended the agreement to September 30, 2023. On September 19, 2023, the City Council extended the agreement another twelve months. The Fifth Amendment was approved by City Council on October 1, 2024 and extended the term an additional twelve months and lowered the City's monthly contribution to \$24,321.29. On October 7, 2025, City Council extended operations for six months through March 30, 2026.

Redondo Beach sent the County an amendment to further extend the term in February of this year, however, county counsel did not respond in time prior to the expiration of the LOA. Redondo Beach had to send a new LOA to the County with a retroactive date of April 1, and it has taken them until now to review the attached LOA. The County ensured that operations at the Pallet Shelter continued uninterrupted throughout this period and will continue operating without interruption.

This new LOA extends the term of the agreement for an additional six months on the same terms and conditions through September 30, 2026.

The City has historically funded Pallet Shelter operating costs through external grant funding, specifically with the California Permanent Local Housing Allocation (PLHA). The City received disbursement of PLHA Request for Funds #5 (CY21) in February 2026, totaling \$82,187.85. The City also received a PLHA conditional award letter in the amount of \$198,126.00 on May 1, 2026, for CY22 and CY23. Disbursement of funding for CY22 and CY23 is currently pending, awaiting execution of the Standard Agreement. Allocations for CY24 and CY 25 have not yet been released by the state.

The 2020 Congressional CARES Act provided additional funding allocations from the U.S. Department of Housing and Urban Development (HUD), specifically to support programs and services that helped agencies respond to the COVID-19 pandemic. The City of Redondo Beach allocated these funds towards the City's response to homeless services, including housing navigation and operations of the pallet shelter, both of which are eligible expenses. In total, the City has \$150,705.93 available CDBG-CV funds, with \$75,167.45 available for personnel expenses, and \$75,538.48 available for operations of the Pallet Shelter.

During the Fiscal Year 2023-2024 Budget Adoption Process, the City Council approved the expansion of the Pallet Shelter estimated to cost \$1,568,750 on the condition of identifying grant funding. Los Angeles County Supervisor Holly J. Mitchell granted the City \$800,000 of District Two Homelessness funding and Health Net granted the City the remaining \$768,750 for the expansion of the Redondo Beach Pallet Shelter.

The City Attorney's Office is currently discussing the new budget for the expansion of the pallet shelter with the Los Angeles County Department of Health Services and Los Angeles Chief Executive Office, Homelessness Initiative. A new amendment to the LOA will be presented to Council for approval prior to the completion of the pallet shelter expansion.

Staff recommends that the Mayor and Council approve the new LOA to continue the current pallet shelter operations while the City Attorney's Office works with the County on the operational budget for the proposed expansion and securing additional funding sources.

COORDINATION

The City Attorney's Office coordinated with the Los Angeles County Department of Health Services and Los Angeles Chief Executive Office, Homelessness Initiative, as well as the Finance and Community Services Departments in preparation of this Administrative Report.

FISCAL IMPACT

Operational costs will be funded by CDBG-CV and PLHA grants.

Submitted by:

Joy A. Ford, City Attorney

ATTACHMENTS

- LOA with Los Angeles County

