



# Administrative Report

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H.25., File # 23-7018

Meeting Date: 10/17/2023

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**To:** MAYOR AND CITY COUNCIL

**From:** MICHAEL W. WEBB, CITY ATTORNEY JOY FORD, QUALITY OF LIFE  
PROSECUTOR

## **TITLE**

ADOPT BY TITLE ONLY RESOLUTION NO. CC-2310-107, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA AUTHORIZING A FISCAL YEAR 2023-2024 BUDGET MODIFICATION TO APPROPRIATE \$557,962 IN PERMANENT LOCAL HOUSING ALLOCATION FUNDS FROM THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT TO THE INTERGOVERNMENTAL GRANT FUND

## **EXECUTIVE SUMMARY**

The City Attorney's Office applied for Permanent Local Housing Allocation (PLHA) funds for operational costs of the Redondo Beach Pallet Shelter. On December 13, 2022, the City Council held a public hearing and adopted the City's Five-Year PLHA Plan and a resolution to apply for the grant. On February 15, 2023, the California Department of Housing and Community Development (HCD) awarded the City \$557,962 for the Pallet Shelter. On June 13, 2023, the City entered into an agreement with HCD to accept the award. Quality of Life Prosecutor Joy Ford submitted the City's first funding requests to pay for the monthly invoices to the County for the City's shared operational costs of the Pallet Shelter for May to September of this year. HCD just approved that request and issued checks to the City totaling 140,014.93. The PLHA grant needs to be allocated to the City's Budget, so staff recommends approving the budget modification resolution.

## **BACKGROUND**

In September 2017, the California Legislature approved Senate Bill 2 (SB 2), known as the Building Homes and Jobs Act and the Permanent Local Housing Allocation (PLHA). The purpose of the bill is to establish a permanent source of funding for housing related issues. Revenue for this program is generated through recording fees on real estate transactions and will therefore vary from year to year depending on market activity.

Beginning 2019, the majority of the revenues collected started to flow to local jurisdictions through the PLHA funding allocation. The first three application rounds cover 2019-2023. HCD determined that the City of Redondo Beach is entitled to approximately \$784,980 over the five-year period covered by the application (2019-2023), with the totals for years 2019, 2020 and 2021 determined to be \$130,830, \$203,351, and \$223,781. The total amount of \$784,980 may change, depending on the number of recording fees on real estate transaction in 2022 and 2023.

Last year, Ashlee Oh, Principal Analyst for the Los Angeles County Chief Executive Office Homeless Initiative, notified the City Attorney's Office that PHLA is available to fund the Pallet Shelter. Although earmarked by the State for Redondo Beach since 2019, the City's Housing Authority had not previously applied for it. The City Attorney's Office and the City Manager's Office worked to submit the application before the deadline and was awarded \$557,926 for the years 2019, 2020 and 2021.

On December 13, 2022, the City Council held a public hearing as required by HCD to pass the Five-Year PLHA Plan and a resolution to accept the grant. Part of the resolution authorized the City Manager to execute any and all necessary documents for the grant. On June 9, 2023, the City Manager signed the agreement, which HCD executed on June 13, 2023.

Last year, the Pallet Shelter operational costs were paid by Cares Act funding, the Successor Housing Agency Fund, and the Beach Cities Health District grant for Homelessness. The City pays the county \$26,607.21 a month for the operational costs. The City is paid up to April, 2023. The last agreement with the County expired on September, 2023. On August 24, 2023, Quality of Life Prosecutor Joy Ford submitted the first request for PLHA funds for the City's monthly share of the operational costs for May to September. The request required the contracts and agreements for the pallet shelter, so Joy Ford submitted the agreements prior to the September 30 expiration date. It was said that many cities were having difficulty getting these requests approved, and it took several months for HCD to issue checks. The 2019 allocation had to be dispersed by February, 2024, or else the City would lose that funding. On September 28, 2023, HCD issued checks from the 2019 allocation and the 2020 allocation for five months' worth of the City's contribution to the County plus five percent of administration costs.

Staff recommends that the City Council approve the budget resolution allocating the grant into the budget, so that these checks can be deposited.

On September 19, 2023, the City Council approved the Fourth Amendment to the agreement with the County, extending the agreement another year to September 30, 2024 with all the same terms and conditions. Joy Ford will submit a new request to HCD for the funding for the Fourth Amendment to the agreement.

### **COORDINATION**

The City Attorney's Office coordinated with the City Manager's Office.

### **FISCAL IMPACT**

HCD awarded the City \$557,926 for the years 2019, 2020, and 2021. This funding will be used for the Redondo Beach Pallet Shelter.

### **ATTACHMENTS**

Resolution