



# Administrative Report

N.1., File # 22-4644

Meeting Date: 8/9/2022

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**To:** **MAYOR AND CITY COUNCIL**

**From:** MICHAEL W. WEBB, CITY ATTORNEY      JOY ABAQUIN FORD, QUALITY OF LIFE PROSECUTOR    ANDREA DELAP, PUBLIC WORKS ADMINISTRATIVE ANALYST

**TITLE**

DISCUSSION AND POSSIBLE ACTION REGARDING THE USE OF GRANT FUNDS FOR THE CITY'S ENHANCED RESPONSE TO HOMELESSNESS PROGRAM

ADOPT BY 4/5THS VOTE AND BY TITLE ONLY RESOLUTION NO. CC-2208-061, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, AUTHORIZING A FISCAL YEAR 2022-2023 BUDGET MODIFICATION TO APPROPRIATE \$185,130 IN INNOVATION GRANT FUNDS FROM THE SBCCOG TO THE INTERGOVERNMENTAL GRANT FUND

ADOPT BY 4/5THS VOTE AND BY TITLE ONLY RESOLUTION NO. CC-2208-062, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, AUTHORIZING A FISCAL YEAR 2022-2023 BUDGET MODIFICATION TO APPROPRIATE \$82,342.53 IN LOS ANGELES COUNTY COMMUNITY DEVELOPMENT BLOCK GRANTS TO THE INTERGOVERNMENTAL GRANT FUND

APPROVE THE CONTINUATION OF PALLET SHELTER TEMPORARY EMERGENCY TRANSITIONAL HOUSING FOR AN ADDITIONAL YEAR

AUTHORIZE THE CITY ENGINEER TO EXECUTE A CONSTRUCTION CHANGE ORDER TO THE TORO ENTERPRISES INC. CONTRACT (JOB NO 50300) FOR AN AMOUNT NOT TO EXCEED \$60,000 ABOVE THE CHANGE ORDER LIMITS ESTABLISHED IN ADMINISTRATIVE POLICY AND PROCEDURE 14.1, TO INCLUDE OFF-SITE SEWER RELATED WORK AT THE REDONDO BEACH PALLET SHELTER FACILITY

APPROVE THE REIMBURSEMENT OF COSTS FOR THE PURCHASE OF RESTROOM AND SHOWER FACILITIES FOR THE REDONDO BEACH PALLET SHELTER SITE TO BE PROCURED BY HARBOR INTERFAITH

**EXECUTIVE SUMMARY**

Under the Enhanced Response to Homelessness Program, the City Attorney's Office has applied for and received over \$1.68 million in grants for Redondo Beach's Homeless Court and Pallet Shelter, which can be used in the Current Fiscal Year. Staff is seeking direction and authorization from the City Council to utilize the grant funds per the recommendations described below.

## **BACKGROUND**

### Homeless Court Grants

Los Angeles County Supervisor Janice Hahn previously secured \$100,000 County Community Development Block Grant (CDBG) for the Redondo Beach Homeless Court program, which has been extended to the end of Fiscal Year 2022-2023. The balance of \$82,342.53 from last fiscal year needs to be appropriated to the Intergovernmental Grant Fund.

The South Bay Cities Council of Governments (SBCCOG) awarded \$306,299 Innovative Grant Funds for the expansion of Homeless Court to include Hermosa Beach cases, interim beds and services. The Innovative Grant was divided in two tranches. The Mayor and City Council appropriated the first tranche in January, 2022. The second tranche in the amount of \$185,130 also needs to be appropriated to the Intergovernmental Grant Fund.

The City Attorney's Office worked with Assemblymember Al Muratsuchi's office in drafting AB 2220 that would create a statewide Homeless Court pilot program to provide comprehensive community-based services to homeless criminal defendants. City Attorney Michael Webb also attended the Committee Hearings on Judiciary and Health in Sacramento to speak in favor of the bill. Although the bill was referred to suspense file and held under submission for consideration next year, Assemblymember Muratsuchi wanted to ensure that Redondo Beach's Homeless Court continued by fighting for and ultimately securing \$500,000 from the State's budget, AB 178.

Assemblymember Muratsuchi has been a strong supporter of Redondo Beach's Outdoor Homeless Court. According to AB 178, the funding is to be allocated by the Judicial Council. Although the terms are still unclear, we hope the State funds that Assemblymember Muratsuchi fought for and obtained will ensure that the unhoused can continue to receive services they need to overcome the obstacles that prevent them from becoming permanently housed.

### Pallet Shelter Grants

Los Angeles County Supervisor Holly Mitchell's office and the County Chief Executive Office-Homeless Initiative (CEO-HI) are working very closely with the City Attorney's Office to ensure the continuation of the Redondo Beach Pallet Shelter. The Pallet Shelter is set to expire on September 30, 2022. Staff seeks direction as to whether the Pallet Shelter should continue another year.

The Redondo Beach Pallet shelter continues to be an incredibly valuable resource to our housing navigators to get unhoused residents of Redondo Beach permanent housing. The Pallet Shelter Units and the Single Room Occupancy Units Redondo rents in Wilmington get people out of survival mode from living in the streets to a safe, stable environment where they can focus on accepting needed services and their housing plan. Since the Pallet Shelters opened in December of 2020, they have remained full with a waiting list of more than ten people. Thirty (30) people have been permanently housed. With the fifteen (15) living there now, that is forty-five (45) people off the streets of Redondo Beach. Currently, four (4) residents of the Pallet Shelter are employed. Our goal is that one day the City of Redondo Beach will not need the Pallet Shelters, but we anticipate that they will be needed through next September.

The City Attorney's Office and the City Manager's Office applied for, and the City was awarded, the Cities and Councils of Governments Interim Housing Services (CCGOIHS) Grant in the amount of \$584,000 from the CEO-HI for twelve (12) months, starting in October for ongoing operations of the Redondo Beach Pallet Shelter.

The amount of \$584,000 pays for operational costs in the amount of \$80 per bed each day. However, the overall operations cost is higher than \$584,000, so the City would have to pay the balance of the operating budget. \$80 per bed a day is the cost for other larger housing projects in other cities within the Supervisorial District. The County is very concerned with equity and does not want to spend more per bed in Redondo Beach than is spent in other cities within the District.

In addition, the CEO-HI's office secured \$40,000 to reduce the City's costs. The Department of Health Services (DHS) reduced their administrative fee from 10% to 5%, saving the City about \$45,000.

Moreover, the CEO-HI awarded the City an additional \$250,000 from Measure H funds for capital improvements of the Pallet Shelter to reduce the ongoing operations costs per bed even more. These capital improvements include adding two more pallet shelter units to bring the total number of units to twenty (20); purchase of showers and toilet facilities to eliminate the rental fees and costs for water delivery and disposal; and purchase of the administrative trailer to eliminate the rental fee. These capital improvements will reduce the bed rate by 35%.

Additional sewer infrastructure will be required to support the restroom and shower facilities at the Pallet Shelter. The City Council approved a contract with Toro Enterprise Inc. on November 2, 2021 for City sewer work. A change order will be required to the contract to add the sewer infrastructure. The proposed work and costs are illustrated in the attached drawings and quote.

Many hours between CEO-HI, DHS, Harbor Interfaith, who manages the pallet shelter, and the City Attorney's Office went into getting the City's share as low as possible. The total operating costs for August 2022 to September 2023 are \$1,135,235. The County will pay \$762,734, so the City's share will come out to \$372,501, which is a monthly payment of \$26,607.21, less than the City's original commitment, but more than what it is now. When the Pallet Shelter first opened, the City had a monthly payment of \$30,845.17 for the first six months. In the past year, the City had a monthly payment of \$18,884.62.

The California Housing and Community Development (HCD) administers the Permanent Local Housing Allocation (PLHA) funds. PLHA provides funding to local governments in California for housing-related projects and programs that assist in addressing the unmet housing needs of their local communities. The Pallet Shelter is an eligible activity for this fund, and Redondo Beach has an allocation of \$130,830 for our first year if the City applied to the HCD. Michael Baker consultants anticipate that Redondo has a similar allocation for the second and third year. However, even if City Staff initiates the application process, PLHA funds cannot be released until HCD has approved the City's Housing Element.

In the event that the City is unable to secure funding, the City can exercise its right of early termination of the Pallet Shelters within 30 days advance notice to the County. If the City terminated the contract, the County would relocate the pallet shelter units the County purchased, the administrative trailer and the shower and toilet facilities to be used elsewhere in the County. The

sewer infrastructure would remain available for City use.

### **Recommended Actions:**

#### Homeless Court:

Staff recommends that the City Council appropriate both the SBCCOG Innovative Grant funds and the County CDBG funds to the Innovative Grant fund, and direct staff to return with an agreement with the Judicial Council to accept the AB 178 grant in the amount of \$500,000.

#### Pallet Shelter:

- A. Approve the continuation of the pallet shelter for one year.
- B. Approve the reimbursement of the showers and toilet facilities to be purchased by Harbor Interfaith.
- C. Give the City Engineer the approval and authority to execute a Change Order(s) in an amount not to exceed \$60,000 to perform the off-site work at the Pallet Shelter described above.
- D. Direct staff to return with a contract to accept the Cities and Council of Governments Interim Housing Services grant of \$584,000.
- E. Direct staff to apply for PLHA funds to be used for the Pallet Shelter operational costs.

### **COORDINATION**

The City Attorney's Office coordinated with the City Manager's Office, Public Works Department and the Community Services Department.

### **FISCAL IMPACT**

There will be no impact to the City's General Fund as this is entirely funded by grant funds. The City may have to identify funding for the Pallet Shelter operational costs if certain grants become unavailable. The program will require a significant allocation of staff time from the Public Works, Community Services Department, and City Attorney's Office for set up and logistics.

Source	Amount	Program
Supervisor Hahn CDBG grant	\$82,342.53	Homeless Court
SBCCOG Innovative Grant	\$185,130	Homeless Court
Assembly Muratsuchi AB 178	\$500,000	Homeless Court
CCGOIHS Grant	\$584,000	Pallet Shelter Operational Costs
CEO-HI	\$40,000	Pallet Shelter Operational Costs
DHS	\$45,000	DHS Admin fee
Measure H funds	\$250,000	Pallet Shelter capital improvements
<b>Total Grants Awarded</b>	<b>\$1,686,472.53</b>	

### **ATTACHMENTS**

- Resolution for SBCCOG grant
- Resolution for County CDBG grant
- Drawings

- Toro Quote