

STATUTORY EXEMPTION and BUDGET AND FINANCE COMMITTEES' REPORT relative to the Fiscal Year (FY) 2025-26 Fourth Homelessness Funding Report.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. FIND that the funding allocation, lease, and continued use for a period of up to five years for the Residential Interim Housing/Low Barrier Navigation Center (LBNC) at 600 East 116th Place, for those experiencing homelessness, are statutorily exempt from the California Environmental Quality Act (CEQA) under Public Resources Code (PRC) Section 21080.27.5, applicable to LBNCs; PRC Section 21080.10(c) as a contract approval providing homelessness services; and, Government Code Section 8698.4(a)(4), governing homelessness shelter projects under a shelter crisis declaration.
2. APPROVE the recommendations contained in the City Administrative Officer (CAO) report dated August 21, 2026, attached to the Council file, as amended to add the following instruction to Recommendation No. 50:

INSTRUCT the CAO and the General Services Department (GSD) to work with a brokerage firm, renegotiating hotel contracts to also explore alternative sites, including but not limited to recently transitioned sites, Roadmap sites, and previous interim housing sites.

Fiscal Impact Statement: The CAO reports that there is no General Fund impact as a result of the recommendations in the report. The recommendations in the report utilizes budgeted the City's General Fund previously approved for homelessness interventions as well as the Homeless Housing, Assistance, and Prevention (HHAP) grant funds.

Financial Policies Statement: The CAO recommendations in the report comply with the City's Financial Policies in that budgeted funds are being used to fund recommended actions.

Community Impact Statement: None submitted

SUMMARY

At its meeting held on September 15, 2026, the Budget and Finance Committee considered the CAO report, dated August 21, 2026, and the Bureau of Engineering (BOE) report, dated August 24, 2026, relative to the Second Homelessness Funding Report for FY 2026-27. The CAO and BOE reports detail the Statutory Exemption determination from CEQA for the funding allocation, lease, and continued use of Residential Interim Housing/LBNC at 600 East 116th Place in Council District (CD) 15. The CAO report details the recommendations authorizing the General Services Department to enter into a lease agreement for a Tiny Home Village (THV) site in CD 15, funding for a Project Homekey 3.0 (Homekey 3) interim housing site in CD 12, additional funding for a Homekey 3 interim housing site serving Transitional Age Youth (TAY) in CD 4, reprogramming of HHAP funding, funding to support leasing costs of 11 existing interim housing sites, funding to support the deconstruction of an A Bridge Home Site in CD 15 and a Safe Sleep site in CD 9, and funding to support the replacement of eight pallet structures at a THV site located in CD 14. The CAO report also details recommendations relative to HHAP funding for various TAY Homelessness programs, reimbursement for FY 2025-26 staffing costs for homelessness-related activities, transfers from the Homelessness Emergency Account (HEA) to City departments, and increased appropriations in the HEA to reflect County of Los Angeles (County) reimbursements received for City costs related to City-County Inside Safe encampment operations. Councilmember Yaroslavsky introduced a Motion to add language to Recommendation No. 50, which was seconded by Councilmember Blumenfield, instructing the CAO and GSD to work with a brokerage firm, renegotiating hotel contracts to also explore alternative sites, including but not limited to recently transitioned sites, Roadmap sites, and previous interim housing sites.

After an opportunity for public comment was held, the Budget and Finance Committee moved to approve the recommendations contained in said CAO report, as amended to incorporate the additional language to Recommendation No. 50, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
YAROSLAVSKY:	YES
BLUMENFIELD:	YES
HUTT:	YES
McOSKER:	YES
HERNANDEZ:	YES

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-NOT OFFICIAL UNTIL COUNCIL ACTS-