

Public Counsel, Public Interest Law Project, and Sidley Austin LLP submit the following comments regarding the City of Pomona 2017 Draft Amended Housing Element of the General Plan (“Draft Amendment”) submitted to the Department of Housing and Community Development (HCD) via email on November 14, 2017. Our review includes the Technical Appendices submitted with the Draft Element.

A. The Housing Element planning process requires meaningful public participation.

The City of Pomona (“City” or “Pomona”) is required to make a diligent effort to achieve participation of all economic segments of the population in the development of the housing element, as set forth in Government Code Section 65583(c)(8). As described below, the City’s efforts to comply with Section 65583(c)(8) fall far short of the law’s requirements.

The City adopted its 2013-2021 Housing Element on February 7, 2014 (“Adopted Element”). The City made the draft available to the public less than a month prior to adoption. The Adopted Element does not expressly state its outreach efforts in connection with the development of the element, but rather cites outreach for the City’s consolidated planning process. (See HCD letter to Linda Lowry dated May 19, 2014 and HCD letter to City of Pomona, Appendix attached thereto dated Jan. 31, 2014, attached together as Exhibit A.) A consolidated plan is a five-year planning document jurisdictions that receive certain U.S. Department of Housing and Urban Development (HUD) funding are required to prepare and submit to HUD. . Consolidated planning considers the community’s priorities in the use of these federal funds, not how to facilitate and plan for housing development or the governmental and non-governmental barriers to such development that is required under the housing element planning process.

Although there may be some overlap in the issues discussed and among the stakeholders invited to participate in the development of a housing element and those invited to participate in the development of a consolidated plan, the issues and stakeholders are not identical. Further, it is unclear whether what discussion of the housing element requirements were included in the City’s consolidated planning process. Certainly, the community survey results included in the Adopted Element do not identify housing element requirements. See Appendices, page 28. The public participation engagement for the Draft Amendment duplicates the same insufficient process that the City followed when the Adopted Element was drafted. That insufficient process was not corrected in the intervening years.

Since 2015, the City has had several public meetings to take actions required to comply with SB 2 and designate zones where emergency shelters may operate without discretionary review. *See* Appendix B to Draft Amendment, pp. 27-28. These meeting dates and outcomes are included in the Draft Amendment. It should be noted however that the narrow focus of these necessary meetings were to implement particular housing element programs and are in addition to the requirements described in Government Code Section 65583(c)(8). In other words, the public participation involved in the SB 2 effort do not cure the failure to engage the public on the Adopted Element or the Draft Amendments as a whole.

The statute requires public participation in the development of the housing element and in order for the public to be involved *in the development of* the housing element the public has to be part of the discussion and review of the housing element before the City submits a draft to HCD for review. It is impossible to include what stakeholder's comments were at public outreach and whether the housing element revisions considered these comments when drafting the housing element if the public outreach occurs after the draft revisions were complete. *See* Appendices, p. 27, "WILL INSERT COMMENTS WHETHER THERE WERE COMMENTS AT THIS MEETING."


Required actions: The City must engage public participation in the development of the necessary further revisions to its housing element prior to creating a final version for City Council approval. **At a minimum, the City must hold one community meeting focused on improving the City's ability to meet the housing needs throughout the City. This meeting must be well advertised in multiple languages. The City must hold the community meeting separately from a public meeting to adopt or review the housing element. Subsequent to this community meeting, the City must make the Draft Amendment available to the public for at least 30 days prior to re-submitting the Draft Amendment to HCD.**

Public Counsel can help to identify which organizations or entities should be invited to the community meeting.

B. The City must provide further analysis to justify the figures it uses to count toward its Regional Housing Need Allocation, particularly for lower income households.

The City's Regional Housing Need Allocation (RHNA) is 3,626 units, including a RHNA of 1,462 for lower income households.

Extremely Low Income (ELI)	Very Low Income (VLI)	Low Income (LI)	Moderate Income	Above-Moderate Income	Total
456	463	543	592	1572	3626



Total Lower Income Households (ELI, VLI, LI)	1462
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The City is permitted to take credit toward its RHNA for units affordable to low-, very low-, and extremely low-income households if those units are approved, under construction, or will be completed within the planning period. See [HCD's Publication, Building Blocks: A Comprehensive Housing-Element Guide](#). In the Draft Amendment, the City attempts to take credit for affordable units that are neither approved nor constructed, but are simply "under review" – this is impermissible. Table 10.3-3 therein lumps approved projects and projects under review in the same category, to claim a total of 241 units. See Draft Amendment, p. 42. It is unclear how many of the 241 units are "under review" and how many units actually obtained approval and can legitimately be counted toward meeting the City's RHNA. The narrative beneath Table 10.3-3 does not answer this question, and simply refers to 241 approved units, 62 units under review, and 3 potentially non-deed restricted units that have affordable rents for very low-income households. Any units included on Table 10.3-3 that are not deed restricted and are affordable to very low or low income households should also identify the rent charged and where the rent information was obtained.

Required actions: The City must supply rental rate information about non-deed restricted units to justify taking credit for these units to reduce the RHNA. The City must also remove any unapproved units “under review” from the RHNA calculation on Table 10.3-3. Until further information is provided, the City should only reduce its RHNA by the number of units constructed, as the number of units approved versus the number of units under review is unclear. The chart below reflects the lack of clarity on the remaining RHNA.

	Extremely Low Income (ELI)	Very Low Income (VLI)	Low Income (LI)	Moderate Income	Above-Moderate Income
RHNA	456	463	543	592	1572
Subtract					
Units Constructed	0	65	?	174	185
Units Approved	?	?	?	?	?
Remaining RHNA	456	398	543	418	1387

Total for all income levels ¹	3202
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C. Summary of Land Inventory: The Draft Amendment does not contain adequate sites to accommodate 100 percent of the RHNA.

Appendix A to the Draft Amendment includes the inventory of sites required pursuant to Government Code Section 65583(a). The deficiencies in this inventory are discussed in the following section. The Draft Amendment contains a summary of the available sites on Table 10.3-2. (See Draft Amendment, p. 10-41.) Table 10.3-2 raises several questions and also requires some edits. It does not indicate what sites are available to meet the housing needs of which income group but only shows an aggregate total. For instance, the Table 10.3-2 identifies a capacity for 125 units available for all income levels on the City’s identified vacant sites. But in actuality, only 1.43 acres of vacant land are identified as medium density multi-family vacant, sites that could possibly meet the housing needs of lower income households, while all of the

¹ This number will change depending on the number of units approved s determined, instead of the number of units under review.

remaining vacant acreage is comprised of low-density residential sites available to accommodate the housing needs of above-moderate income households.

Table 10.3-2 also includes a category titled “Short-Term and Short-Med Term” with a capacity of 2,487 units affordable to low, moderate and above-moderate income households. It is unclear what sites in the land inventory are included in this category, and whether these sites are separate from the other categories identified, or if some of the other sites identified are subsumed within this newly added category.

Table 10.3-2 also misrepresents the available sites to meet the City’s RHNA. As the only sites potentially available and suitable to accommodate the RHNA must be included in the land inventory in Appendix A, and identified pursuant to Government Code Section 65583.2(b), none of the Short-Term or Short-Mid Term sites included in Table 10.3-2 can be counted as available and suitable to accommodate the RHNA for any income level. The chart does not assist in determining whether the City has an adequate sites inventory. This was also HCD’s conclusion when it reviewed the City’s Adopted Element. The Draft Amendment does not include the additional information needed to satisfy HCD’s concern.

Required actions: the City must include a program to rezone additional sites to accommodate the 1,370 unit shortfall of as required by Government Code Section 65583(c)(1)(A). Although there are potential issues with the inclusion of individual parcels in the inventory, even assuming *arguendo* that all sites in the inventory should be included as feasible sites, Table 10.3-2 should reflect the inventory as follows:

Available sites	Capacity (units)	Income Level
Vacant R-2, R-3 sites	125	Above-moderate, Moderate (due to parking requirements)
Underutilized Sites	340	Above-moderate, Moderate (due to parking requirements)
MU-HDR, MU-CBD	1365	Above-moderate, Moderate, Low and Very-Low Income
Total	1830	All income levels
Remaining RHNA	3202	All income levels
Shortfall	1370	All income levels

D. The City's land inventory is insufficient.

1. Capacity Calculation must engage site-specific analysis

When HCD reviewed the City's Adopted Element, the Department indicated that the element lacked the required analysis to indicate whether the inventory of sites was adequate to accommodate the City's RHNA in all income categories. One issue highlighted in HCD's January 31, 2014 letter was that the capacity of the Downtown sites was calculated both at the maximum and potentially minimum capacities. Table 10-3.-2, referenced above, indicates that the City is calculating the capacity of those sites at a minimum density of 40 units/acre. The City is allowed to do so if there is a minimum density required for those sites. (*See* HCD Memorandum: [Inventory and Suitability of Sites/Default Densities](#) (AB 2348), June 9, 2005.) At the time the housing element was adopted there was no minimum density required for these sites but the element included a program that would establish minimum densities for these sites. The Draft Amendment includes Program 2.13 that commits the City to amending the Downtown Specific Plan to establish minimum densities but the deadline for this action states 2014, and was not revised accordingly.

***Required actions:* The Downtown Specific Plan must immediately be amended to establish minimum densities of 40 units/acre the capacity calculation in order to include these sites at the capacity the City is relying on to meet its RHNA.** Otherwise, the City must include additional analysis to show that potential development on these parcels is likely to result in the stated capacity.

The Draft Amendment also adds Table 1.2-4 identifying potential residential development in the Corridor Specific Plan but none of these sites are identified by parcel, establishing the size of the parcel, evaluating possible constraints, or identifying the capacity calculation as required by Government Code Section 65583.2(b). **The Draft Amendment must include this site-specific analysis for these sites or it cannot count these sites in the inventory.**

2. Suitability of Downtown Specific Plan Sites

Many of these sites are very small in size (.18, .14, .12 acres, etc.) and, independently, are not feasible to support residential development.

***Required actions:* The City must include a program to facilitate lot consolidation if it includes many small parcels that are adjacent to each other. Any small sites that are not contiguous should be removed from the inventory.**

3. Redevelopment Potential of Underutilized R-3 Parcels

The Draft Amendment continues to rely on many very small parcels to accommodate its RHNA on under-utilized R-3 sites. *See* Appendix I, p.4.

***Required actions:* First, very small sites are only feasible if the City can facilitate consolidation of these sites: determining if there is common ownership, contiguous parcels, and a program to waive or reduce fees to consolidate the parcels.** Second, the City needs a program to facilitate the redevelopment of these under-utilized sites, as these sites make up a considerable percentage of all sites to accommodate the RHNA, and none has any indication of owner interest in redeveloping the property. For instance, Parcel 8357002061 is a nursing home, and the Draft Amendment indicates that future lot assembly potential is high because of adjacent single-family properties. But the Draft Amendment does not indicate what the basis for

redevelopment potential is, or if there is ownership interest in redeveloping this operational nursing home during the current planning period. Also, as described below, the parking requirements for R-3 sites are too burdensome for these sites to support affordable housing.

E. Emergency shelter zoning: further analysis of the unmet shelter need and extension of the overlay zone is necessary.

Subdivision (a)(4)(A) to Government Code section 65583 requires the City to calculate the need for emergency shelter, identify zone or zones with suitable sites where emergency shelters are permitted without discretionary approval, and demonstrate that the designated zones have sufficient capacity to accommodate that need.

1. Calculating the emergency shelter need

Government Code section 65583, subdivision (a)(7) requires a specific identification and analysis of housing needs and resources for the City's homeless special needs population, and HCD specifies that this also requires an inventory of resources and calculation of unmet need.

Relying on HCD's guidance for identifying and analyzing needs and resources, the following is an acceptable methodology for determining the unmet emergency shelter need:

1. **Determine unsheltered homeless count:** Determine the total daily average number of unsheltered persons, including, if possible, a breakdown of the number of single males, single females, and families with children. Datasets are available for the 2017 Greater LA Homeless Count that break down the number of unsheltered homeless persons by jurisdiction. The number of unsheltered homeless persons must take into account seasonal and year-round need.
2. **Subtract existing beds and units that are *vacant and available to the homeless population*:** Determine the number of available and existing resources available to persons experiencing homelessness in the community, including shelter beds, transitional housing and supportive housing units. Count only vacant and available beds or units. Also, take into consideration whether available beds/units match the needs of Pomona's homeless population. For example, if a jurisdiction has only one shelter, and the shelter does not accept families, any

available beds in that shelter should not be counted as an available resource for the family portion of the homeless population.

3. **Subtract qualifying pipeline beds and units:** The unmet need for shelter beds can be reduced by taking into account certain beds or units that are in the pipeline for production *during the housing element planning period*.

(See HCD Memorandum: [Local Planning and Approval for Emergency Shelters and Transitional and Supportive Housing](#) (“HCD SB 2 Memo”), May 7, 2008 (updated Apr. 10, 2013), pp. 7-8.)

The information in the Draft Amendment regarding the number of emergency shelter beds and the unmet need is confusing. The narrative on pages 10-51 and 10-52 cites the State of Homelessness in Pomona Report to establish that there are 910 homeless individuals in the City, of which 324 are sheltered (with presumably 586 unsheltered), and that there are a total of 2,248 beds available. This cited number of beds available appears to be overstated, particularly since there is no indication that the units listed are set aside or even prioritized for individuals and/or families experiencing homelessness.

The Draft Element then provides information in Table 10.4-2, identifying homeless population bed availability and gap analysis (2013), concluding that the estimated unmet need is 390 beds. (Draft Amendment, p. 10-52). This figure correlates to the 390 unsheltered homeless counted in Pomona according to the January 2017 LAHSA Homeless Count. However, the calculations do not reflect the actual number of beds currently available, which is less than what is stated. Apparently the City included every rent restricted, or affordable unit as an available “bed” even if the units are not available and certainly not specifically intended to provide shelter for people experiencing homelessness.

***Required action:* the City must employ the methodology provided above, carefully taking into consideration whether available beds/units match the needs of Pomona’s homeless population.** For example, if a given shelter does not accommodate families, the City should not count any available beds in that shelter as an available resource for the family portion of the homeless population.

2. The existing emergency shelter overlay may not have sufficient capacity to accommodate the unmet shelter need.

As identified in the Draft Amendment, the City Council approved two adjacent sites totaling less than 4 acres as the emergency shelter overlay zone: 1390 E. Mission Blvd. and 1400 E. Mission Blvd. (Id., p. 10-53.) These are the only two sites where emergency shelters may operate without a conditional use or other discretionary approval process. As identified in the Draft Amendment, 1390 E. Mission Blvd. has a 71 by right bed capacity, and 1400 E. Mission Blvd has a 309 by right bed capacity. (Id., p. 10-53, Table 10.4.3.)

The City owns and controls both 1390 and 1400 E. Mission Blvd. and is moving forward with plans to build a shelter on 1400 E. Mission Blvd. On November 6, 2017, the City awarded a contract to TELACU Construction Management for design-build services for the essential service areas of a year-round emergency shelter. (Nov. 6, 2017 Council Report, attached hereto as Exhibit B). The floor plan for the essential services area attached to the Council Report indicates that 1400 E. Mission will accommodate less than 309 people.

The proposed emergency shelter will provide separate sleeping areas for men and women. On the men's side, the shelter will offer 131 beds, and identifies a maximum occupancy permissible by code as 166. On the women's side, the shelter will offer 88 beds, and identifies a maximum occupancy of 109 beds. Thus, the maximum occupancy is 275 persons, and the actual number of beds provided will be 219. There is no indication that the shelter can accommodate families with children. Even if the shelter expanded to maximum occupancy, it would provide less than 309 beds. With a maximum capacity of 71 beds on the only other available site, 1390 E. Mission, the City cannot claim that its emergency shelter zone has sufficient capacity to meet its entire unmet shelter need.

Further, there are potential restrictions on the use of the entire 1390 E. Mission site due to the use of part of the site for the City's utility usage. When the City purchased the 1390 E. Mission Blvd. site, it used Water Resources Fund Balance dollars, along with other resources, to purchase the parcel. The use of the Water Resources Funds were to allow the City to use 20,000 square feet of the site for water utility access – thus the utility usage will prevent the entire parcel being used for shelter purposes during this planning period. (See Council Report, Aug. 7, 2017, attached hereto as Exhibit C.)

Required action: Extend the Emergency Shelter Overlay. The City must designate additional sites where the Emergency Shelter Overlay applies to ensure the City has the capacity for shelters that will accommodate the need identified by the City. When additional sites are selected they should follow HCD’s guidance regarding the suitability of shelter sites: “The element should consider what other uses are permitted in the zone and whether the zone is suitable for residential or emergency shelters.” The Department expands on an example involving an industrial zone with heavy manufacturing, which “may have environmental conditions rendering it unsuitable for residential or shelter uses.” HCD SB 2 Memo, at 8-9.

The sites surrounding 1390 and 1400 E. Mission Blvd. consist of active industrial uses, including various types of auto repair, recycling centers, and, immediately adjacent to 1400 E. Mission, a transfer station – a processing site for the temporary deposition of waste. Additional overlay shelter sites should be selected following the HCD guidance above and be located in areas where other residential purposes are permitted as well as in close proximity to necessary services.

F. Pomona must analyze and address constraints to housing development.

The City must present its analysis of both governmental and non-governmental constraints to housing development in its housing element in order to satisfy Government Code Section 65583(a)(5) and (6). Potential governmental constraints can include design and development standards that are overly burdensome and may discourage development of a variety of housing types, as well as make housing development infeasible.

1. Conditional use requirement for mobile homes may be a constraint to affordable housing development.

The City’s zoning code requires a Conditional Use Permit (CUP) for mobile home developments within the Residential–Manufactured Housing Development (MHD) Zone. The CUP process is expensive and can be lengthy. (*See* Draft Amendment, p. 10-62, Table 10.4-6.) Because mobile homes may be a source of affordable housing for the Pomona community, the City should evaluate whether the CUP process for mobile home parks is a constraint on the

development of these sites. If it is a potential constraint, the City should include a program to minimize this constraint.

***Required action:* The City should create a ministerial process for review of any proposals by establishing objective guidelines for mobile home parks and amending the zoning code to remove the CUP requirement within the mobile home park zone.**

2. The City should reduce the parking requirements in the R-3 Zone to facilitate affordable housing development.

The City's land inventory relies on under-utilized R-3 sites as part of the inventory. In addition to the issues described above with the redevelopment potential of these sites, the parking requirements in the R-3 zone also impose a barrier to developing these sites for affordable housing. The R-3 sites require two (2) car parking garage per unit which can add costs to a proposed affordable housing development and make it infeasible for affordable housing.

***Required action:* Similar to the Senior Housing Overlay, which requires less parking per unit, the City should include a program to mitigate this constraint.** Otherwise the City cannot claim to rely on these sites for low, very low, or extremely low income housing, but rather for housing affordable to moderate or above-moderate income households only.

G. The Housing Element requires specificity in its programs and schedules of actions.

Every housing element must contain programs with a schedule of actions, each with a timeline for implementation that will result in beneficial impact within the planning period. (Gov. Code § 65583(c).) HCD's findings letter stated that the City's housing element lacked the required specificity in a number of programs. The Draft Amendment also does not include the required specificity. In addition, the City's special housing needs analysis reveals a need for a program to help facilitate housing for large families.

Regarding the necessary specificity in particular programs there is still more work to be done. For instance, Program 2.2 includes an action to explore the feasibility of creating transitional housing. But there are no specifics about how that action will be implemented and how a decision will be made.

Required actions: These specifics must be included in the program. With respect to Program 2.13, which is included in the 2014 adopted element, HCD requested the City include a description of specific actions. The Draft Amendment does not include any other actions than the adoption of minimum densities and does not respond to HCD's specific request for more specificity of how the City will encourage development at higher densities. Compare this to Program 2.6, which identifies a goal of remedying code issues in mobile homes and the actions described include a quantification of the number of homes that will be assisted each year.

HCD's 2014 letter clearly indicates greater specificity is required regarding the City's program to help preserve the units at-risk of converting to market rents during the planning period. **Program 2.12 needs additional specifics regarding how often outreach to owners will occur and what information the City will provide to owners.** Also, the Draft Amendment identifies a particular subsidized development – Emerson Village – where the contract will expire in January of 2018. **The City should include in Program 2.12 what specific efforts it will make to ensure the contract at Emerson Village is renewed.**

Additional programs are also necessary. The City's analysis of special housing needs indicates that seniors make up 8 percent of Pomona's population. *See* Draft Amendment p. 10-21. The City adopted a senior housing overlay to help facilitate the production of housing for seniors. **Meanwhile, large families make up 29 percent of the City's population and make up 29 percent of the renter population – yet there are no programs to help incentivize the production of rental housing with multiple bedrooms to address this special housing need. A revised housing element should include such a program.**

H. The Housing Element must contain a statement of Quantified Objectives.

The housing element must contain a statement of the City's quantified objectives. (Gov. Code Section 65583(b).) The quantified objectives are a result of considering the land and financial resources, constraints, and other factors to determine what number of units, by income category, could be constructed, rehabilitated or conserved during the planning period. The City has included its total RHNA for each income category, which indicates that the City did not actually engage in the analysis required to develop its quantified objectives. As an example, few cities have the financial resources to ensure the construction of all of the required affordable

housing. Pomona's housing element does not identify funding sources to construct all of the RHNA.

Required actions: The City must revise its quantified objectives to reflect a realistic result of the City's resources.

ATTACHMENTS

Exhibit No.	Documents
A	City of Pomona 2013-2021 Housing Element Determination Letters May 19, 2014, letter from HCD to Linda Lowry, City of Pomona Jan. 1, 2014, letter from HCD to Mark Lazzaretto, City of Pomona, and Appendix attached thereto
B	Nov. 6, 2017, City of Pomona Council Report Subj: Award of Contract to TELACU Construction Management for Design-Build Services for the Essential Service Areas of “Year-Round Emergency Shelter” Project No. 428-2590-XXXXX-71044, for a Not-to-Exceed Amount of \$3,890,017, relevant attachments thereto
C	Aug. 7, 2017, City of Pomona Council Report Subj: Adopt a Resolution to Approve the Purchase of Real Property Located at 1390 E. Mission Boulevard, APN 8327-014-005 for \$861,300; Amend the FY 2017-18 Capital Improvement Program (CIP) Budget by Creating a New CIP Public Facility Project, “Emergency Shelter Annex/Water Utility Access,” Project No. 428-2590-XXXXX-71053 and Appropriate to that Project \$584,424 of Available Neighborhood Stabilization Program (NSP1) Funds and \$316,876 of Water Resources Department (WRD) Fund Balance

EXHIBIT A

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
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May 19, 2014

Ms. Linda Lowry, City Manager
City Hall - 2nd Floor
505 S. Garey Ave.
Pomona, CA 91766

Dear Ms. Lowry:

RE: The City of Pomona's 5th Cycle (2013-2021) Adopted Housing Element

Thank you for submitting the City of Pomona's housing element adopted February 3, 2014 which was received for review on February 21, 2014. Pursuant to Government Code Section 65585(h), the Department is reporting the results of its review. Our review was facilitated by a telephone conversation with Ms. Maria Garcia, of the Housing Division.

Pomona's adopted element needs revision to comply with State housing element law (GC, Article 10.6). Please refer to the Department's prior January 31, 2014 review for the description of all the findings the housing element must address.

The City adopted its 5th cycle housing element within 120 calendar days from the statutory due date of October 15, 2013 for SCAG localities. Therefore, the housing element planning period stays on the eight year planning cycle pursuant to provisions of Senate Bill 375 (Chapter 728, Statutes of 2008).

Department staff are available to continue assisting City staff to revise the housing element. If you have any questions or need additional technical assistance, please contact Melinda Coy, of our staff, at (916) 263-7425.

Sincerely,

Glen A. Campora
Assistant Deputy Director

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
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January 31, 2014

Mr. Mark Lazzaretto
Director of Planning and Housing
City of Pomona
505 S. Garey Avenue
Pomona, CA 91769

Dear Mr. Lazzaretto:

RE: Review of the City of Pomona's 5th Cycle (2013-2021) Draft Housing Element

Thank you for submitting the City of Pomona's draft housing element received for review on January 28, 2014, along with additional revisions received on January 31, 2014. Pursuant to Government Code Section 65585(b), the Department is reporting the results of its review. Our review was facilitated by a telephone conversation with you on January 30, 2013.

The draft element addresses many statutory requirements; however, revisions will be necessary to comply with State housing element law (Article 10.6 of the Government Code). In particular, the element must include a complete analysis of sites, and demonstrate how programs will beneficially impact the community within the planning period. The enclosed Appendix describes these and other revisions needed to comply with State housing element law.

To remain on an eight year planning cycle, pursuant to Senate Bill 375 (Chapter 728, Statutes of 2008) the City must adopt its housing element within 120 calendar days from the statutory due date of October 15, 2013 for SCAG localities. If adopted after this date, Government Code Section 65588(e)(4) requires the housing element be revised every four years until adopting at least two consecutive revisions by the statutory deadline. For more information on housing element adoption requirements, please visit our website at: http://www.hcd.ca.gov/hpd/hrc/plan/he/he_review_adoptionsteps110812.pdf.

We are committed to assist Pomona in addressing all statutory requirements of housing element law. If you have any questions or need additional technical assistance, please contact Melinda Coy, of our staff, at (916) 263-7425.

Sincerely,

Glen A. Campora
Assistant Deputy Director

Enclosure

APPENDIX CITY OF POMONA

The following changes would bring Pomona's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on the Department's website at www.hcd.ca.gov/hpd. Among other resources, the Housing Element section contains the Department's latest technical assistance tool, *Building Blocks for Effective Housing Elements (Building Blocks)*, available at www.hcd.ca.gov/hpd/housing_element2/index.php and includes the Government Code addressing State housing element law and other resources.

A. Housing Needs, Resources, and Constraints

1. *Include an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites (Section 65583(a)(3)). The inventory of land suitable for residential development shall be used to identify sites that can be developed for housing within the planning period (Section 65583.2).*

Pomona has a regional housing need allocation (RHNA) of 3,626 housing units, of which 1,462 are for lower-income households. To address the need, the element relies on constructed, approved, and pending developments, vacant infill opportunities, and redevelopment on underutilized parcels. To demonstrate the adequacy of these sites and strategies to accommodate the City's RHNA, the element must include complete analyses:

Progress in Meeting the RHNA: The element indicates 892 units are under construction, approved, or pending approval but provides no information on the affordability of the units. As you know, the City's RHNA may be reduced by the number of new units built or in the process of construction since January 1, 2014. However, the element must describe the City's methodology for assigning units to the various income groups based on actual sales price or rent level of the units and demonstrate their availability in the planning period. In addition, Table I.2-2 indicates the project on 565 W.2nd has been completed but provides no date for completion. Please note, the City can only take credit for units built or intended to be built within the projection period.

Realistic Capacity: It appears Table 10.3-2 uses the maximum allowable residential density in the TOD planning area to calculate whether there is sufficient capacity to accommodate the City's RHNA. The sites inventory, Table I.2-3 includes both the potential capacity at the minimum and the maximum densities. Should development occur at minimum densities in the TOD planning area, it does not appear that the element has sufficient capacity to accommodate the RHNA. Should the element rely on maximum allowable densities to calculate capacity the element must demonstrate how the calculation accounted for land-use controls and site improvements, including height limits and floor area ratios.

Please be aware, pursuant to Government Code Section 65863, local governments must ensure the inventory of sites or any site programs accommodate the regional housing need throughout the planning period of the element. In addition, no local government action shall reduce, require or permit the reduction of the residential density for any parcel, or allow development of any parcel, at a lower residential density than identified in the site inventory or program unless the local government makes written findings. The required findings must demonstrate the reduction is consistent with the adopted general plan, including the housing element and the remaining sites identified in the housing element are adequate to accommodate the jurisdiction's share of the regional housing need. "Lower residential density" means fewer units on the site than were projected by the jurisdiction site capacity calculation.

B. Housing Programs

1. *Include a program which sets forth a schedule of actions during the planning period, each with a timeline for implementation, which may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element through the administration of land use and development controls, the provision of regulatory concessions and incentives, and the utilization of appropriate federal and state financing and subsidy programs when available. The program shall include an identification of the agencies and officials responsible for the implementation of the various actions (Section 65583(c)).*

Programs should be revised for compliance with Government Code Section 65583 in order to ensure the beneficial impacts of the programs within the planning period. To address the program requirements of Government Code Section 65583)(c)(1-6), and to facilitate implementation, programs should include: (1) a description of the City's specific role in implementation; (2) definitive implementation timelines; (3) objectives, quantified where appropriate; and (4) identification of responsible agencies and officials. Programs to be revised include the following:

Program 1.2: Provide timing for when the City review neighborhoods and establish the prioritization list and specific plan.

Program 1.6: Describe the type of assistance that will be offered and how the City will implement this program.

Program 1.8 and Program 2.15: Describe when the City will implement the program.

Program 2.3: Describe the specific actions the City will take to explore creating transitional housing and when these actions will occur.

Program 2.4: Describe the specific changes the City will make to the zoning code. Pursuant to SB 2 Transitional and Supportive housing must be considered a residential use and subject only to restrictions that apply to other residential dwellings of the same type in the same zone.

Program 2.13: Describe how the City will encourage the construction of residential projects at intensities high enough to facilitate the development of the Downtown TOD district.

Program 3.2: Describe how the City will encourage developers.

2. *Identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels, including rental housing, factory-built housing, mobilehomes, and emergency shelters and transitional housing. Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall provide for sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by right, including density and development standards that could accommodate and facilitate the feasibility of housing for very low- and low-income households (Section 65583(c)(1)).*

As noted in Finding A1, the element does not include a complete site analysis and therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types.

The element includes Program 2.16 to amend the zoning ordinance establishing an overlay where emergency shelters can be developed by right pursuant to SB 2. Please be aware, as the City did not amend the ordinance within one year of adoption of the previous housing element pursuant Government Code Section 65583(a)(4)(A), the Department cannot find the element in compliance until the ordinance is amended accordingly.

3. *The housing element shall contain programs which assist in the development of adequate housing to meet the needs of extremely low-, very low-, low- and moderate-income households (Section 65583(c)(2)).*

The element identifies a significant population of persons with developmental disabilities. Therefore the element should include a program and identify resources to adequately address the housing needs. For example, the element could include programs to seek State and Federal monies, in support of housing construction and rehabilitation targeted for persons with disabilities, provide regulatory incentives, such as expedited permit processing and fee waivers and deferrals, reach out to developers of supportive housing, and work with the Regional Center to implement an outreach program informing families within the City of housing and services available for persons with developmental disabilities.

4. *The housing program shall promote equal housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin or color (Section 65583(c)(5)).*

Program 4.1 should describe the City's role in addressing fair housing complaints and identify the organization the City contracts with for fair housing compliance services. In addition, the element should include specific commitment to disseminate fair housing information throughout the City in a variety of public locations and to establish a process to refer or resolve fair housing complaints.

5. *The housing program shall preserve for low-income household the assisted housing developments identified pursuant to paragraph (8) of subdivision (a). The program for preservation of the assisted housing developments shall utilize, to the extent necessary, all available federal, state, and local financing and subsidy programs identified in paragraph (8) of subdivision (a), except where a community has other urgent needs for which alternative funding sources are not available. The program may include strategies that involve local regulation and technical assistance (Section 65583(c)(6)).*

The element identifies 164 housing units at-risk of converting to market-rate within the next 10 years. The element must include specific and proactive actions to preserve these units. For example, the element could revise Program 2.12 to ensure compliance with noticing requirements and include a tenant education component, consider pursuing funding, and commit the City to contacting non-profits immediately to develop a preservation strategy by a date certain and be ready to quickly act when notice of conversion is received. Additional information and resources are available at the California Housing Partnership Corporation (<http://www.chpc.net/>).

C. Public Participation

Local governments shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the element shall describe this effort (Section 65583(c)(8)).

While the element includes a summary of the public participation for the consolidated plan, it does not demonstrate how the City has or will make a diligent effort to achieve the involvement all economic segments of the community through the adoption process of the housing element. The element should be revised to specifically describe the City's efforts to circulate the housing element among low- and moderate-income households and organizations that represent them and describe any public meetings related specifically to the housing element.

D. Consistency with General Plan

The City should also note recent statutory changes to Government Code Section 65302 (Chapter 369, Statutes 2007 [AB 162]) which requires amendment of the safety and conservation elements of the general plan to include analysis and policies regarding flood hazard and management information. In addition Chapter 311, Statutes of 2012 (SB 1241) requires Cities and Counties to address fire risk in the safety element of their general plans. Both provisions must be addressed *upon the next chapter of the housing element*.

EXHIBIT B



CITY OF POMONA COUNCIL REPORT

November 6, 2017

To: Honorable Mayor and Members of the City Council

From: Linda Lowry, City Manager

Submitted by: Benita DeFrank, Neighborhood Services Director

Subject: **Award of Contract to TELACU Construction Management for Design-Build Services for the Essential Service Areas of “Year-Round Emergency Shelter” Project No. 428-2590-XXXXX-71044, for a Not-to-Exceed Amount of \$3,890,017**

OVERVIEW

Recommendation – That the City Council:

1. Award a contract to TELACU Construction Management for Design-Build Services for the Essential Service Areas of “Year-Round Emergency Shelter” Project No. 428-2590-XXXXX-71044, for a Not-to-Exceed Amount of \$3,890,017;
2. Authorize the City Manager to execute the contract, any subsequent change orders and other documentation necessary on behalf of the City; and,
3. Find that “Year-Round Emergency Shelter”, Project No. 428-2590-XXXXX-71044, is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15332, Class 32 (In-fill Development) in that, 1) the proposed project is consistent with the General Plan and Zoning Ordinance; 2) the parcel is smaller than five acres; 3) the project site has no value as habitat for endangered, rare or threatened species; 4) this project will not have significant effects upon the environment and; 5) the site can adequately be served by utilities and public services.

Fiscal Impact – Project No. 428-2590-XXXXX-71044 has a budget of \$5,740,000. Expenditures and encumbrances to date are \$1,799,467, thus leaving a balance of \$3,940,533 available for this action.

Previous Related Action – On November 21, 2016, the City Council approved the purchase of 1400 E. Mission and the creation of Project No. 428-2590-XXXXX-71044 “Year-Round Emergency Shelter”, also known as the Centralized Service Center. On May 1, 2017, the City Council approved the appropriation of \$4,000,000 of AH Low Mod Bond Proceeds to Project No. 428-2590-XXXXX-71044 for the construction of the Year-Round Emergency Shelter/Centralized Service Center. On January 9, 2017, the City Council adopted the

Strategic Plan on Homelessness – “A Way Home” which proposed strategies to develop a year-round shelter and centralized service center to address the needs of the unsheltered homeless of Pomona.

EXECUTIVE SUMMARY

Approving an award of contract for design-build services to TELACU Construction Management (TELACU) will allow for the design and construction of the Essential Service Areas of the Year-Round Emergency Shelter (Project No. 428-2590-XXXXX-71044), also known as the Centralized Service Center. On July 11, 2017, the City of Pomona issued a Request for Qualifications (RFQ) for design-build proposals for developing 1400 E Mission into a site to be used as a Centralized Service Center and Year-Round Emergency Shelter to house unsheltered homeless individuals. The anticipated budget for such project was \$3,500,000. On August 31, 2017, TELACU submitted a bid in the amount of \$6,889,917 for the proposed design-build scope of work (Attachment 1). Based on the proposal, the City’s Selection Committee determined that TELACU was the most responsive proposer for the requested scope of work. However, because the bid amount exceeded the funds currently budgeted within the CIP project, TELACU was asked to scale their proposed project to include an emergency shelter structure and essential service structures, such as bathrooms, showers, laundry and staff office space. (Essential Service Areas). TELACU’s revised scope of work was submitted with a bid amount of \$3,890,017.

DISCUSSION

On January 9, 2017, the City Council adopted the Strategic Plan on Homelessness – “A Way Home” which proposed strategies to develop a year-round emergency shelter and centralized service center to address the needs of the unsheltered homeless of Pomona. The need was determined based on the 2016 Point-in-Time Homeless Count report that stated that Pomona had 366 unsheltered homeless persons within the City limits. Since that time, the new 2017 point-in-time count has been received concluding that the City has 390 unsheltered homeless individuals. In support of the need to provide shelter, the City Council approved the purchase of 1400 E. Mission Blvd, to be used as a site to house the year-round shelter and centralized service center proposed within the strategic plan. It was determined that in order to construct the needed shelter site in a timely fashion, the City would be best served by utilizing a design-build delivery method for this project. The Pomona City Code Section 2-1006 establishes a two step process for design build projects.

In accordance with Pomona City Code Section 2-1006(d) the Request for Qualifications (RFQ) was posted on the City’s purchasing portal on July 11, 2017. On the same day, six (6) firms attended a Pre-RFQ meeting at City Hall where they were provided an overview of the project. That meeting was followed by a site visit to 1400 E. Mission to allow all interested parties to inspect the site of the proposed project. On July 31, 2017, three (3) firms – TELACU Construction Management, Macro Z-Technology and Mayans Development – submitted a response to the RFQ. (Two (2) other firms intended to submit a response, but submitted after the posted deadline and were therefore rejected.) The three submissions were reviewed for conformance with the RFQ requirements and minimum qualifications, and were deemed responsive and eligible to move to the next phase.

On August 3, 2017, the firms that met the RFQ standards were requested to respond to a Request for Proposals (RFP). In response to the RFP, they were asked to submit a conceptual site design, design narrative, project schedule and price proposal with schedule of values. On August 31, 2017, the three firms submitted proposals. The proposals were forwarded to a Selection Committee in accordance with PCC § 2-1006(f). The committee was comprised of the following City staff: Development Services Director, Neighborhood Services Director, Neighborhood Services Management Consultant, City Engineer and a Senior Accountant from the Finance Department. Each member of the selection committee reviewed the proposals independently and scored them using the criteria outlined in the RFP. After the initial review, the Selection Committee met to review the proposals as a group to determine a recommendation for the project.

Each proposal was scored using the following criteria.

Topic	Evaluation Criteria	Maximum Points
Project Understanding and Approach	How well does the Design/Builder's Proposal demonstrate an in-depth understanding of the design and construction requirements of the project? Included a Proposed Work Plan and Schedule.	20
Design/Builder Conceptual Plan and Project Design Narrative	How well do the Design/Builder's conceptual plan, management plan and project narrative meet the needs of the project and incorporate the amenities as provided in Attachments A and B? Operational and functional performance of the facility will be considered.	25
Design/Builder Project Schedule and Project Milestones	How well does the Design/Builder's Proposal communicate their design, construction and project management schedule and project milestones? The ability to deliver the project in an expedited timeline that does not reduce quality will be considered.	25
Price Proposal with Schedule of Values	How well does the Design/Builder's Proposal justify the proposed price? Does the price proposal clearly provide all needed components of the project?	30
Total		100

The three (3) proposals received are summarized in the following table:

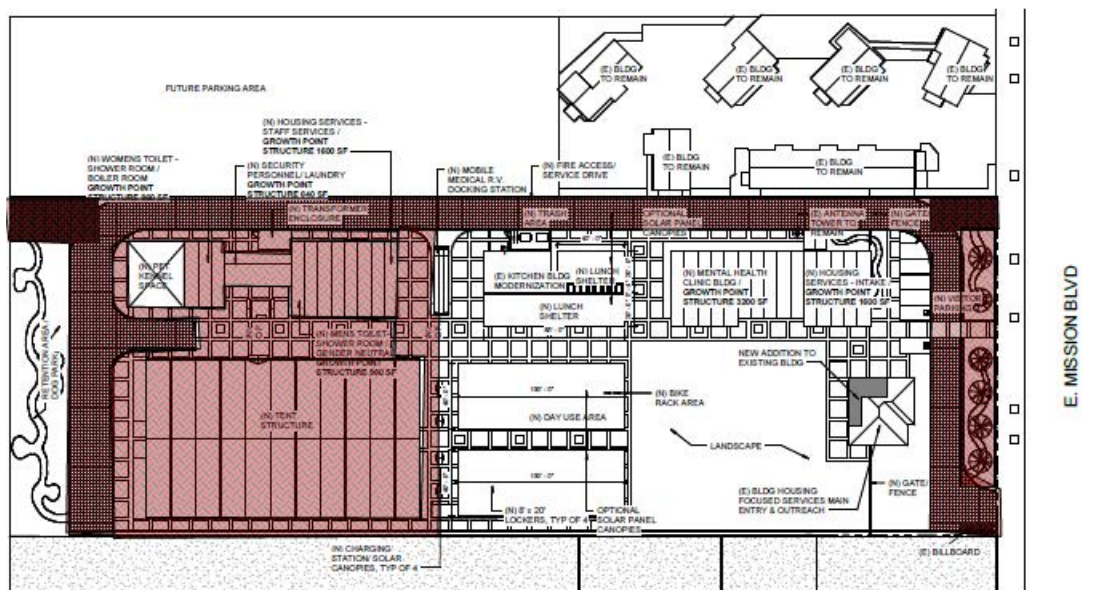
Bidder's Name		Evaluation Score	Total Bid
1	TELACU Construction Management	91.6	\$ 6,889,917
2	Macro Z-Technology	79.2	\$ 12,113,400
3	Mayans Development	72.4	\$ 6,107,551

The TELACU Construction Management proposal (See Attachment 1) complied with the stated design criteria and was found to be the most responsive to the RFP. Therefore, the Selection Committee is recommending that TELACU be awarded a contract for design-build services.

Because all proposals submitted exceeded the amount currently appropriated within the CIP budget for the project, staff then began negotiations regarding the scope of the contract which would be within the allocated budget. City staff asked TELACU, as the firm determined to be the most responsive to the Design-Build Services RFP, to reduce their scope of work to incorporate the essentials of the year-round shelter (Essential Service Areas) for a proposed price under \$4,000,000. To respond to this request, TELACU worked with city staff and several of the partners selected to provide direct services to the site.

After this consultation TELACU resubmitted a proposal for the following to construct the Essential Service Areas: site excavation, fill and grading; site utilities installation; necessary paving and ground cover; the fabric structure for emergency shelter; shelter bathrooms, including showers; a laundry room; office space for program operation and security personnel; architectural design for the complete site plan and other indirect costs. The price proposal for this portion (Essential Service Area) of the project is proposed at \$3,890,017. (Attachment 2).

The Essential Service Area as proposed is highlighted in the darkened areas of the site diagram below:



Staff concluded that, due to current funding constraints that limited the project award to Essential Service Areas only, future development of the remainder of the total original proposed project could be bid as a discrete scope of services for the remaining service areas (Additional Service Areas), including: a building to house health, behavioral health and housing/case management services; a commercial communal kitchen with table shelter; a coordinated entry service building; dog kennel; day use area; and open green spaces.

As part of their revised proposal for Essential Service Areas, TELACU also provided a revised proposal for development of the Additional Service Areas for a cost of \$3,091,357. This would raise the cost of full site development (Essential Service Areas plus Additional Service Areas) to \$6,981,374. The increased cost to the original proposal of \$6,889,917 is due to the cost that would be realized in separating the construction of the project into two service areas (Essential and Additional), extending the need for construction management, and project oversight.

While the TELACU site plan and schematics included in the original proposal will become the City's property, such would not be used as construction documents in the future if another contractor was hired to design and build the Additional Service Area, but rather, would be used as reference to support continuity between the Essential and Additional Service Areas.

TELACU has stated that they will honor their Additional Service Area proposal if the City obtains available funding for that area within 30 days of awarding of the design-build contract for the Essential Service Area. After 30 days, TELACU would incorporate industry price escalation and the price would increase accordingly.

At this time, the only aspect of the project that can be awarded is the portion for which there is funding, *i.e.*, the Essential Services Area, as described in Attachment 2. The City is actively seeking funding to provide these Additional Service Areas and other start-up costs. Los Angeles County Measure H capital funds are supposed to be released soon, but may not be available before January 2018. Staff is in contact with the County's Chief Executive Office to see if funds can be released for this project as a priority award. No determinations have been made to date.

Attachment 1: TELACU Design Build Proposal
Attachment 2: Essential Service Areas Proposal

CITY OF POMONA

Proposal for Design Build Services for the Centralized Services Center/Emergency Shelter Project No. 428-71044



Aug 31, 2017

Presented to: Benita DeFrank,
Neighborhood Service Director
505 S. Garey Avenue
Pomona, CA 91766



Cover Letter



August 31, 2017

City of Pomona
505 South Garey Avenue
Pomona, CA 91769
Attention: Benita DeFrank

Dear Ms. DeFrank,

TELACU Construction Management (TCM) in conjunction with our Design/Build partners WLC Architects and GrowthPoint Structures are pleased to present to the City of Pomona our Schematic Design, Technical Approach, and Proposal for the Centralized Services Center/Emergency Shelter, Project No. 428-71044.

For the past 22 years, our team of professionals has specialized in the planning and construction of California municipal facilities. Operating as a subsidiary of TELACU, the nation's largest nonprofit Community Development Corporation (CDC), TCM carries forward the guiding TELACU principle that business ventures should enhance and positively impact people's lives by providing communities with leadership and innovation in construction and capital improvement projects.

Utilizing a unique business model—**The TELACU Model**—for community and economic development, each and every business TELACU owns and operates has a double bottom line – profitability that is inseparable from social impact. **The TELACU Model is based upon the belief that there is no more viable business venture than one that is economically sound, enhances the community, and positively impacts people's lives.** Quality, affordable homes are developed for first-time homeowners, and beautiful residential complexes are constructed and operated for families and senior citizens. New community assets like schools, infrastructure, homeless emergency shelters, shopping centers, and municipal facilities are built, revitalizing communities for local residents.

The City of Pomona Centralized Services Center/Emergency Shelter project **strikes a chord with TELACU as it aligns perfectly with our mission statement** as well as with our Design/Build team members. TCM has assembled a Design/Build Entity that we believe not only can achieve great project success but one that embodies the beliefs and values that our company was founded on; "A pioneering institution committed to *service, empowerment, advancement*, and the creation of *self-sufficiency*." These values are greatly in line with the City of Pomona's Centralized Services Center/Emergency Shelter project and we are proud to present our design, technical approach, and proposal to the City of Pomona for this truly honorable and much needed project.

As **experienced design/build contractors**, we understand the complexities of coordinating all activities that are required in managing the design/build process, as well as properly working with the owner and governmental agencies to ensure a smooth project turnover. Having been a part of numerous municipal improvement projects, **our design/build team will be able to provide a tremendous value to the City** and will ensure a timely completion with above satisfactory results.

Cover Letter



Above all, **TCM is a builder and we are well suited to meet the needs of the City of Pomona** and are confident that you will further benefit from the following key strengths of our Design/Build Team:

- Proven **SUCCESS** working with WLC Architects and GrowthPoint Structures on California Public Works Projects.
- The ability to **MANAGE** all phases of construction including pre-construction services, planning, design, procurement and bidding, construction, and closeout.
- Extensive **EXPERIENCE** in the planning, design, and implementation of design/build projects.
- A **QUALIFIED**, well-seasoned team of design/build professionals with experience working on California municipal facilities projects.
- A **STRONG** track record of completing projects on time, on schedule, and with change orders below industry standard.

TELACU Construction Management has selected a qualified design/build team that possesses the capabilities to provide the City of Pomona with an unparalleled level of service and dedication for the entirety of the Project. Thank you for your consideration and careful review of our schematic design, technical approach, and proposal. **We look forward to collaborating with the City of Pomona on the successful delivery of the Centralized Services Center/Emergency Shelter Project**, and any questions that should arise during the City's evaluation process may be addressed to myself or Daniel Clem who is authorized to speak for the firm.

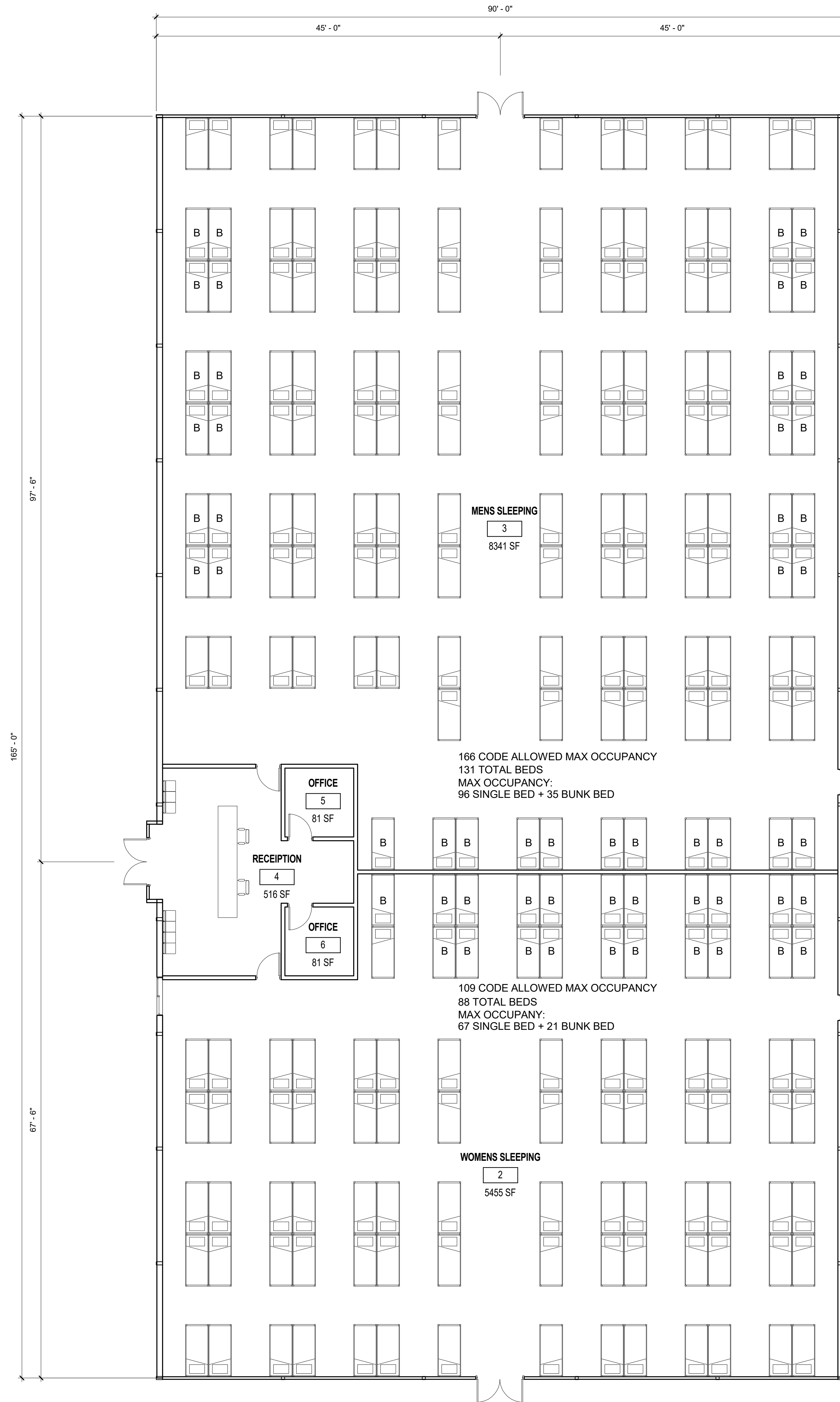
Sincerely,

A handwritten signature in black ink that reads "John Clem".

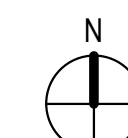
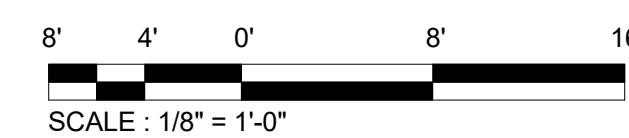
John Clem
President

TELACU Construction Management





NOTES: B = BUNK BED



ENLARGED EMERGENCY SHELTER FLOOR PLAN

REFERENCE NOTES

LEGEND

CENTRALIZED SERVICES CENTER/ EMERGENCY SHELTER

CITY OF POMONA

1400 E. MISSION BLVD. POMONA, CA 91767

08/28/17

ENLARGED
FLOOR PLAN

A2.5

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- Trash Enclosure
- Relocation of Lockers
- Perimeter Fencing and Gates

EXHIBIT C



CITY OF POMONA COUNCIL REPORT

August 7, 2017

To: Honorable Mayor and Members of
the City Council

From: Linda Lowry, City Manager

Submitted By: Kirk Pelsner, Deputy City Manager
Benita DeFrank, Neighborhood Services Director
Darron Poulsen, Water Resource Director

Subject: **Adopt a Resolution to Approve the Purchase of Real Property Located at 1390 E. Mission Boulevard, APN 8327-014-005 for \$861,300; Amend the FY 2017-18 Capital Improvement Program (CIP) Budget by Creating a New CIP Public Facility Project, "Emergency Shelter Annex/Water Utility Access," Project No. 428-2590-XXXXX-71053 and Appropriate to that Project \$584,424 of Available Neighborhood Stabilization Program (NSP1) Funds and \$316,876 of Water Resources Department (WRD) Fund Balance**

OVERVIEW

Recommendation- That the City Council:

- 1) Adopt the Attached Resolution:
 - a) Approving a Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate (the "Agreement") to purchase the property at 1390 E. Mission Boulevard (Blvd.) owned by the Gene Stalians 1989 Trust for \$861,300, plus closing costs, for the development of the Emergency Shelter Annex and Water Utility Access;
 - b) Amending the FY 2017- 18 Capital Improvement Program (CIP) Budget by creating a new CIP project, "Emergency Shelter Annex/Water Utility Access," Project No. 428-2590-XXXXX-71053 and appropriating \$584,424 of available Neighborhood Stabilization Program (NSP1) Funds and \$316,876 of Water Resources Fund Balance;
 - c) Amending the FY 17-18 Adopted Operating Budget by appropriating \$316,876 from Water Resources Fund Balance to Account #571-2590-89987-71053 (transfer to CIP Project Fund).

Adopt a Resolution to Approve the Purchase of Real Property Located at 1390 E. Mission Boulevard, for \$861,300; Create a New CIP Project, "Emergency Shelter Annex/Water Utility Access," Project No. 428-2590-XXXXX-71053 and Appropriate to that Project \$584,424 of Available Neighborhood Stabilization Program (NSP1) Funds and \$316,876 of Water Resources Department (WRD) Fund Balance

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- 2) Authorizing the City Manager to execute the Agreement and other documents required for acquisition of the property on behalf of the City, subject to review and approval by the City Attorney.

Fiscal Impact – The negotiated price to acquire the subject property is \$861,300. Title cost, escrow fees, and other pre-acquisition cost will also apply and are estimated to not exceed \$40,000. Funding to acquire the property will be transferred from the Neighborhood Stabilization Program (NSP1) Fund in the amount of \$584,424 (Acct# 124-1791-89987-71053) and from Water Resources Fund in the amount of \$316,876 (Acct#571-2590-89987-71053). The "Emergency Shelter Annex/Water Utility Access" CIP Project, No. 428-2590-xxxxx-71053, has been created for acquisition of the property to develop an Emergency Shelter Annex and access to important WRD infrastructure. The following table summarizes the fiscal impact for the recommended action:

Table 1

Category	"Emergency Shelter Annex/Water Utility Access" Project No. 428-2590-XXXXX-71053
Beginning Budget	\$0
Appropriation of Neighborhood Stabilization Program Funds (Funded via a concurrent Public Hearing resolution on 8/7/2017)	\$584,424
Appropriation of Water Resources Fund Balance	\$316,876
New Beginning Budget	\$901,300
Purchase of Real Property located at 1390 East Mission Blvd.	(\$861,300)
Estimated Closing Costs	(\$40,000)
Balance Remaining for Construction Contingency, Administrative and Miscellaneous Costs	\$0

In the future, a parcel map or subdivision document will be developed to clearly outline the Water Resources Department's share of this asset, which is 18,700 square feet. The cost for this work or any required site improvements will be amended to CIP Project #71053 and brought back to Council for approval once funding has been identified.

Public Notice Requirement – None.

Previous Related Action – On June 19, 2017 and July 17, 2017 City Council considered price and terms for acquisition of the property and directed staff in Closed Session to bring back an

Adopt a Resolution to Approve the Purchase of Real Property Located at 1390 E. Mission Boulevard, for \$861,300; Create a New CIP Project, "Emergency Shelter Annex/Water Utility Access," Project No. 428-2590-XXXXX-71053 and Appropriate to that Project \$584,424 of Available Neighborhood Stabilization Program (NSP1) Funds and \$316,876 of Water Resources Department (WRD) Fund Balance

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agreement for purchase of the subject property. On September 12, 2016, City Council approved Resolution 2016-138 and declared a "shelter crisis" within the City of Pomona expressing an immediate need for expedited procedures to address the homeless shelter demand.

Environmental Impact - The proposed project will alleviate the unmet shelter needs identified in Pomona City Council Resolution 2016-138 as a state of emergency due to the lack of homeless shelters in the City of Pomona, the project is necessary to protect and preserve the public health, safety, and welfare, and includes construction of small structures and minor alternation of land, and is therefore exempt from the California Environmental Quality Act ("CEQA") pursuant to Public Resources Code Sections 21080(b)(4) (actions necessary to prevent or mitigate an emergency) and 21060.3 (definition of emergency under CEQA); and CEQA Guidelines Sections 15269 (statutory exemption for emergency projects), 15359 (definition of emergency), 15303 (exemption for new construction of small facilities), and 15304 (exemption for minor exemptions to land). Additionally, pursuant to CEQA Guidelines Section 15061(b)(3), it can be seen with certainty that there is no possibility that acquisition of the Property will have a an significant effect on the environment.

EXECUTIVE SUMMARY

The City previously acquired the adjacent parcels at 1400 E. Mission to develop a Centralized Service Center and Emergency Shelter to help support the City's long term strategies to provide shelter and services to the homeless population. The purchase of 1390 E. Mission will further those strategies with the development of the Emergency Shelter Annex. The property is directly adjacent to the west of 1400 E. Mission Boulevard and is roughly 58,128 square feet, or 1.33 acres. The property is being purchased for \$861,300 or \$14.82 per square foot, which complies with the NSP requirement limiting acquisition to 1% below fair market value, but also represents good value to the City as commercial property values continue to appreciate.

In addition, WRD's portion of the subject property (18,700 sq. ft.) will allow the Department to add to their adjacent parcel to protect critical infrastructure and assure proper space is available for maintenance and future replacement. The WRD will have an agreement in place to allow for the use of their land to operate the Emergency Shelter Annex which will protect the WRD's critical infrastructure and not allow any structure to be built upon the land. An easements in gross and a described easement for utility lines will protect WRD's interests in the property.

DISCUSSION

Background

On September 12, 2016, the City Council of the City of Pomona considered a resolution to declare a Shelter Crisis within the City pursuant to Government Code section 8695, *et seq.* Such provision of the Government Code allows for cities to declare a shelter crisis and take certain actions during

Adopt a Resolution to Approve the Purchase of Real Property Located at 1390 E. Mission Boulevard, for \$861,300; Create a New CIP Project, "Emergency Shelter Annex/Water Utility Access," Project No. 428-2590-XXXXX-71053 and Appropriate to that Project \$584,424 of Available Neighborhood Stabilization Program (NSP1) Funds and \$316,876 of Water Resources Department (WRD) Fund Balance

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the period of such emergency. The City Council requested that staff review the applicability of such Shelter Crisis designation.

On September 19, 2016, staff reported back to Council and the City Council made findings identifying the state of emergency regarding homelessness in Pomona, finding that one-third (1/3) of homeless individuals residing in the Los Angeles County region are "chronically homeless," and over seventy percent (70%) of the homeless population in the region is living in "unsheltered" areas not meant for human habitation such as public streets, abandoned buildings, vehicles, and parks. The City Council further found that based upon data collected by the City in January 2016, there was an estimated 689 homeless persons located within City boundaries, and 366 of such homeless persons (56%) were located in "unsheltered" conditions.

At that time, the Council determined that due to the significant number of unsheltered homeless persons in the City, the incidents of unauthorized homeless encampments and loitering are increasing across portions of the City within the public right of way, and such conditions expose homeless persons to traffic hazards, crime, risk of death and injury, exposure to weather, lack of adequate sanitation and debris services, and other conditions detrimental to their health and safety. The Council concluded that such conditions negatively impact the physical environment and public facilities of the City, and the use and enjoyment of such facilities for their intended purpose. The Council determined that there is a need in the City for additional shelter facilities and beds to accommodate the number of local homeless persons in need of such facilities, and wished to establish and allow for the operation of temporary emergency sleeping shelters and facilities to serve such persons. Pursuant to Government Code Section 8698 *et seq.*, the City Council declared a shelter crisis as a significant number of persons are without the ability to obtain shelter, and such condition is resulting in a threat to their health and safety.

Based on such findings, on November 21, 2016 the City Council approved the purchase of 1400 E. Mission Blvd, a 2.61 acre property, to be used to develop a Centralized Service Center and Year-Round Emergency Shelter. Once developed, it is hoped that this site will significantly mitigate the ongoing emergency situation surrounding the unsheltered homeless population found in Pomona. In January 2017, another point-in-time homeless count was conducted in Pomona. The data from that count was recently released and the City of Pomona saw a 27% increase in homelessness from 689 to 877, and though the majority of that increase was realized in the sheltered homeless population from 323 to 487, there was a 7% increase in the unsheltered homeless population, from 366 to 399. This increases the City's need to provide shelter and services the residents of our city that are without a home.

The Property

The subject property, 1390 E. Mission Blvd, is being recommended for purchase to further the efforts established in developing a Centralized Service Center and Year-Round Emergency Shelter and to acquire land adjacent to WRD property. The Emergency Shelter Annex would

Adopt a Resolution to Approve the Purchase of Real Property Located at 1390 E. Mission Boulevard, for \$861,300; Create a New CIP Project, "Emergency Shelter Annex/Water Utility Access," Project No. 428-2590-XXXXX-71053 and Appropriate to that Project \$584,424 of Available Neighborhood Stabilization Program (NSP1) Funds and \$316,876 of Water Resources Department (WRD) Fund Balance

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allow the City to expand their current efforts at 1400 E. Mission Blvd to address homelessness through a centralized service site by providing space to develop needed additional services and accommodations for the homeless of Pomona and those who serve them. As the City moves forward in building the Centralized Service Center, many community partners have expressed a desire to serve the homeless and provide auxiliary services to enhance core services that will be provided. The Emergency Shelter Annex could be used to house such services, as well as provide additional emergency beds for special needs populations. Having these services in such close proximity to 1400 E. Mission, could only enhance the efforts of meeting the goals and strategies that City Council adopted as part of Pomona's strategic plan, "A Way Home".

In May 2017, the subject property's fair market value was appraised at \$870,000. The negotiated purchase price of \$861,300 (\$14.82 per sq. ft.) is 1% below the appraised value, which is a necessary term when utilizing NSP funds for acquisition.

The purchase of 1390 E. Mission will also allow the WRD to acquire 18,700 square feet of additional land that is necessary to properly maintain, protect and replace critical infrastructure that is located in an adjacent property. The 20-foot wide property to the east of 1390 E. Mission has three 16-inch water transmission lines located within it. These transmission lines are a critical part of the water supply for the City. The current 20-foot wide property is not a sufficient size to maintain or plan for future replacement of this critical infrastructure. Acquiring this additional land will assure that the current and future needs of the water system can be met to address the needs of the City's WRD by describing and recording a utility easement on the property, and by describing an easement in gross for future WRD needs. These two uses would not be in conflict and could co-exist on the property with no difficulty. The utility easement will protect the WRD's critical infrastructure and not allow any structure to be built upon the land.

Once the Agreement is executed and escrow is open, it is estimated that the City should take possession of the property within 45-60 days.

Attachments: 1) Resolution
 2) Parcel map and photo