



## CITY OF BANNING STAFF REPORT

**TO:** CITY COUNCIL

**FROM:** Douglas Schulze, City Manager

**PREPARED BY:** Doug Schulze, City Manager

**MEETING DATE:** February 27, 2024

**SUBJECT:** Consideration of Resolution 2024-41, Authorizing the City Manager to Enter into a Lease Agreement with Haskell Real Estate for Homeless Transitional Housing

---

### **RECOMMENDATION:**

Adopt Resolution 2024-41.

### **BACKGROUND:**

The Encampment Reduction Funding Grant received by the City includes funding for housing assistance to homeless individuals. One of the biggest obstacles to housing homeless individuals in Banning is the lack of low cost rental property. In an effort to move unhoused individuals from Opportunity Village into housing, the City must have housing available. Haskell Real Estate has rental properties available and they are working with property owners willing to lease the property to the City of Banning.

The rental properties will serve as transitional housing, which is intended to providing housing to individuals who have income but income is not sufficient to pay deposits and fully cover monthly rent. Over time, these individuals will establish work history and move into independent housing. The lease agreements between the City of Banning and Haskell clients are important because as tenants move in and out of the program new lease agreements will not be required for new tenants because the City is the lessee. However, the City will have lease agreements with each individual tenant placed into rental housing.

The City Council adopted Resolution 2024-11, authorizing lease agreements for three rental properties. However, two of the property owners decided they did not want to move forward with the lease agreements so, Resolution 2024-42 authorizes a lease agreement for a different unit to replace one of the two previously approved, but no longer available. Adoption of Resolution 2024-42 will not increase the total number of lease agreements, but simply replaces one of the three units previously approved.

The property to be leased is:

- 312 N 4th Street, Unit C

The City is entering into lease agreements that will allow subleasing of the units to unhoused individuals. City staff and wrap around service providers will be involved in the process of selecting individuals who will be placed in the rental units. These individuals will be evaluated to determine likelihood of successful independent living.

### **JUSTIFICATION:**

Transitional housing is a missing piece of the City's homeless services and funding is available through awarded grant funds. The City is required to obligate the Encampment Reduction Fund grant monies by June 30, 2024. Council previously adopted Resolution 2024-11, authorizing three (3) lease agreements with Haskell clients. Unfortunately, the owner of two of the units backed out of the lease agreement. This Resolution authorizes a lease agreement to replace one of the approved units that was not leased.

**FISCAL IMPACT:**

Rent costs will be approximately \$17,000 annually and will be fully funded through grant proceeds.

**ALTERNATIVES:**

1. Adopt Resolution 2024-41.
2. Do not authorize City Manager to enter into lease agreements.

**ATTACHMENTS:**

1. [Resolution 2024-41, Lease Agreement.docx](#)
2. [312 N 4th Lease Agreement\\_0001.pdf](#)
3. [Resolution\\_2024-11\\_\\_Lease\\_Agreements.pdf](#)