

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: May 24, 2019

CAO File No. 0220-05151-0081

Council File No. 15-1138-S33

Council District: All

To: The Homeless Strategy Committee

From: Richard H. Llewellyn, Jr., City Administrative Officer

Subject: **Plan to Address the Shelter Crisis**

RECOMMENDATIONS

That the Homeless Strategy Committee review and forward the attached proposed shelter plan to the City Council and Mayor for approval and authorization to submit to the State of California to fulfill the requirements outlined in Government Code Section 8698.4, by July 1, 2019.

SUMMARY

On April 17, 2018, the City of Los Angeles declared a shelter crisis pursuant to Government Code 8698.4 (Code) (C.F. 15-1138-S33). The Code requires the City to develop and submit, on or before July 1, 2019, a plan to "address the shelter crisis, including, but not limited to, the development of homeless shelters and permanent supportive housing, as well as onsite supportive services."

The attached plan complies with the requirements of the Code and outlines the City's ongoing efforts to develop shelters and permanent supportive housing with on-site supportive services. Upon approval by the Mayor and Council, this office will submit the attached plan to the State of California.

Attachments:

1. City of Los Angeles's Plan to Address the Shelter Crisis

RHL:YC:MB:SRB:16190038

CITY OF LOS ANGELES

CALIFORNIA

Richard H. Llewellyn, Jr.

CITY ADMINISTRATIVE OFFICER



ERIC GARCETTI
MAYOR

ASSISTANT
CITY ADMINISTRATIVE OFFICERS

PATRICIA J. HUBER
BEN CEJA
YOLANDA CHAVEZ

Via email and U.S. Mail

(Date)

Randy Chinn
Chief Consultant
State of California Senate Committee on Transportation and Housing
State Capitol, Room 2209
Sacramento, CA 95814

Lisa Engle
Chief Consultant
State of California Assembly Committee on Housing and Community Development
1020 N Street, Room 162
Sacramento, CA 95814


Subject: City of Los Angeles Plan to Address the Shelter Crisis
(Government Code 8698.4)

Dear Mr. Chinn and Ms. Engel,

On April 17, 2018, the City of Los Angeles declared a shelter crisis pursuant to the State of California's Government Code 86980.4 (Appendix 1). As required by the State, this document outlines the City's plan to "address the shelter crisis, including, but not limited to, the development of homeless shelters and permanent supportive housing, as well as onsite supportive services" (Plan). The City's Plan describes programs and funding to develop homeless shelters, including the City's A Bridge Home initiative and the Proposition HHH (Prop HHH) Facilities Program, our permanent supportive housing (PSH) efforts, and new regulations to promote PSH development.

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Development of Homeless Shelters

A Bridge Home Program

On May 30, 2018, in response to the declared shelter crisis, Mayor Eric Garcetti issued Executive Directive No. 24 – Building “A Bridge Home” (Appendix 2). The directive describes the City’s plan to address unsheltered homelessness by streamlining the construction and permitting process to establish new homeless shelter beds as quickly as possible. The goal of this initiative is to add 50 to 100 new interim housing beds in each of the City’s 15 Council Districts, for a total of 750 to 1,500 new beds Citywide. In the A Bridge Home model, the City constructs or facilitates the construction of shelter facilities in areas with high concentrations of unsheltered people experiencing homelessness and leases them to service providers to operate. The County of Los Angeles has committed to support \$50/bed/night to operate at least 600 A Bridge Home beds. The City will supplement these funds with \$10/bed/night to support the full \$60/bed/night cost of these beds. The City will also fund the full cost to operate a Bridge Home beds not funded by the County.

The City’s current commitment of \$81 million, \$30,000,000 from the City’s General Fund and \$51 million from the State of California Homeless Emergency Aid Program (HEAP) grant, funds homeless shelter construction and operations for A Bridge Home program. To date, four (4) A Bridge Home facilities have been completed, adding 271 new shelter beds for individuals, and new capacity for five (5) families experiencing homelessness. Seven (7) additional sites with 642 beds have approved funding and have begun construction or will begin construction in the next two (2) months. Six (6) more sites with 545 beds are under feasibility review.

In order to expedite completion of A Bridge Home facilities, the Mayor’s Office and the City Administrative Officer (CAO) convene a weekly working group of City staff, including the City Attorney’s Office, the Chief Legislative Analyst, the Los Angeles Homeless Services Authority, Public Works Bureau of Engineering, General Services, Building and Safety, and the Fire Department. The working group monitors the construction status of each project and addresses delays as these arise.

Proposition HHH Facilities Program

The City has funded or developed additional shelters and shelter beds beyond the A Bridge Home program with support from the Proposition HHH (Prop HHH) Facilities Program. Prop HHH, approved by voters in November 2016, is a \$1.2 billion General Obligation (GO) bond program to support the development of Permanent Supportive Housing (PSH), affordable housing, and homelessness facilities.

The Prop HHH Facilities Program provides construction loans to non-profit operators of facilities that provide services to persons experiencing homelessness. These loans are repaid through services provided for a period of time equal to the useful life of the Prop HHH-funded improvements. The Prop HHH Facilities Program has provided \$7,705,153 to support 156 new beds in 12 non-City-owned facilities (126 beds) and one (1) City-owned facility (30 beds).

Development of Permanent Supportive Housing with On-site Supportive Services

Proposition HHH (Prop HHH)

The primary focus of Prop HHH, as discussed above, is to finance new PSH and affordable units for the homeless and chronically homeless. GO bonds may be issued annually to fund eligible PSH projects. All projects funded in each bond issuance are required to demonstrate that they will: (1) begin construction within the fiscal year in which bonds are issued and (2) expend all Prop HHH funding within 24 months.

The Housing and Community Investment Department (HCID) administers the PSH Loan Program, and publishes regulations annually for three (3) Calls for Projects (CFP). Projects that are deemed eligible in each CFP are recommended to receive letters of commitment, valid for two (2) years to allow developers to secure other funding and project approvals. Once projects are able to demonstrate the ability to begin construction within 12 months, construction funding is recommended in the annual Prop HHH Project Expenditure Plan (PEP). GO bonds are then issued to fund the total amount of projects in the PEP.

On April 18, 2019, the Mayor and City Council authorized HCID to release the Prop HHH Housing Innovation Challenge Request for Proposals (RFP), which would allocate up to \$120,000,000 from Prop HHH to PSH projects that can demonstrate the ability to develop units faster and/or at a lower cost than the existing Prop HHH PSH Loan Program. The results of this RFP are expected to be announced in Fall 2019.

To date, 60 projects have approved Prop HHH allocations for a total of 3,917 units, 3,039 of which are supportive. The table below summarizes the first three Prop HHH PEPs:

PEP (Fiscal Year)	Number of Projects	Total Units	PSH Units	Prop HHH Allocation
2017-18	9	615	417	\$ 73,157,162
2018-19	24	1,517	1,207	\$238,515,511
2019-20	27	1,785	1,415	\$281,340,750
Total	60	3,917	3,039	\$593,013,423

Additionally, letters of commitment have been issued totaling \$218,180,000 for 19 projects with 1,468 total units, 1,069 of which are supportive.

Other Permanent Supportive Housing Development

HCID also administers funds for affordable and supportive housing production outside the scope of Prop HHH. Since November 2016, 30 non-Prop HHH PSH projects have been funded or completed, with 1,969 total units, 1,243 of which are supportive.

Supportive Services in PSH Units

In December 2017, the City, represented by HCID, executed a Memorandum of

Understanding (MOU) with the County of Los Angeles (County) and the Housing Authority of the City of Los Angeles (HACLA) to ensure that City-financed PSH units have the funding necessary for operations and supportive services. According to the MOU, for each PSH unit HCID finances, HACLA will provide operating subsidies in the form of project-based Section 8 vouchers, and the County will fund on-site supportive services with revenue from Measure H, a County-wide, voter-approved dedicated sales tax to fund services for persons experiencing homelessness.

City-Owned Property Identified for Permanent Supportive Housing

The City has prioritized using its available property for housing development. HCID's Public Land Development Program is administering the process, making 41 City-owned properties available to developers through Requests for Proposals (RFPs). The City intends to lease the land for the construction of permanent supportive or affordable housing. The total estimated value of these properties is \$198.9 million.

City Regulations to Promote Development of Permanent Supportive and Affordable Housing

The City's recent policies and programs to promote development of PSH and affordable housing are summarized below.

222 Pledge

In March 2018, the City Council adopted a resolution pledging each Councilmember's support for a minimum of 222 new units of PSH in their respective Council Districts during the first three (3) years of Proposition HHH implementation, in order to promote broad geographic distribution of PSH units. This would result in a minimum of 3,330 new units Citywide by July 1, 2020. In support of this effort, the United Way of Greater Los Angeles created an online tracker to monitor each Council District's progress toward this goal (<https://everyoneinla.org/supportive-housing-tracker/>).

Transit Oriented Communities Guidelines

The Transit Oriented Communities (TOC) Affordable Housing Incentive Program was created as a result of Measure JJJ, approved by voters in November 2016. The program provides development incentives such as additional density to projects located within a half mile of state-defined major transit stops that set aside a required amount of units as affordable housing. The Department of City Planning has been processing applications under these guidelines since April 2018. As of March 31, 2019, there are 12,052 units at various stages of development within this program, 2,345 of which are affordable.

Affordable Housing Linkage Fee

The City Council adopted the Affordable Housing Linkage Fee (AHLF) on December 13, 2017. The fee is charged to new development and used to fund affordable housing within the City as outlined in AHLF expenditure plans. The first AHLF expenditure plan is expected to be approved in early FY 2019-20.

Legal challenges have delayed the implementation of the two key ordinances below. The City, however, is confident that these matters will be resolved, resulting in additional PSH and/or interim housing units.

Permanent Supportive Housing Ordinance and Interim Motel Conversion Ordinance

The Mayor and the City Council adopted a PSH Ordinance on April 11, 2018, which became effective on May 28, 2018. This ordinance is designed to reduce PSH project costs and development timelines by creating a by-right approval process, increasing density allowances, reducing parking requirements, and eliminating other barriers to PSH development.

The Interim Motel Conversion Ordinance was adopted by the Mayor and City Council on April 11, 2018, and it became effective on April 20, 2018. This ordinance establishes a process to allow the temporary use of motels and hotels for supportive and transitional housing for people experiencing homelessness without requiring a change of use. Motel or hotel owners will be able to take advantage of this flexibility by master leasing their property to a PSH operator for a minimum of 10 years.

Sincerely,

Richard H. Llewellyn, Jr.
City Administrative Officer

Appendices

Appendix 1: Shelter Crisis Declaration

Appendix 2: Executive Directive No. 24

MOTION

According to the 2017 Homeless Count released by the Los Angeles Homeless Services Authority (LAHSA), the City of Los Angeles has a homeless population consisting of 34,189 individuals, with approximately 25,237 of those individuals considered to be unsheltered on any given night. The issue of homelessness is exacerbated by a worsening housing shortage, particularly in affordable and permanent supportive housing.

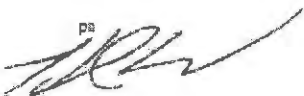
In declaring a shelter crisis pursuant to LAMC Section 12.80, shelters (as defined by Section 12.03) may be established and operated on property owned or leased by the City of Los Angeles in any zone as a matter of right without regard to the number of beds or numbers of persons served. Additionally, pursuant to LAMC Section 12.81, if the City declares a shelter crisis, shelters may be established on non-governmental properties and operated in specific land use zones (R3, RAS3, R4, RAS4, R5, C2, C4, C5, CM, M1, M2 and M3) without regard to the number of beds or number of persons served. The declaration of a "shelter crisis" under LAMC Sections 12.80 and 12.81 shall not exceed a period of 365 days from the date of declaration.

By declaring a shelter crisis, the City could create more immediate and short-term shelter for the unsheltered population by:

1. Allowing non-profit organizations and faith-based institutions the right to provide shelter without an onerous and costly process; and
2. Authorizing the use of city-owned property and facilities for emergency shelters.

According to the 2017 Housing Inventory Count (HIC) released by LAHSA, the City's current shelter inventory is approximately 7,646 beds, which includes emergency shelter and transitional housing programs. The limited number of shelter beds within the City, in conjunction with the current unsheltered population of approximately 25,000 individuals on any given night, demonstrates that there is currently a demand that surpasses the supply of the City's shelter inventory.

The declaration of a shelter crisis helps provide for additional shelters to be established in the City to alleviate the shortage of shelter beds that currently exist. The combination of an increasing homeless population, an affordable and permanent supportive housing shortage, and significant risks to public health and safety demonstrate that the City needs to take immediate action to declare a shelter crisis in order to alleviate the amount of unsheltered individuals on the streets and increase the housing inventory. As a result, the City should use its broad powers to take immediate action to locate a broad range of housing options for homeless individuals.



I THEREFORE MOVE that the City Council, pursuant to Los Angeles Municipal Code Sections 12.80 and 12.81, take the following actions to declare a homeless shelter crisis: 1) recognize and declare a homeless shelter crisis pursuant to Government Code Sections 8698, et seq.; and 2) allow for the declaration to last for a period not to exceed 365 days from the date of declaration.

PRESENTED BY:

Jose HUIZAR
JOSE HUIZAR
Councilmember, 14th District

MIKE BONIN
MIKE BONIN
Councilmember, 11th District

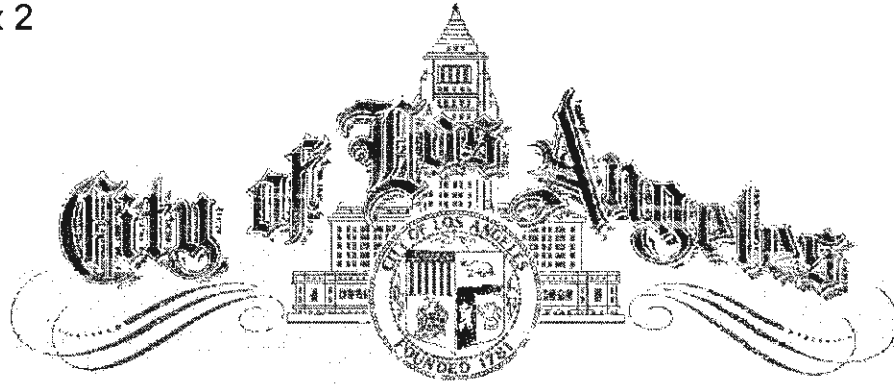
SECONDED BY:

MARQUEECE HARRIS-DAWSON
MARQUEECE HARRIS-DAWSON
Councilmember, 8th District

for Harris Dawson

ORIGINAL

APR 13 2018



ERIC GARCETTI
MAYOR

EXECUTIVE DIRECTIVE NO. 24

Issue Date: May 30, 2018

Subject: Building “A Bridge Home”

Suitable and safe shelter is a basic need, and the lack thereof can have a damaging effect upon the health and well-being of individuals and communities alike. Due to the limited number of shelter beds and the current unsheltered homeless population in the City, there is a significant number of Angelenos who are without the ability to obtain shelter, resulting in a threat to their health and safety. While the City Council and I continue to implement policies to increase the City’s affordable housing supply, additional emergency shelter beds are immediately required.

Accordingly, on April 17, 2018, the City declared a shelter crisis. The declaration of a shelter crisis allows the City take immediate action in establishing additional shelters to address the health and safety of the City’s homeless population, as well as the communities in which they reside.

In addition, in 2017, I set the goals of decreasing the number of unsheltered Angelenos by 50 percent in five years and reaching functional zero in 10 years, by 2028.

The City is responding to this crisis with vigor. The FY 2018-19 budget invests more than \$442 million in supportive housing, temporary shelters, services, and facilities to help homeless Angelenos find their way off the streets. This represents a 147 percent funding increase over the FY 2017-18 budget and includes my “A Bridge Home” initiative that will establish homeless shelters across the City. This is an unprecedented investment by size and by strategy—and will help move unsheltered Angelenos from encampments to shelters until supportive housing can be identified for them.



“A Bridge Home” will help the City meet my goal of ending street homelessness by:

- Enabling the rapid construction of homeless shelters throughout the City;
- Allotting more funds for street cleanups; and
- Establishing the Unified Homelessness Response Center to better coordinate street-level responses to homelessness.

As part of this strategy, I established a \$20 million Crisis and Bridge Housing Fund in the City’s FY 2018-19 budget, divided among the City’s 15 Council Districts to establish new temporary emergency homeless shelters citywide. I am now calling on City departments to prioritize these temporary emergency homeless shelters by moving them to the front of the line from start to finish.

Accordingly, I hereby order the following:

- This Executive Directive shall apply to homeless shelters established pursuant to Sections 12.80 (Homeless Shelters – Emergencies – City Owned and Leased Property) and 12.81 (Homeless Shelters – Emergencies – Charitable Organizations) of Article 2, Chapter 1 of the Los Angeles Municipal Code (LAMC) and Section 91.8605 (Emergency Homeless Shelters) of Division 86, Article 1, Chapter IX of LAMC.
- Each General Manager or Head of Department/Office from the following Departments/Offices shall streamline their application, entitlement, review, procurement, inspection, permitting, certification, and construction processes, as applicable, for the establishment of temporary emergency homeless shelters, and prioritize such shelter projects over other non-temporary emergency homeless shelter projects:
 - Building and Safety
 - City Administrative Officer
 - Contract Administration
 - Engineering
 - Fire
 - General Services
 - Housing and Community Investment
 - Planning
 - Police
 - Public Works
 - Sanitation
 - Street Lighting
 - Street Services
 - Transportation
 - Water and Power

- Each General Manager or Head of Department/Office from the Departments/Offices listed above shall immediately designate a Temporary Emergency Homeless Shelter Project Manager for the Department/Office; shall inform my Senior Project Manager for Homeless Strategies of that person's name and contact information (including when there is a subsequent personnel change or change in that person's contact information); and shall ensure that person has the requisite authority to streamline the Department's/Office's applicable processes for temporary emergency homeless shelters.
- The City Administrative Officer (CAO) shall immediately begin identifying City-owned or City-controlled properties that are potentially suitable for the establishment of a temporary emergency homeless shelter, collaborating with the General Manager and/or Head of Department/Office that owns or controls such property. For each potentially suitable property identified, the CAO shall collaborate with my Office to invite the City Council Office of record to introduce a motion instructing the CAO, with the assistance of the Bureau of Engineering (BOE), to conduct a site evaluation for such property. Such site evaluations shall be completed within 21 calendar days.
- As a part of the CAO's site evaluation, the City Engineer shall ensure that a feasibility study is completed, and shall provide the CAO, my Office, and the City Council Office of record with the completed feasibility study.
- For each property that is deemed suitable for the establishment of a temporary emergency homeless shelter based on the CAO's site evaluation, the CAO shall notify the Director of the Los Angeles County Office of Homeless Initiative of the City's intent to establish a shelter on such property; shall collaborate with my Office and invite the City Council Office of record to introduce a motion requesting the appropriation of funds necessary to establish a shelter on such property; and shall seek to coordinate with the County of Los Angeles for outreach, mental health, addiction support, and other homeless services to be provided at such shelter.
- The City Engineer shall conduct all necessary California Environmental Quality Act (CEQA) reviews for temporary emergency homeless shelters. The City Engineer shall ensure that each CEQA review is completed within six weeks of a project description being submitted to BOE, to the extent feasible and consistent with the legal mandates of CEQA. In all instances following CEQA approval by the City of a temporary emergency homeless shelter, the City Engineer shall cause to be filed with the Los Angeles County Recorder's Office a Notice of Exemption or Notice of Determination, as appropriate.
- The City Engineer and General Manager of the General Services Department (GSD) shall utilize existing contracts for site preparation, design, and construction, to the extent feasible and appropriate.

- The City Engineer shall prepare a site plan and design for each temporary emergency homeless shelter within 30 calendar days of the introduction of the City Council motion appropriating funds to BOE to prepare such site plan and design.
- Each General Manager or Head of Department/Office from the following Departments/Offices shall process all invoices, payments, payrolls, cost reimbursements, and interdepartmental transfers of funds for temporary emergency homeless shelters within 14 calendar days of receipt:
 - Building and Safety
 - Contract Administration
 - Engineering
 - Fire
 - General Services
 - Housing and Community Investment
 - Planning
 - Police
 - Public Works
 - Sanitation
 - Street Lighting
 - Street Services
 - Transportation
 - Water and Power
- The General Manager of the Department of Transportation (DOT) shall approve all temporary traffic control plans in connection with the establishment of temporary emergency homeless shelters within seven calendar days of the request being submitted to DOT; and shall identify street parking or a City-owned or City-controlled parking lot, as close as reasonably practicable, but no more than one mile from each temporary emergency homeless shelter, for use by staff and vehicles servicing such shelter.
- The City Engineer shall apply for a plan check with the Department of Building and Safety (DBS) within one business day of finalizing the design, and shall correct the plan check within two business days from the release date of any plan check correction, for each temporary emergency homeless shelter. If an outside vendor prepares any plan check for such shelter, the City Engineer shall review and return such plan check to the vendor within two business days prior to submittal to DBS.
- The General Manager of DBS shall collaborate with the following Departments/Offices, as appropriate, to ensure plan check reviews (including rechecks) are completed for temporary emergency homeless shelters within

seven calendar days of being submitted to DBS, and permitting and approvals are completed as expeditiously as possible:

- Cultural Affairs
 - Engineering
 - Fire
 - Sanitation
 - Transportation
 - Water and Power
- The General Manager of DBS shall inspect each temporary emergency homeless shelter within one business day of the request being submitted to DBS; and shall issue a temporary Certificate of Occupancy within seven calendar days of final inspection approval.
- The General Manager or Head of Department/Office from the following Department/Offices shall collaborate with the President or the Executive Officer of the Board of Public Works to agendaize items related to temporary emergency homeless shelters on the Board of Public Works' meeting agendas within seven calendar days of the relevant Department/Office being notified:
 - Contract Administration
 - Engineering
 - Sanitation
 - Street Lighting
 - Street Services
- The Director of Sanitation shall ensure that all Sewer Capacity Availability Requests (SCARs) and reviews are completed within seven calendar days of being submitted to the Bureau of Sanitation.
- The City Engineer shall collaborate with the General Manager of GSD to install the sewer connection(s) for each temporary emergency homeless shelter, or shall utilize contractors from its Emergency Sewer Repair list, to the extent necessary.
- The Director of Street Lighting shall collaborate with the City Engineer to install appropriate lighting, including pedestrian and safety lighting, at each temporary emergency homeless shelter, within seven calendar days of the request being submitted to the Bureau of Street Lighting.
- The Director of Street Services shall ensure that all permitting requests to maintain materials or equipment in the public right-of-way are reviewed within seven calendar days of being submitted to the Bureau of Street Services and the approval of any necessary temporary traffic control plans by DOT.

- The General Manager of the Housing and Community Investment Department shall ensure that any funding allocated by the City to the Los Angeles Homeless Services Authority for temporary emergency homeless shelters be under contract within 14 calendar days of approval.
- The Chief of Police shall designate a liaison for each temporary emergency homeless shelter; and shall inform my Office of that person's name and contact information (including when there is a subsequent personnel change or change in that person's contact information).
- The General Manager of GSD shall ensure that all on-site work for temporary emergency homeless shelters, including installation, is completed within 90 calendar days of when such on-site work begins.
- The General Manager of the Department of Water and Power (DWP) shall ensure that the design, installation, and inspection of water and electricity meters, and the activation of water and electricity service, is completed within 14 calendar days of DWP receiving a submittal from BOE, including all necessary permits, and the completion of the installation of any necessary pipelines, poles, electricity wires, or other infrastructure.
- All temporary emergency homeless shelters shall be accessible to people with disabilities as required by the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101 et seq.), the Rehabilitation Act of 1973, (29 U.S.C. § 701 et seq.), and other applicable laws. Reasonable accommodations shall be provided upon request for persons with disabilities.
- This Executive Directive shall be deemed automatically rescinded on January 1, 2021, unless I order otherwise.

Executed this 30th day of May 2018.



ERIC GARCETTI
Mayor