

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

0220-06083-0000

Date: April 21, 2023

To: Paul Krekorian, Council President
City Council

Bob Blumenfield, Chair
Budget, Finance and Innovation Committee

From: Matthew W. Szabo, City Administrative Officer
Office of the City Administrative Officer



Subject: **HOMELESSNESS EMERGENCY ACCOUNT - GENERAL CITY PURPOSES
FUND STATUS REPORT (C.F 23-0033) - WEEK ENDING FRIDAY, MARCH 31,
2023**

On January 18, 2023, the City Council and Mayor approved the motion (C.F. 23-0033) to establish the Homelessness Emergency Account (HEA) to address the City's homelessness crisis and approved the transfer of \$23,462,698.25 from the COVID-19 Emergency Response account and \$26,537,301.75 from the Additional Homeless Services - General City Purposes account. The City Council and Mayor also authorized the City Administrative Officer to spend the funds as directed by the Mayor, and to provide reports to Council on the expenses incurred and purposes for which the funds were used.

As of March 31, 2023, \$114,064 has been expended from the HEA with \$49,885,936 remaining. Based on projections of known services as of March 31, 2023, \$35,300,930 is expected to be obligated by the end of the fiscal year, June 30, 2023. However, based on activity between March 31, 2023, and the publication of this report, we expect that \$44,437,783.06 will be obligated by the end of the fiscal year.

Attachment 1 provides a summary of committed funding and authorized expenditures from the Homelessness Emergency Account for the week ending March 31, 2023.

INSIDE SAFE METRICS

The Motion also directs this Office to report on the outcomes achieved through the use of funds related to housing individuals. A data system is in development by the Mayor's Office in collaboration with designated departments and City partners to track key metrics for Inside Safe. Below is a summary of these outcomes as of March 31, 2023.

Table 2. Inside Safe Program Metrics as of March 31, 2023

Number of Completed Encampment Operations	13
Number of Targeted Inside Safe Efforts ¹	7
Number of Council Districts	9
Number of Initial Placements	1,077
Number of Arrests During Initial Encampment Operations	0
Number of Housing Fairs	11
Pounds of Waste Removed	193,471

¹ Includes scattered encampment relief efforts to move PEH into hotel rooms as well as transitioning Augmented Winter Shelter and Project Roomkey transfers into Inside Safe.

Table 3. Completed Inside Safe Encampment Operations by Council District as of March 31, 2023

Council District	No. of Operations
Council District 2	1
Council District 3	1
Council District 4	1
Council District 5	1
Council District 8	3
Council District 11	3
Council District 13	1
Council District 14	1
Council District 15	1
Total Operations as of March 31, 2023	13

DISCUSSION

As of March 31, 2023, the Homelessness Emergency Account (HEA), established to support the rollout of Inside Safe, has incurred expenses totaling \$8,466,554, including \$114,064 paid out, and total obligations of \$35,300,930 projected through the end of the fiscal year. The expenses incurred so far primarily consist of hotel and motel invoices, lease and operating costs of the LA Grand Hotel, Los Angeles Police Department (LAPD) charges for encampment cleanup support, Los Angeles Department of Transportation (LADOT) expenses for transportation of Inside Safe participants, and costs provided by the Los Angeles Homeless Services Authority (LAHSA) related to service provider budgets for encampment resolution. Additionally, the costs for 11 housing fairs (which helped move people to permanent housing) are included in these expenses. However, it is important to note that the obligated number does not include any projections of future departmental costs and is only based on funding requests provided to the CAO's Office as of March 31, 2023.

Inside Safe Motel and Hotel Invoicing

As of March 31, 2023, the motel invoices in progress include 50 invoices received from 17 different hotels, totaling 8,152 hotel room nights. The CAO recently introduced an updated invoicing procedure to streamline the review of submitted invoices. The new process involves sites submitting invoices to the CAO's Office for review by both Service Providers and CAO staff. Once the review is complete, the CAO submits the invoice to the Mayor's Office for payment approval and subsequently to the City Clerk for payment processing. Finally, the Controller's Office remits payment to the motel owners.

LA Grand Hotel

On February 24, 2023, the CAO released the Revised Sixteenth Roadmap Report (C.F. 20-0841-S31), which authorized the extension of the LA Grand Hotel lease from February 1, 2023, through February 1, 2024, for use as interim housing. The lease covers a total of 481 rooms with a rate of \$154/night, which includes meals. Lease costs associated with the 58 days since the extension began are approximately \$4,296,292, and projected lease costs are \$11,111,100 for the 150 days through June 30, 2023. Facility expenses incurred to date total \$24,930, including property improvements, repairs/damages, and valuation reports.

LAHSA Service Provider Contracts

Currently, LAHSA is negotiating service provider budgets, with a total of \$14,558,467 allocated to ten service providers utilized to date. These budgets have been leveraged by LAHSA and service providers using other existing funds for homelessness services. To date, no supportive services-specific invoices have been submitted to the City for Inside Safe funding.

For the LA Grand, LAHSA will arrange nursing, security, and contract with The Salvation Army to provide supportive services, with an estimated cost of \$2,575,839, based on one-half of the total

contract amount of \$5,151,678.

The Inside Safe program model also includes housing fairs, which provide staffing, necessary materials, and even Uber rides to clients to visit different housing options. So far, eleven housing fairs have been held, which cost approximately \$13,292. The primary objective of these housing fairs is to simplify the process of moving someone into permanent housing by bringing together all the necessary resources under one roof. Services are offered to help individuals with lease up, such as obtaining an ID, birth certificate or social security card, or locating an apartment. Additionally, applications and lease signing can be completed on the same day.

City Department Costs

LAPD has charged for 1,240.5 overtime hours related to Inside Safe from December 19, 2022 through February 28, 2023, at the cost of \$118,642.63. Primarily, LAPD has been providing support for, and ensuring the safety of, City staff and Inside Safe participants. To date, there have been zero arrests during the initial phase of operations.

LADOT has charged \$502,130 in operating costs associated with citywide transportation of Inside Safe participants. The department has utilized existing contracts with shuttle services to provide transit from encampment sites for people experiencing homelessness and their belongings to hotels and motels.

Governmental Collaboration and Non-Profit Organizations

Since the launch of the Inside Safe Initiative, many organizations have come together to strategize and implement the goals set forth by Mayor Bass and supported by City Council. Government partners at the State and Federal levels have shown support in addition to Los Angeles County representatives declaring a homelessness emergency shortly after the City's declaration.

Numerous non-profit organizations have been collaborating with City departments to continue to provide homelessness services. These organizations include, but are not limited to: Los Angeles Homeless Services Agency (LAHSA), The People Concern, LA Family Housing, PATH, HOPICS, St. Joseph Center, Hope the Mission, The Salvation Army, First to Serve Inc., Helpline Youth Counseling, Union Station Homeless Services, Urban Alchemy, VOALA, Weingart Center, PATH, Harbor Interfaith Services, and Downtown Women's Center.

Should you require any additional information, please contact Kendra Leal, Senior Management Analyst II, at kendra.leal@lacity.org.

cc: The City Council
The Honorable Karen Bass, Mayor
Mercedes Márquez, Office of the Mayor
Sharon Tso, Chief Legislative Analyst
Kenneth Mejia, City Controller
Hydee Feldstein Soto, City Attorney
Dr. Va Lecia Adams Kellum, Chief Executive Officer, LAHSA

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Attachment 1: Inside Safe Costs and Expenditures through March 31, 2023

Item	Incurred costs through March 31 ¹	Projected Amount Remaining through June 30 ²	Total Costs through June 30	Note
Private Motel Costs ³	\$932,429	\$2,888,261	\$3,820,690	Total costs incurred and paid for provides support for approximately 8,152 motel room nights through March 31, 2023. The projected amount estimates an additional 25,463 motel room nights through June 30, 2023. ⁴
Contracted Motel Costs (LA Grand)	\$4,296,292	\$6,814,808	\$11,111,100	LA Grand incurred costs are based on 481 rooms for 58 days & 150 days @ \$154/night including food. Total costs are based on 150 days from February 1, 2023, through June 30, 2023.
Facility Expenses	\$24,930	\$0	\$24,930	Facility expenses incurred to date include property improvements, repairs/damages, and valuation reports related to motels.
Subtotal Motels	\$5,253,651	\$9,703,069	\$14,956,720	
LAHSA Service Provider Costs	\$2,575,839	\$17,147,598	\$19,723,437	LAHSA Proposed Provider Costs include ten service providers for encampment resolutions as well as supportive services to LA Grand occupants. The incurred amount is estimated based on sole source contract amounts for LA Grand through March 31, 2023. Total costs are based on proposed budgeted expenses submitted by LAHSA.
Subtotal LAHSA Costs	\$2,575,839	\$17,147,598	\$19,723,437	
City Departments	\$620,773	\$0	\$620,773	The incurred amount includes LAPD overtime through February 28, 2023, and LADOT passenger transportation for people experiencing homelessness participating in the Inside Safe Program.
Subtotal City Operations	\$620,773	\$0	\$620,773	
Grand Total	\$8,450,263	\$26,850,667	\$35,300,930	

¹ The Incurred Amount column represents funding requests received for actual services provided and paid as of March 31, 2023.

² The Projected Amount column represents estimated requests for funding for anticipated services to be completed by June 30, 2023.

³ The Mayor's Office has coordinated with hotel owners to book individual rooms to move persons experiencing homelessness (PEH) indoors while pending permanent housing placement.

⁴ Projected motel costs from March 31, 2023, through June 30, 2023, are based on invoices received as of March 31, 2023. This does not include any invoices that were not submitted to the CAO's office.