

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

0220-06083-0003

Date: June 30, 2023

To: Paul Krekorian, Council President
City Council

Nithya Raman, Chair
Housing and Homelessness Committee

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



Subject: **HOMELESSNESS EMERGENCY ACCOUNT - GENERAL CITY PURPOSES
FUND FOURTH STATUS REPORT (C.F 22-1545) AS OF FRIDAY, JUNE 23, 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 for a total of \$50,000,000. 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 June 23, 2023, \$18,120,280.89 has been expended from the HEA with \$31,879,719.11 remaining. Based on projections of known services as of June 23, 2023, \$32,119,507 is expected to be obligated by the end of the fiscal year, June 30, 2023. However, based on anticipated costs projected between June 23, 2023, and the end of the fiscal year as well as accounting for pending Service Provider costs, we anticipate that \$39,936,289.52 will be obligated by the end of the fiscal year. The difference in the year-end projections from the previous report is due to City department costs.

Attachment 1 provides a summary of committed funding and authorized expenditures from the Homelessness Emergency Account for the week ending June 23, 2023.

RECOMMENDATION

Note and file.

INSIDE SAFE METRICS

The Motion also directs this Office to report on the outcomes achieved through the use of funds related to housing individuals. The Los Angeles Homeless Services Authority (LAHSA) has developed a data module within the Homelessness Management Information System (HMIS) to track key metrics for Inside Safe. It is LAHSA's responsibility to ensure service providers submit timely, accurate data. Attachment 2 provides a summary of Inside Safe outcomes as of June 23, 2023. LAHSA provided an updated Number of Initial Placements which is reflected here.

The Mayor's Office reports that three Inside Safe operations were completed between May 26, and June 23, 2023. On May 31, and June 1, 2023, an estimated 66 people from encampments in Harbor City in CD 15 were housed in Inside Safe motel rooms. On June 6, 2023, 33 people were housed from an encampment along El Centro Avenue in Hollywood in CD 13. On June 13-14, 2023, 48 people were housed from an encampment at the Chatsworth Metrolink Station in CD 12. This was a joint effort covering both City and County jurisdictions.

DISCUSSION

As of June 23, 2023, the Homelessness Emergency Account (HEA), established to support the rollout of Inside Safe, has incurred expenses totaling \$23,635,781 including \$18,120,280.89 paid out, and total obligations of \$32,119,507 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 thirteen housing fairs (which helped move people to permanent housing) are included in these expenses. City departments were requested to leverage existing funding for Inside Safe activities this fiscal year, if eligible. It is important to note that the obligated number is based only on funding requests provided to the CAO's Office as of June 23, 2023.

This Office has received requests from Council Offices for additional information to be included in these reports to assess the total cost of the Inside Safe Program, describe services provided at sites, as well as reporting on contributions by the County. To ensure the most accurate information is provided, this information will be addressed in upcoming reports.

Inside Safe Motel and Hotel Invoicing

As of June 23, 2023, the motel invoices received to date include 322 invoices from 35 individual hotels, totaling 45,785 hotel room nights. The invoice 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. If payments exceed a certain amount, the City Attorney's Office will review as well. Finally, the Controller's Office remits payment to the motel owners. The CAO is currently working on an internal approval system to help streamline

submissions to the Mayor's Office for approval and City Clerk for processing.

Facility expenses incurred to date total \$26,536, including property improvements, repairs/damages, and valuation reports.

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 through June 30, 2023 are approximately \$8,749,681.

LAHSA Service Provider Contracts

LAHSA is involved in ongoing assessments of service provider budgets, with a total of \$14,612,781 allocated to eleven service providers to date. These budgets have been leveraged by LAHSA and service providers using other existing funds for homelessness services. This office will work with LAHSA and other key partners to assess the total amount leveraged and include it in a future report. To date, one supportive services-specific invoice has been submitted to the City for the reimbursement from the Homelessness Emergency Accountant.

For the LA Grand, LAHSA has arranged nursing, security, and contracted with The Salvation Army to provide supportive services, with a contract cost of \$5,151,678, which was extended through June 14, 2023. A new service provider, Weingart, began transitioning services on June 1, 2023, and continuing through January 31, 2024. The overlap of services is to ensure a seamless transition between providers. The negotiated amount for the new provider is \$9,019,449.

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, thirteen housing fairs have been held, which cost approximately \$15,708 total to date. There have been no confirmed fairs since the last report. 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. Applications and lease signing can be completed on the same day as well.

LAHSA is working with providers to ensure all exit data is entered into HMIS and is up to date. LAHSA has committed to providing reconciled and verifiable exit data for upcoming CAO reports.

City Department Costs

LAPD has submitted for reimbursement a total of 1,341.5 overtime hours related to Inside Safe from December 19, 2022 through June 23, 2023, at the cost of \$127,945.28. 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 \$84,921.57 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. This amount has been adjusted to reflect actual costs.

Personnel has continued to hold its contract with Chrysalis to provide facilities support at the LA Grand. The total costs from February 1, 2023, through June 14, 2023, are estimated to be \$976,591.29.

The City Clerk's Office has continued to provide oversight and coordination of the Chrysalis contracted staff. The total costs from February 1, 2023, through June 14, 2023, are \$27,169.26. Beginning June 15, 2023, the Chrysalis services will be provided under Weingart's contract.

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 and the County 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 Administrative 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

Attachments:

1. Inside Safe Costs and Expenditures through June 23, 2023
2. Inside Safe Program Metrics as of June 23, 2023

Attachment 1: Inside Safe Costs and Expenditures through June 23, 2023

| Item | Incurred costs through June 23 ¹ | Projected Amount Remaining ² | Total Costs through June 30 | Notes |
|-----------------------------------|---|---|-----------------------------|---|
| Private Motel Costs ³ | \$5,146,956 | \$2,363,462 | \$7,510,418 | Total costs incurred and paid for provides support for approximately 45,785 motel room nights through June 23, 2023. The projected amount estimates an additional 10,600 motel room nights (plus contingencies) through June 30, 2023. ⁴ |
| Contracted Motel Costs (LA Grand) | \$8,749,681 | \$0 | \$8,749,681 | LA Grand incurred costs are based on 481 rooms including food. Total costs are based on submitted invoices by GSD. |
| Facility Expenses | \$26,536 | \$3,464 | \$30,000 | Facility expenses incurred to date include property improvements, repairs/damages, and valuation reports related to motels. |
| Subtotal Motels | \$13,923,173 | \$5,884,364 | \$16,290,099 | |
| LAHSA Service Provider Costs | \$8,525,981 | \$6,086,800 | \$14,612,781 | LAHSA Proposed Provider Costs include eleven 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 June 23, 2023, in addition to a reimbursement request submitted by LAHSA. Total costs are based on proposed budgeted expenses submitted by LAHSA. |
| Subtotal LAHSA Costs | \$8,525,981 | \$6,086,800 | \$14,612,781 | |
| City Departments | \$1,186,627 | \$30,000 | \$1,216,627 | The incurred amount includes LAPD overtime through June 23, 2023, LADOT passenger transportation for PEH participating in the Inside Safe Program, and Personnel's Chrysalis contract and City Clerk's Office oversight for facility support at LA Grand. |
| Subtotal City Operations | \$1,186,627 | \$30,000 | \$1,216,627 | |
| Grand Total | \$23,635,781 | \$8,483,726 | \$32,119,507 | |

¹ The Incurred Amount column represents funding requests received for actual services provided and paid as of June 23, 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 June 23, 2023, through June 30, 2023, are based on invoices received as of June 23, 2023. This does not include any invoices that were not submitted to the CAO's office; however, it does include a portion set aside for contingency costs, which may include missing or late billed hotel invoices.

Attachment 2: Inside Safe Program Metrics as of June 23, 2023

Table 1. Inside Safe Program Metrics as of June 23, 2023

| | |
|--|---------|
| Number of Encampment Operations | 20 |
| Number of Targeted Inside Safe Efforts ¹ | 7 |
| Number of Council Districts | 11 |
| Number of Initial Placements ² | 1,373 |
| Number of Arrests During Initial Encampment Operations | 0 |
| Number of Housing Fairs To Date | 13 |
| Pounds of Waste Removed | 273,618 |

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.

² This amount may change pending further updates from LAHSA.

Table 2. Inside Safe Encampment Operations by Council District as of June 23, 2023

| Council District | No. of Operations |
|--------------------------------------|-------------------|
| Council District 2 | 1 |
| Council District 3 | 1 |
| Council District 4 | 1 |
| Council District 5 | 2 |
| Council District 8 | 3 |
| Council District 9 | 2 |
| Council District 11 | 3 |
| Council District 12 | 1 |
| Council District 13 | 2 |
| Council District 14 | 2 |
| Council District 15 | 2 |
| Total Operations as of June 23, 2023 | 20 |