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MEMO

To: Honorable Members of the Los Angeles City Council

From: Nathaniel VerGow, Deputy Chief Programs Officer, LAHSA 

Date: December 6, 2023

CC: John Wickham, Office of the Chief Legislative Analyst, City of Los Angeles
Ed Gipson, Office of the City Administrative Officer, City of Los Angeles
Dr. Abbilyn Miller, Chief Program Officer, LAHSA
Paul Rubenstein, Deputy Chief External Relations Officer, LAHSA

Re: **Report on Housing and Homeless Incentive Program Priorities for the Los Angeles Continuum of Care (Council File 22-1475)**

The following memorandum is in response to [Council File 22-1475](#) approved by the Los Angeles City Council on January 11, 2023. This motion directed the Los Angeles Homeless Services Authority (LAHSA) to report on Housing and Homeless Incentive Program (HHIP) priorities shared with the Managed Care Plans for the Los Angeles Continuum of Care (LA CoC), along with the budget for housing navigation and housing sustaining services for this current and next fiscal year.

I. BACKGROUND

The HHIP is one of several initiatives under the California Department of Health Care Services (DHCS) designed to expand programs that facilitate people transitioning to community-based independent living. These initiatives were outlined in the 2021 Medi-Cal Home and Community-Based Services (HCBS) Spending Plan and approved by the U.S. Centers for Medicare & Medicaid Services (CMS) on January 4, 2022.¹ HHIP is an incentive program that encourages Medi-Cal Managed Care Plans (MCPs) to address homelessness and housing insecurity as social determinants of health.

II. HHIP AND THE LOS ANGELES CONTINUUM OF CARE

Managed Care Plans seeking HHIP funding are required to consult with local Continuums of Care, housing departments, as well as health, social services, and public health departments to develop Homeless Plans for submittal to DHCS. DHCS advises that these plans build on existing U.S. Department of Housing and Urban Development (HUD) or other homeless plans and be designed to address unmet needs, especially prioritizing housing and services gaps for aging and disabled people experiencing homelessness.² To that end, the Los Angeles MCPs (L.A. Care and Health Net) consulted with LAHSA feedback as they developed their respective Homeless Plans.

LAHSA staff feedback centered on gaps in service for older and disabled adults, especially those who need support with activities of daily living (ADLs) and have higher level of care needs than most of the

¹ Baldwin, J. (2022, January 4). 2021 Medi-Cal Home and Community-Based Services (HCBS) Spending Plan Letter of Conditional Approval. Department of Health and Human Services. <https://www.dhcs.ca.gov/Documents/CMS-Conditional-Approval-1-4-2022.pdf>

² Housing and Homelessness Incentive Program. California Department of Health Care Services. (2023). <https://www.dhcs.ca.gov/services/Pages/Housing-and-Homelessness-Incentive-Program.aspx>



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population residing in Interim Housing. Staff recommended that the MCPs utilize HHIP funding to provide support for ADL dependent individuals and echoed the Department of Health Services (DHS) in their recommendations to create ADL assessment teams to help identify such individuals at Interim Housing sites. Staff also emphasized the need for more Enriched Residential Care (ERC) beds for aging and disabled adults and the need to ensure that all HHIP services be accessible to undocumented households.

LAHSA made further requests pertaining to information sharing and collaboration with the MCPs. Staff recommended investment to support Homeless Management Information System (HMIS) data sharing agreements between LAHSA and the MCPs to streamline HHIP efforts. That effort is currently in progress. Staff also requested MCP staff liaisons to coordinate with existing Coordinated Entry System (CES) homeless services providers and LAHSA staff. Along with multiple other stakeholders, staff expressed the need for more investment in street medicine, as well.

The MCPs have since committed \$114 million in HHIP funding to support two key strategies in coordination with the Los Angeles County Homeless Initiative (CEO-HI). The funding will be utilized to identify and support CES participants who are ADL dependent, as LAHSA and other stakeholders requested, and to master leasing up to 1,900 housing units to support housing placement for people experiencing homelessness who have vouchers but are struggling to secure a rental lease agreement.³

III. LAHSA HOUSING NAVIGATION PROGRAM & BUDGET

Housing Navigation is a crucial component within the rehousing system that supports system throughput within the Los Angeles Continuum of Care. It provides housing-focused supportive services for people experiencing homelessness with the goal of helping them identify and secure housing units for permanent housing placements within 120 days of program enrollment. Housing Navigation Programs adhere to Housing First, Low Barrier, Harm Reduction and Trauma-Informed Care approaches (detailed definitions can be found in the LAHSA Program Standards document). There is a high need for housing navigation support across all populations experiencing homelessness in Los Angeles County, especially with the most recent Homeless Count estimate showing a 9% rise in homelessness in Los Angeles County and 10% in the City of Los Angeles compared to the previous year.⁴

While the initial announcement of the HHIP program indicated that funding may be used for housing navigation, DHCS also indicated that any HHIP undertakings should expand existing systems, not substitute them. Efforts taken with the HHIP and MCP intervention will support LAHSA's ongoing efforts to provide needed services to as many people as possible and will not be duplicative. Table 1 below outlines total funding currently contracted through LAHSA for Housing Navigation by population and funding source for FY 2023-2024.

³ L.A. Care and Health Net Invest \$114 Million to Fight Homelessness. County of Los Angeles Homeless Initiative. (2023, May 3). <https://homeless.lacounty.gov/news/hhip/>

⁴ LAHSA Releases Results of 2023 Greater Los Angeles Homeless Count. Los Angeles Homeless Services Authority. (2023, June 29). <https://www.lahsa.org/news?article=927-lahsa-releases-results-of-2023-greater-los-angeles-homeless-count#:~:text=LOS%20ANGELES%20%E2%80%93%20The%202023%20Greater,to%20an%20estimated%2046%2C260%20people>



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The current system capacity is designed to serve between 5,150 and 15,450 households this fiscal year, depending on how many times each available Housing Navigation slot is used. There are 5,150 Housing Navigation slots, which are intended to be turned over up to three times within the fiscal year with a target enrollment period per household of 120 days (4 months). The funding rate for Adult slots is \$4,679, for Family slots \$4,145, and for TAY slots \$4,525. Those amounts must cover staff costs for the duration of engagement, housing application and transportation for unit viewing costs, and sometimes move-in costs, including furniture purchases and security deposits. With an estimated 75,518 people experiencing homelessness in Los Angeles County in 2023⁵, our current contracts to provide housing navigation for approximately only 7% at any given time.

The housing vacancy rate in Los Angeles is incredibly low, making it difficult to identify available units suitable to each household within the intended 120-day enrollment period. While each Housing Navigator's role is to quickly move each participating household into housing, it is challenging to do so in such a tight rental market, and there is no immediate solution to this system barrier without increased supply in affordable housing in the rental market. The funding amounts presented in this report are current as of October 2, 2023.

When a household is approved to sign a lease, the Housing Navigator helps them review all lease requirements and attends the signing with them and the landlord. The Housing Navigator will then assist the household as needed with all pre-lease-up activities. At this point, if the participating household has an assigned match to a TLS or PSH slot, the Housing Navigator will provide a warm handoff to their new TLS or PSH case manager. Participants enrolled in Time Limited Subsidies (TLS) are provided with ongoing case management, housing retention support, and rental assistance for a maximum of 24-30 months) while the household works toward stabilizing their income through employment or a long-term housing subsidy. All the work occurring under the TLS program is critical for long-term housing retention, so the entire budget for TLS programs can be considered "housing sustaining services". TLS program budget details are outlined below in the second table.

The TLS program has enough funding allocated and contracted to date this fiscal year (FY) to serve 8,218 households in FY 2023-2024, only 10.8% of the total number of people experiencing homelessness according to the 2023 Point-in-Time count. Funding allocated per household is \$21,464 (Transition Aged Youth), \$26,133 (Families), and \$22,099 (Adults). This slot allocation funds the provider staff salaries, move-in expenses not covered by HN, rental assistance, and all case management activities. These costs will continue to grow with persistently increasing costs of living in Los Angeles. All incoming homelessness resolution funding opportunities must be utilized to expand the total service capacity of our system rather than supplanting existing resources, so that we can continually progress toward ending homelessness in Los Angeles.



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Table 1. Funding Allocation for LAHSA Housing Navigation by System for FY 2023-2024		
System	Funding Source	Total Allocation
Individual Adults	All Funding Sources	\$17,091,047 (100%)
	County (Measure H, including Pathway Home Funds)	\$10,564,561.00 (62%)
	Federal (HUD CoC SUNOFO)	\$4,534,956 (27%)
	State (Encampment Resolution Fund)	\$1,276,800 (7%)
	City (General Fund)	\$714,730 (4%)
Families	All Funding Sources	\$3,459,358 (100%)
	County (Measure H, DPSS)	\$3,459,358 (100%)
	State	Not Applicable
	Federal	Not Applicable
	City	Not Applicable
Transition Aged Youth (TAY)	All Funding Sources	\$1,538,500 (100%)
	State (CoC HHAP-1)	\$905,000 (59%)
	County (Measure H)	\$633,500 (41%)
	Federal	Not Applicable
	City	Not Applicable
All Populations	All Funding Sources	\$22,088,905



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Table 2. Funding Allocation for LAHSA Time Limited Subsidies by System for FY 2023-2024		
System	Funding Source	Total Allocation
Individual Adults	All funding sources	\$133,938,022 (100%)
	State (CoC HHAP, Encampment Resolution Fund #1 and #2)	\$64,222,221 (48%)
	City (City HHAP, City Roadmap)	\$36,485,761 (27%)
	County (Measure H, State Emergency Solutions Grant [ESG])	\$27,605,225 (21%)
	Federal (HUD CoC Coordinated Assessment, HUD CoC SUNOFO)	\$5,624,815 (4%)
Families	All funding sources	\$ 34,778,295(100%)
	County (Measure H, County DPSS, County General Funds, Federal ESG)	\$32,264,562 (95%)
	State (CoC HHAP, State ESG-CV)	\$1,348,831 (3%)
	City (City ESG)	\$1,164,902 (2%)
	Federal	Not Applicable
Transition Aged Youth (TAY)	All funding sources	\$12,382,141 (100%)
	Federal (HUD CoC YHDP)	\$6,346,821 (51%)
	State (CoC HHAP)	\$3,459,640 (28%)
	County (Measure H)	\$2,575,680 (21%)
	City	Not Applicable
Domestic and Intimate Partner Violence Providers (DV/IPV)	All funding sources (County Measure H)	\$2,719,405 (100%)
All Populations	All Funding Sources	\$200,452,392

Signature: 
 Date: