

## Communication from Public

**Name:** Wendy Wang

**Date Submitted:** 10/15/2024 04:51 PM

**Council File No:** 23-1348

**Comments for Public Posting:** Sycamores writes to convey its concerns about the proposed bed rates for interim housing. Our organization is dedicated to helping transition age youth (18-25 years old) who are experiencing homelessness or housing instability by providing affordable housing, mental health treatment (as appropriate), vocational services, educational support, and independent living skills. Furthermore, Sycamores is also the lead community-based organization for the Youth Coordinated Entry System (YCES) in Los Angeles County Service Planning Area 3, encompassing San Gabriel Valley. We operate interim housing beds for transition age youth through funding by the Los Angeles Homeless Services Authority (LAHSA). The rates for interim housing beds are not adequate to cover the overall costs of staffing and services provided under this needed program, especially as the sector is experiencing challenges to recruit and retain qualified staff. To ensure equity across the region, it continues to be important for Los Angeles County and Los Angeles City to work closely together to propose the same interim housing bed rates for different populations for the same mutually agreed upon services. If this is not done, it will create a financial disincentive for contracted service providers to work with one public partner over the other. We believe that the proposed City staff recommendations on the interim bed rates are too low and still inadequate. Abt Associates was commissioned by LAHSA and LA County to develop a new bed rate. Despite the cost data reviewed and provided, the proposed rate was still set at \$69 per night. Abt had discovered that the average cost per bed was \$139.23 and the average funding gap between expenses and public funding was \$77.52. Therefore, it is baffling why the resulting proposed bed rate is still significantly less than what the actual data revealed is necessary to cover the current costs. Should public funders require a two-step process, they should fund \$89 per night at a minimum in January 2025 and work with service providers to establish an accurate rate, based on data, effective July 2025. The Greater LA Coalition represents various contracted service providers that collectively are responsible for approximately 9,316 interim housing beds in LA County. Over 80 percent of these beds are in the City of Los Angeles. However, existing contracts do not cover current expenditures, so many

non-profit providers are struggling to keep certain sites open. Members of the Greater LA Coalition are assessing whether 14 sites, representing 1,268 beds, may be forced to close. The financial sustainability of interim housing beds is pushing organizations to consider closing muchneeded beds at a time when LA County and LA City must expand the number of interim housing beds to address the many dimensions of homelessness. Lastly, the homeless services sector is facing a workforce shortage. Last year, Rand published a study revealing that nonprofit frontline workers in LA's homeless response sector were not making a living wage and many of them were on the brink of homelessness. By setting insufficient interim housing bed rates, LA City, LAHSA, and LA County are shifting the financial burden of sustaining this program onto the nonprofit organizations and their frontline workers in this program. Nonprofit organizations are already securing funds from philanthropic organizations and individual donors to bridge the "gap" in these programs, yet the funds are not coming in at the scale to match the need. Thank you for your consideration of our comments. Sincerely, Wendy Wang, MPP Chief Public Policy and Advocacy Officer Sycamores



October 15, 2024

The Honorable Nithya Raman, Chair  
Housing and Homelessness Committee  
Los Angeles City Council  
200 N. Spring Street, Room 415  
Los Angeles, CA 90012

Dear Chair Raman,

Sycamores writes to convey its concerns about the proposed bed rates for interim housing. Our organization is dedicated to helping transition age youth (18-25 years old) who are experiencing homelessness or housing instability by providing affordable housing, mental health treatment (as appropriate), vocational services, educational support, and independent living skills. Furthermore, Sycamores is also the lead community-based organization for the Youth Coordinated Entry System (YCES) in Los Angeles County Service Planning Area 3, encompassing San Gabriel Valley.

We operate interim housing beds for transition age youth through funding by the Los Angeles Homeless Services Authority (LAHSA). The rates for interim housing beds are not adequate to cover the overall costs of staffing and services provided under this needed program, especially as the sector is experiencing challenges to recruit and retain qualified staff. To ensure equity across the region, it continues to be important for Los Angeles County and Los Angeles City to work closely together to propose the same interim housing bed rates for different populations for the same mutually agreed upon services. If this is not done, it will create a financial disincentive for contracted service providers to work with one public partner over the other.

We believe that the proposed City staff recommendations on the interim bed rates are too low and still inadequate. Abt Associates was commissioned by LAHSA and LA County to develop a new bed rate. Despite the cost data reviewed and provided, the proposed rate was still set at \$69 per night. Abt had discovered that the average cost per bed was \$139.23 and the average funding gap between expenses and public funding was \$77.52. Therefore, it is baffling why the resulting proposed bed rate is still significantly less than what the actual data revealed is necessary to cover the current costs. Should public funders require a two-step process, they should fund \$89 per night at a minimum in January 2025 and work with service providers to establish an accurate rate, based on data, effective July 2025.

The Greater LA Coalition represents various contracted service providers that collectively are responsible for approximately 9,316 interim housing beds in LA County. Over 80 percent of these beds are in the City of Los Angeles. However, existing contracts do not cover current expenditures, so many non-profit providers are struggling to keep certain sites open. Members of the Greater LA Coalition are assessing whether 14 sites, representing 1,268 beds, may be forced to close. The financial sustainability of interim housing beds is pushing organizations to consider closing much



needed beds at a time when LA County and LA City must expand the number of interim housing beds to address the many dimensions of homelessness.

Lastly, the homeless services sector is facing a workforce shortage. Last year, Rand published a study revealing that nonprofit frontline workers in LA's homeless response sector were not making a living wage and many of them were on the brink of homelessness. By setting insufficient interim housing bed rates, LA City, LAHSA, and LA County are shifting the financial burden of sustaining this program onto the nonprofit organizations and their frontline workers in this program. Nonprofit organizations are already securing funds from philanthropic organizations and individual donors to bridge the "gap" in these programs, yet the funds are not coming in at the scale to match the need.

Thank you for your consideration of our comments.

Sincerely,

Wendy Wang, MPP  
Chief, Public Policy and Advocacy Officer