

REPORT FROM


OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: September 5, 2024

CAO File No.
0220-06083-0031
Council File No. 22-1545
Council District: All Districts

To: The City Council

From: Matthew W. Szabo, City Administrative Officer

 Digitally signed by
Edwin Gipson II
Date: 2024.09.05
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Reference: Homelessness Emergency Account

Subject: **HOMELESSNESS EMERGENCY ACCOUNT - GENERAL CITY
PURPOSES FUND EIGHTEENTH STATUS REPORT (C.F 22-1545-S21)
AS OF WEDNESDAY, JULY 31, 2024 AND FUNDING
RECOMMENDATIONS - SUPPLEMENTAL**

SUMMARY

On August 22, 2024, the Office of the City Administrative Officer released the Eighteenth Homelessness Emergency Account Status Report and Funding Recommendations (C.F 22-1545-S21). This supplemental report amends the previously released report to add a recommendation providing an exempt determination from the California Environmental Quality Act (CEQA) for the use of the congregate shelter site located at 545 S. San Pedro Street in Council District 14.

RECOMMENDATION

That the City Council, subject to approval by the Mayor:

1. DETERMINE that the financial transaction to provide funding to the Los Angeles Homeless Services Authority (LAHSA) to contract with an existing shelter/navigation center at 545 S. San Pedro Street for those experiencing homelessness, is statutorily exempt from the California Environmental Quality Act (CEQA) under Government Code Section 65660(b), applicable to City of Los Angeles (City) low barrier navigation centers; and PRC Section 21080(b)(4) and State CEQA Guidelines, 14 California Code of Regulations (CCR) Section 15269(c), as specific actions necessary to prevent or mitigate an emergency; and Section 15061(b)(3), and Section 15301, applicable to existing facilities, as stated in the Bureau of Engineering report in the Council File, and no unusual circumstances or exceptions exist.
2. APPROVE and APPROPRIATE \$8,522,062.30 from Fund No. 100/56, Account No. 000A15, Inside Safe Reserve to the General City Purposes (GCP) Fund No. 100/56, Account No. 000959, Homelessness Emergency Account for FY 2024-25 costs associated with new occupancy;

3. AUTHORIZE the General Services Department (GSD) or their designee, to execute new, or amend existing occupancy agreements, for the three motels listed on "Table 3: Occupancy Agreements For Contract Extension" for a period through August 31, 2027, to meet the terms of the Alliance Settlement bed obligation;
4. APPROVE an up to amount of \$3,014,000 of GCP Homelessness Emergency Account funds for up to 100 beds at the congregate sprung structure shelter site located at 545 S. San Pedro Street in Council District 14 through June 30, 2025;
 - a. APPROPRIATE \$753,500 for a 25% advance for the aforementioned congregate sprung structure shelter site in Council District 14;
5. APPROVE and APPROPRIATE an up to amount of \$375,000 of GCP Homelessness Emergency Account funds for furniture, fixtures and equipment cost associated with sleeping modules at the sprung structure shelter site located at 545 S. San Pedro Street in Council District 14 through June 30, 2025;
6. REQUEST LAHSA to execute a new, or amend an existing, sole source contract with Union Rescue Mission for the congregate shelter site located at 545 S. San Pedro Street in Council District 14 for a term of September 30, 2024, through September 30, 2027;
7. INSTRUCT and AUTHORIZE the General Manager of LAHD, or their designee, to execute a new, or amend the existing City's General Fund contract (C-140706), with LAHSA to:
 - a. Reflect the service funding in this report for:
 - i. Congregate sprung structure shelter site with up to 100 beds located at 545 S. San Pedro Street in Council District 14 with an associated up to contract amount of \$3,389,000 with an expenditure date through June 30, 2025 as follow:
 1. \$3,014,000 for operating costs for FY 2024-25
 2. \$375,000 for furniture, fixtures and equipment
8. AUTHORIZE the Mayor's Office to accept additional funding in the amount of \$130,000 from Los Angeles County for Joint City-County Inside Safe encampment reimbursements as reflected in the agreement between the City and Los Angeles County for Homeless Emergency Programs and Services (Contract #AO-23-603) for a contracted total amount of \$1,860,000;
9. AUTHORIZE the CAO to:
 - a. Prepare Controller instructions or make necessary technical adjustments, including to the names of the Special Fund accounts recommended for

this report, to implement the intent of these transactions, and authorize the Controller to implement these instructions; and

- b. Prepare any additional Controller instructions to reimburse City Departments for their accrued labor, material or permit costs related to projects in this report, to implement the intent of these transactions, and authorize the Controller to implement these instructions.

DISCUSSION

The Bureau of Engineering (BOE) has conducted a CEQA analysis for the site located at 545 S. San Pedro Street, which is transmitted under a separate cover. The Mayor and City Council must approve BOE's determinations that these uses are categorically exempt from CEQA.

As stated in the previously released 18th Homelessness Emergency Account Report, the Mayor's Office is working to expand the Inside Safe portfolio to fund up to 100 beds at a congregate sprung structure shelter located at 545 S. San Pedro Street in Council District 14. This will be a model where bed costs and services will be provided for a total rate not to exceed \$110 per bed per night and services costs will be eligible for reimbursement from the County per the Alliance Memorandum of Understanding. This report requests \$375,000 for furniture, fixtures and equipment costs such as purchasing sleeping modules, including partitions and small cabinets. Additionally, an up to contract amount of \$3,014,000 is requested to support the FY 2024-25 costs of the contract. The contract will be for three years and one day, with an anticipated start date of September 30, 2024, and anticipated end date of September 30, 2027. The total cost of the contract is estimated to be \$12,056,000. There is a potential future impact on the General Fund in an amount up to \$4,015,000 annually relative to bed and service costs.

FISCAL IMPACT STATEMENT

Approval of the recommendations in this report will not have an immediate impact on the General Fund given the recommendations use budgeted General Fund. However, as the GCP line items represent one-time allocations of General Fund dollars, there is a potential future General Fund impact in fiscal years 2025-26 through 2027-28 of up to \$21,452,697 in operating expenses, including services and leases. The General Fund supported services are anticipated to be reimbursed from the County through the Alliance Memorandum of Understanding.

FINANCIAL POLICIES STATEMENT

The recommendations in this report comply with the City Financial Policies in that budgeted funds are being used to fund recommended actions.