

HOUSING AND HOMELESSNESS COMMITTEE REPORT relative to the Homelessness Emergency Account (HEA) – General City Purposes Fund Eighth Status Report.

Recommendation for Council action:

NOTE and FILE the October 27, 2023 City Administrative Officer (CAO) report relative to the HEA – General City Purposes Fund, inasmuch as this report is for information only and no Council action is required.

Fiscal Impact Statement: Not applicable.

Community Impact Statement: None submitted.

Summary:

On November 29, 2023, your Committee considered an October 27, 2023 CAO report relative the HEA – General City Purposes Fund Eighth Status Report. According to the CAO, on January 18, 2023, Council approved the motion (Council File No. 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. Council also authorized the CAO 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.

During the annual budget process for Fiscal Year (FY) 2023-24, Council approved an additional \$250 million in funding. An initial allocation of \$65.7 million was appropriated at the beginning of the fiscal year to the HEA with the remaining balance appropriated to the Inside Safe Reserve Fund account. If the available uncommitted balance in the HEA is below \$25 million during the fiscal year, the CAO is instructed to provide a memo to the Mayor, Council, and Controller requesting the Controller to effectuate a transfer within 10 business days of receipt. A transfer of \$25 million from the Inside Safe Reserve Fund account will be completed until the \$184.3 million has been allocated to the HEA. Council may change this transfer instruction with a majority vote, subject to the Mayor's veto.

Regular reporting is required to continue the automatic transfer of funds from the Inside Safe Reserve Fund account for this fiscal year. As of October 13, 2023, a total of \$56,072,060 has been expended for FY 2023-24 costs. The paid expenses for this fiscal year primarily consist of hotel and motel invoices as well as costs associated with the Mayfair Hotel acquisition, such as an escrow deposit, rehabilitation costs, and fund loans that will be reimbursed. Based on known obligations to date, the account is expected to have an unencumbered balance of \$25,947,956.54 by the end of the second quarter and is not expected to need a transfer from the Inside Safe Reserve Fund. It is important to

note that the cash balance is based only on information provided to the CAO as of October 13, 2023. Attachment 1 of the CAO report provides a summary of actual and projected balances through December 31, 2023, for the HEA. Attachment 2 provides budgeted categories for the \$250 million approved in the FY 2023-24 budget, interim budget increases as well as incurred and projected costs through June 30, 2024, and future year cost options. The Mayor's Office has approved extensions and additional funding for current Service Providers in association with the Los Angeles Homeless Services Authority (LAHSA) through December 31, 2023. The Mayor's Office and LAHSA are working together to project individual service provider costs through June 30, 2024. Additional programmatic planned expenditures will be included in future reports as they are identified. After consideration and having provided an opportunity for public comment, the Committee moved to note and file the CAO report. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Housing and Homelessness Committee

COUNCILMEMBER	VOTE
RAMAN:	YES
BLUMENFIELD:	YES
HARRIS-DAWSON:	ABSENT
RODRIGUEZ:	YES
LEE:	YES

ARL
11/29/23

-NOT OFFICIAL UNTIL COUNCIL ACTS-