

HOUSING AND HOMELESSNESS COMMITTEE REPORT relative hiring challenges and staff shortages among both government and nonprofit service providers for the Los Angeles homeless services workforce.

Recommendation for Council action pursuant to Motion (Raman – Soto-Martinez):

INSTRUCT the City Administrative Officer (CAO) and Chief Legislative Analyst (CLA) and REQUEST the Los Angeles Housing Services Authority (LAHSA) and City Attorney to work together to prepare the following:

- a. A review of direct City contracts related to homelessness and LAHSA contracts that use City funds across the homeless services spectrum, to determine which contracts include regular staff and operational cost-of-living adjustments as part of contract terms with consideration of the following:
 - i. For contract renewals that have not included a cost-of-living increase in the past three fiscal years, an analysis of the funding and policy changes necessary to provide a cost-of-living adjustment in future contract cycles.
 - ii. For existing contracts, an analysis of the funding, policy, or process changes that could comprehensively raise and standardize living wage rates across the homeless services sector for a variety of front line staff, whether stipulated in contract terms, adjusting contractual expectations or funding levels, or other solutions, such as establishing a baseline “floor” minimum wage.
- b. An analysis of the cost of implementing current homelessness programs pursuant to direct City contracts or LAHSA contracts that use City funds, and an estimate of the gap between contracted amounts and the full costs of operating these programs currently borne by providers, including administrative costs.
- c. An estimate of the potential improvements in client continuity of care, contractual outcomes, retention, and productivity if the City increases compensation to front line homeless services staff to include potential listening sessions with homeless services staff and management regarding the impacts of staff turnover on client care.
- d. Recommendations for contracting standards in direct City contracts related to homelessness and LAHSA contracts that use City funds that include best practices in employee relations policies.
- e. Recommendations for clarifying accountability across service provide contracts with the City and LAHSA to include:
 - i. Regular performance evaluations

- ii. Data and reporting requirements
- iii. Metrics about client outcomes

Fiscal Impact Statement: Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

Summary:

On November 29, 2023, your Committee considered a Motion (Raman – Soto-Martinez) relative to hiring challenges and staff shortages among both government and nonprofit service providers for the Los Angeles homeless services workforce. According to the Motion, the Los Angeles homeless services workforce, particularly frontline staff such as outreach workers, case managers, housing navigators, and peers, play a critical role in preventing and ending homelessness in the City. Unfortunately, very high rates of staff turnover are leading to fractured service delivery to a high-needs population, and are exacerbating hiring challenges and staff shortages among both government and nonprofit service providers.

There are many reasons for turnover. Low salaries are a major factor: a May 2023 RAND report about the homeless sector workforce in Los Angeles County estimated that frontline staff in the homeless services sector often earn between about \$40,000 and \$60,000 annually. The same report estimates that for a worker to rent a one-bedroom home in the County without being housing burdened, they need to earn at least \$64,160 annually. The homeless sector workforce earns so little that many struggle to pay their own rent and some are experiencing homelessness themselves.

The demanding nature of these positions, both physically and emotionally, also contribute to burnout. Adding to these challenges, frontline staff position responsibilities and performance metrics are not uniform across organizations, causing confusion regarding expectations for this body of workers as a whole. The City relies on a mix of public agencies and private nonprofit agencies to provide services to people experiencing homelessness. This includes both direct contracts between the City and nonprofit services providers, and funds that go to the Los Angeles Homeless Services Authority (LAHSA) for programs that are either directly implemented by LAHSA staff or contracted by LAHSA.

In some cases, to improve staff retention and performance, homeless service providers have increased wages even when these increases are not supported by their existing contracts. To grow the capacity of the homeless services sector as a whole, there must be a review of what is in the City's purview to address, including addressing cost-of-living wage increases and contractual gaps, when applicable. Addressing compensation challenges is a vital component to growing the overall capacity and effectiveness of the homeless services workforce, which is ultimately needed to meet the City's homelessness goals. After consideration and having provided an opportunity for public comment, the

Committee moved to recommend approval of the Motion. 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-