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March 3, 2021

Dear City and County Leadership,

We are writing to share the report produced by the Ad Hoc Committee on Governance, authored by Ann Oliva, Visiting Senior Fellow at the Center on Budget and Policy Priorities, a leading national research and policy institute focused on reducing poverty and inequality.

This report is a useful guide because as we seek to eradicate homelessness, we need clear accountability and system reform in order to house people faster. The report reflects the perspectives of lived expertise, philanthropy, government, elected officials, LAHSA Commission members and input from hundreds of stakeholders across the regional homelessness services system over the past year.

The current system is not effectively designed to re-house people at the scale of the need, and the inequalities exacerbated and highlighted by the pandemic will only worsen if we do not act to create clear accountability and responsibility.

The report makes a distinction between operations and governance, and offers guidance towards a successful regionally coordinated response to the homelessness and housing crisis that could remove existing obstacles to aligning resources, authority and shared goals.

We're encouraged by the plan's recommended actions in three areas of focus:

1. **Strengthen LAHSA's operational effectiveness** given its exponential growth, including improvements to contracting and procurement processes.
2. **Streamline governing bodies of LAHSA to clarify roles and accountability**, enhance transparency to elected officials, and incorporate greater involvement of people with lived experience in meaningful ways.
3. **Engage elected officials to create a shared vision for system change**, by establishing bold, collective goals shared by the 88 cities and the County, and a path toward a system-wide structure with the authority and flexibility to implement it. This body would evaluate an evolution of the governance of LAHSA and the rehousing system, potentially toward direct elected official involvement.

Two major factors drove the need for a governance review:

LAHSA has evolved into a rehousing system administrator but does not have control over its funding, policies, and programs, and receives direction from overlapping oversight bodies. LAHSA's current governance structure relies on direction from both the City and County of Los Angeles, as well as input from the LAHSA Commission, the Continuum of Care Board, the Coordinated Entry System Advisory Council, the Regional

Homelessness Advisory Council, the Lived Experience Advisory Board, and various workgroups. This complex governance dynamic puts LAHSA in the center of often-conflicting policies and strategies without decision-making authority.

While funding has increased, varying requirements and mandates tied to the funding have created complex challenges for LAHSA and its non-profit providers to navigate. Each funding source comes with its own set of rules and limitations, creating a complicated web of contract requirements and eligible activities. While LAHSA implements its strategic plan and makes identified operational improvements to streamline internal processes, its governance structure needs to change to allow aligned solutions that cut red tape.

As context for this report, it's important to consider that LAHSA's work—the rehousing system that supports people out of homelessness—is distinct from the mainstream systems pushing people into homelessness and the systems that oversee housing production. Los Angeles has invested deeply in rehousing, and as a result has doubled the number of people exiting homelessness annually compared to the years before those investments. LAHSA's ongoing operational transformation continues to speed up that work and this governance report identifies obstacles to further improvements.

Governance changes in rehousing will not solve inflow. Fixing LA's homelessness crisis requires reform of the mainstream safety net systems to stop people from falling into homelessness faster than they can be rehoused, and increasing the quantity and variety of LA's affordable housing supply.

We look forward to working with you to create a shared vision for system change in how our region approaches rehousing. Meanwhile, if you have questions or feedback, please contact LAHSA Executive Management Officer, Jayanthi Daniel, at jdaniel@lahsa.org, who is collecting input on next steps on behalf of the committee.

Signed,



Wendy Greuel, Chair
LAHSA Commission



Sarah Dusseault, Chair
Ad Hoc Committee on LAHSA Governance

Members of the Ad Hoc Committee on Governance:

Rabbi Noah Farkas
Irene Muro
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LOS ANGELES HOMELESS SERVICES AUTHORITY: REPORT ON GOVERNANCE

FEBRUARY 2021

(REVISED FEBRUARY 24, 2021)

SUBMITTED TO THE LAHSA COMMISSION AND THE
AD-HOC COMMITTEE ON GOVERNANCE

Prepared by Ann Oliva
Visiting Senior Fellow, Center on Budget and Policy Priorities

**Los Angeles Homeless Services Authority: Report on Governance
February 2021 (Revised)**

Executive Summary

The LAHSA Commission formed an *Ad-Hoc Committee on Governance* in February 2020 to review the current structures that govern LAHSA's operations, policy development and relationships with key partners across the region, and to develop recommendations on how roles and responsibilities may be better defined to improve accountability for housing and services to people experiencing homelessness in Los Angeles. Two major factors drove the need for a governance review:

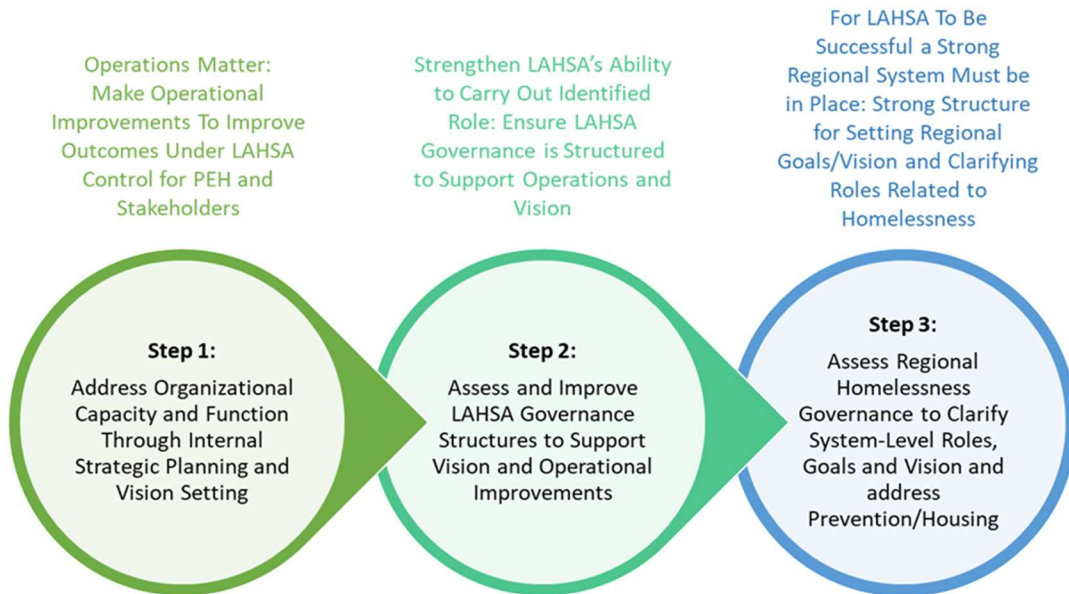
- 1) **LAHSA is evolving from acting as a *grants administrator* for the homelessness system to being a *system administrator*** – a role that is critically needed in the region. However, neither its current governance structure nor the Joint Powers Agreement (JPA) fully support this role. LAHSA's work is largely dictated by the City and County of Los Angeles, neither of which delegate full decision-making power on homelessness/re-housing assistance to LAHSA. This complex governance dynamic often puts LAHSA in the center of high-level policy and funding differences without the independence or authority to mediate issues. As a result, LAHSA has become a target of criticism or blame on issues outside of its actual span of control.
- 2) **LAHSA has seen unprecedented growth over the last five years** - over \$709 million dollars (728%) in budget growth and an increase of 338 staff (252%). Even with the sizable growth in staff, the organization is not fully resourced for or aligned with its level of responsibility for the federal, state, City, County and private funding sources it manages. These capacity and functional challenges can result in frustration for LAHSA staff and external partners. However, LAHSA is in the process of actively addressing these challenges through implementation of its strategic plan and operational improvements. Ensuring that its governance structure supports the changes being made to its operations is key to long-term success.

The process for developing recommendations included in this report included of a review of documents provided by the Committee regarding LAHSA's governance structure and legal requirements, interviews with community stakeholders (see page 5 for details), and a review of governance models developed and used in other systems or geographic areas.

Summary of Recommendations

As an organization and critical part of the homelessness response system in Los Angeles, LAHSA is taking the steps necessary to strengthen its operations and governance structures. However, these steps alone will not address the challenges faced by the region – issues including an increased inflow into homelessness, lack of a cohesive regional vision and goals, and an affordable housing shortage contribute to homelessness and are not within LAHSA's span of control. Strengthening the region's overall homelessness response could be accomplished through a three-step approach that includes strengthening LAHSA's operations and governance, but also conducting an assessment of regional governance and making changes that support a true system-level approach to ending homelessness and increased accountability for those entities that control related systems and resources.

**Los Angeles Homeless Services Authority: Report on Governance
February 2021 (Revised)**



While this report focuses on LAHSA governance as illustrated in Step 2 of the graphic, the completion of Steps 1 and 3 are key to LAHSA's success and to the success of the community in ending homelessness in Los Angeles. Strengthening operational capacity and performance (completing Step 1) will build trust in LAHSA as the system administrator. Clarifying roles and streamlining/ strengthening LAHSA's governance structures (Step 2) will improve the organization's ability to receive and use information from the field, connect with elected leaders, and make strong policy and funding decisions.

Step 3, however, could be transformational. Building on the improvements made in Steps 1 and 2, Step 3 could build a true systems-level approach, placing LAHSA as system administrator in the proper position and providing it with the authority and flexibility necessary to be successful. This includes the ability to develop and implement policy as well as utilize flexible funding approaches to better meet the needs of people experiencing homelessness and the organizations that serve them. Flexible funding - especially from the City/County as part of the implementation of a shared vision, goals and metrics - could also create operational efficiencies in the contracting process and support the shift from a predominantly compliance-based approach to a collective action approach at the system level.

Specific recommendations include:

- 1) LAHSA should **complete the implementation of operations changes as described in the organization's strategic plan**, many of which are already underway. Because so many of the challenges described by interviewees were, in fact, operational in nature (rather than governance related), it is imperative that LAHSA quickly implement needed structural changes to orient itself towards its role as system administrator. Priority areas include contracting and procurement, communications, implementation of equity practices in alignment with the recommendations made by the *Ad-Hoc Committee on Black People Experiencing Homelessness*, partnering with people with lived expertise, and establishing more direct connections with subregional leaders.

**Los Angeles Homeless Services Authority: Report on Governance
February 2021 (Revised)**

- 2) Establish role clarity and streamline key governance bodies. Each governance-related body or workgroup should have a clear purpose and authority and fulfill a strategic purpose for the system as a whole.
- LAHSA should work with **the LAHSA Commission, the Continuum of Care Board, the Coordinated Entry System Policy Council, and the Lived Experience Advisory Board to establish clarity** as to when they have decision-making authority, when they are acting in an advisory capacity, and when they are workgroups making recommendations on specific policy/program areas.
 - The **Regional Homelessness Advisory Council (RHAC) no longer serves its originally intended purpose, and therefore is recommended to be dissolved** after the process to map and document roles and responsibilities for the four priority groups discussed above is complete. A communications strategy for current RHAC members should be developed and implemented as part of the process for successfully disbanding the group.
 - A full analysis of existing workgroups and committees created as part of the LAHSA Commission, the Continuum of Care, the RHAC, and the City and County should be conducted in order to understand any overlap or conflicting mandates and workflows. **Extraneous workgroups should then be dissolved and membership in newly created or existing workgroups should be reviewed** to ensure that they are comprised of appropriate subject matter experts, including people with lived expertise.
 - This analysis/mapping is an opportunity to work with current (HUD or other) technical assistance (TA) providers to streamline the number of groups working on overlapping or similar topics and to be strategic about the use of workgroups. This process should be closely coordinated with the organization’s strategic plan implementation work. A four step process would provide the information and consensus needed to execute this recommendation.
 - (1) LAHSA should identify any regulatory or other legal requirements that workgroups fulfill so they can be accounted for in the analysis.
 - (2) LAHSA staff should identify workgroups that it convenes/manages/participates in, including those workgroups convened as part of the Commission, the CoC or CES Policy Council. Through its own process, LAHSA can identify the information needed from other workgroup conveners to begin mapping and streamlining these functions.
 - (3) With the assistance of TA providers, LAHSA should identify key leaders across the system who also convene workgroups on the issue of homelessness, and provide a standard format for these partners to identify each workgroup, its purpose, legal authority, frequency and members.
 - (4) LAHSA should convene a meeting of its partners at the City of Los Angeles, County of Los Angeles, the CoC Board, the CES Policy Council and the RHAC to produce a system workgroup map, identify areas where workgroups can be combined or steamlined, review workgroup membership with an equity lens, determine next steps for making proposed changes (based on the existing authority for each group) and communicating to stakeholders.

**Los Angeles Homeless Services Authority: Report on Governance
February 2021 (Revised)**

- **The role of both the Commission and its members can be immediately clarified and changes can be made to build a stronger connection between the Commission and elected officials,** including the City Council. Recommended actions include:
 - Create position descriptions for LAHSA commissioners and officers, including expectations of the positions.
 - Develop a characteristics, skills and expertise matrix to aid elected officials in the selection of Commissioners when filling an open seat. Specifically address diversity, inclusion and representation by people of color and people with lived expertise.
 - Work with Mayor’s Office and City Council to develop a process for filling/confirming City of Los Angeles seats in the future.
 - Create a formal mechanism to address sub-regional planning, policy and resources. For example, create an ad-hoc committee or other process that includes City/County/regional leaders designed to specifically develop strategies to include other sub regions and cities in system coordination. This issue may be included in the review of LAHSA’s legal authority.
- Although this report generally recommends fewer bodies/workgroups with clearly defined roles and authority, it is also sometimes necessary to fill gaps in order to successfully execute a strategic vision. Currently, there is no body that includes key elected officials to assist LAHSA in administering the system and troubleshooting problems across political boundaries. Therefore, it is recommended that LAHSA work with **key elected officials (City and County) with jurisdiction over homelessness assistance resources to create a homelessness-specific planning group** to convene regularly while the system-wide structure (described below) is in development. This approach will quickly engage important decision-makers to address urgent challenges and lay the groundwork to a regional, system-level approach. At least two communities on the West Coast use a similar model.
 - In 2020 the City of San Diego implemented a Leadership Council on homelessness that includes the Mayor of San Diego, the Chair of the County Board of Supervisors, a City Council member and the CEO of the Housing Commission along with key lived expertise representation, philanthropic and business leaders and the Continuum of Care. ([City of San Diego Community Action Plan on Homelessness](#), p.36)
 - In 2020 King County and Seattle, Washington entered into an Interlocal Agreement to create a new King County Regional Homelessness Authority, with elected leaders including the Mayor of Seattle, the County Executive, members of the City and County Councils and members of the [Sound Cities Association](#) serving on its Governance Board alongside people with lived expertise. ([King County Homelessness Governing Board](#))

3) Support System Administration and Develop System-Wide Vision and Goals

Leaders in the homelessness community, including key elected officials, **should undertake a system-level review to identify goals/vision for the system as a whole, clarify public and private sector roles, and tie LAHSA’s work to its key partners within mainstream and affordable housing systems** that intersect with homelessness. It is therefore important that LAHSA be included as a partner along with the City and County as the review is conducted and a new regional structure is developed. This review be comprised of at least the following components:

- An assessment of all public and private regional governance structures (including legal agreements) that impact homelessness.

**Los Angeles Homeless Services Authority: Report on Governance
February 2021 (Revised)**

- Identification of a City/County/LAHSA mechanism to develop a robust system approach to ending homelessness in Los Angeles through development of shared goals and vision to drive decision-making and resource allocation.
- A review of LAHSA's legal authority to determine if LAHSA has sufficient independence and decision-making authority to carry out its responsibilities as the system administrator or for its role as determined through the system-level assessment and establishing a process for making changes as needed.

**Los Angeles Homeless Services Authority: Report on Governance
February 2021 (Revised)**

I. Introduction and Purpose

The LAHSA Commission formed an *Ad-Hoc Committee on Governance* (the Committee) in February 2020 based on its authority through the Joint Powers Agreement that allows for governance review every five years. The Committee is charged with reviewing the current structures that govern LAHSA’s operations, policy development and relationships with key partners across the region, and for developing recommendations on how roles and responsibilities may be better defined to improve accountability for housing and services to people experiencing homelessness in Los Angeles. Its members include Commissioners Dusseault (Committee Chair), Greuel, Sauls, Farkas and Muro.

Several inter-related actions led to the formation of the Committee. LAHSA’s internal strategic planning process (underway since 2018) assisted the staff and leadership of the organization to clarify its vision and LAHSA’s role within the larger homelessness ecosystem of Los Angeles (see Figure 1). LAHSA is also

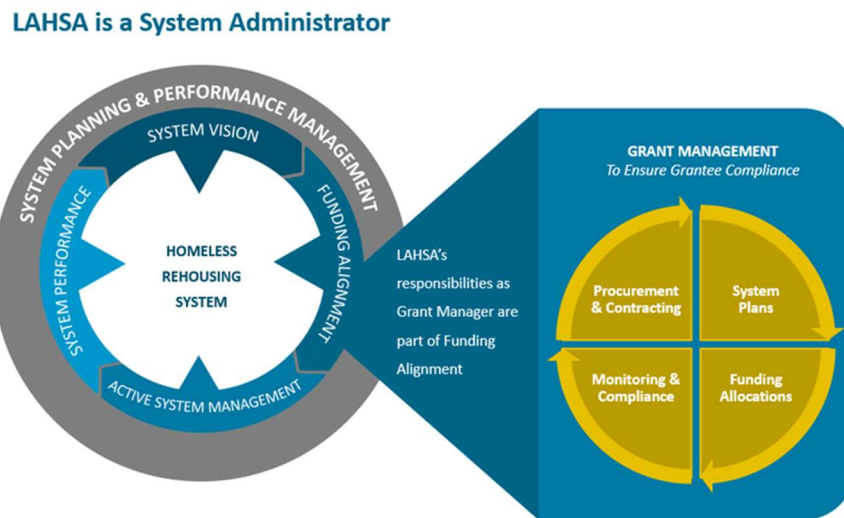


Figure 1: LAHSA's Role Within the Regional Homelessness Ecosystem

in the process of shifting internal operating structures to support that vision and role. In light of this work and the challenges discovered, the Commission formed the *Ad Hoc Committee on Governance* and encouraged partnership in this effort at both the County and City. Supervisors Barger and Solis directed the CEO, the Auditor-Controller, and County Counsel to conduct a thorough analysis of LAHSA’s governance structure and to return with recommendations. City Council President Martinez also introduced a motion to examine governance of the homeless services system. The *Ad-Hoc Committee on Governance* was designed to consider each of these processes and develop its own recommendations to strengthen the organization and advance the goal of ending homelessness in Los Angeles.

Los Angeles Homeless Services Authority: Report on Governance February 2021 (Revised)

LAHSA's Role in Homeless Services

LAHSA was formed in December of 1993 by the Los Angeles County Board of Supervisors and the Los Angeles Mayor and City¹ Council in response to litigation between the City of Los Angeles and Los Angeles County pertaining to jurisdictional responsibility for addressing homelessness. It was created as an independent, joint powers authority and was designed to become the agency responsible for responding to homelessness across the region. LAHSA oversight is conducted by its Commission, which is comprised of 10 commissioners, half appointed by the County Supervisors and half by the Mayor of Los Angeles with the confirmation of the City Council.

A number of factors have made it difficult for LAHSA to fully fulfill its intended role. While it has performed well in its federally recognized role as the lead agency for the Los Angeles Continuum of Care² (which covers the City of Los Angeles and much of the County), neither the City nor the County ever fully delegated decision-making power on homelessness/re-housing assistance to LAHSA. LAHSA also does not control – appropriately so – the mainstream systems that often exit people into homelessness or that serve people with physical or behavioral health issues who are also experiencing homelessness, nor does it control affordable housing production. This complex dynamic has made LAHSA accountable to multiple and sometimes conflicting institutions, with a limited ability to govern itself due to the terms of the Joint Powers Agreement.

This dynamic began to change when voters passed Measure H and Proposition HHH in 2016/2017, funding a badly needed expansion of homeless services and supportive housing aligned to a coordinated City and County strategy that prioritized a housing-first model. While the funding was key, the passing of these measures most importantly kept governments and providers united towards a common purpose. This helped LAHSA to begin to lean into the role of system administrator – one more in line with its intended purpose.

However, LAHSA's growth since 2016/2017 and the changing dynamics between its public funders have created challenges that the organization is actively trying to solve as described in this report. The *Ad-Hoc Committee on Governance* was created to ensure that LAHSA's governance structure fully supports the organization's vision and its role in the community.

Impact of Rapid Organizational Growth

With passage of [Measure H](#) (also known as the Homeless Initiative, which allocates a portion of its funding to LAHSA) and [Proposition HHH](#) (no funds flow through LAHSA) in 2016/2017, LAHSA has seen unprecedented growth both in its personnel and the amount of funding for which it is responsible. This rapid growth created the need to conduct a full review of the organization, including its operational and governance structures. The charts below illustrate the rate of change for the organization: a budget increase of over \$709 million dollars, or 728%, over five fiscal years and an increase of 338 staff, or 252% growth over the same period.

¹ <https://www.lahsa.org/about>

² HUD Continuum of Care Program: <https://www.hudexchange.info/programs/coc/>

**Los Angeles Homeless Services Authority: Report on Governance
February 2021 (Revised)**

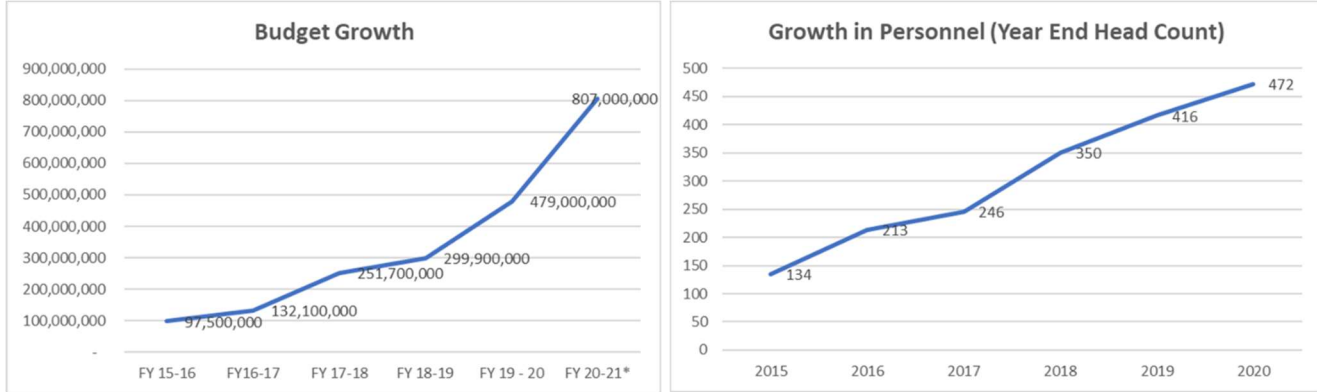


Figure 2: LAHSA Organizational Growth

These charts, however, do not tell the entire story. While the growth in staff has been sizable, it is also clear from the internal operational review that the organization’s staffing is not fully resourced for or aligned with the level of responsibility for federal, state, City, County and private funding sources it manages. This creates operational capacity challenges in a number of areas – resulting in frustration both internally and with LAHSA’s external partners. These operational frustrations were voiced in the interviews conducted as part of the governance review, and to LAHSA’s partners were often indistinguishable from governance related challenges.

The level of funding LAHSA receives through these sources also gives the public and LAHSA’s homelessness stakeholders a false sense of what LAHSA controls. While these funding amounts are large, each funding source comes with its own set of rules and limitations, creating a complex web of contract requirements and eligible activities that can be difficult to navigate and is often passed through to subrecipients. This can result in frustration or lack of clarity at the stakeholder level – often with LAHSA being blamed for inefficiencies or rules it does not actually control.

In 2018 LAHSA began a proactive process to address challenges related to the rapid growth of the organization. It began, as discussed previously, with a full operational review and strategic planning process to clarify the organization’s mission, vision and role in the community. LAHSA is currently implementing operational changes in six key areas:

1. System management
2. External Relations and Communication
3. Grant Administration
4. Data Collection and Analysis
5. Health and Safety response
6. Equity

LAHSA’s priority is improving operations and creating a structure that will support its role in ending homelessness in Los Angeles. Strengthening the region’s overall homelessness response could be accomplished through a three-step approach that includes strengthening LAHSA’s operations and governance, but also conducting an assessment of regional governance and making changes that

**Los Angeles Homeless Services Authority: Report on Governance
February 2021 (Revised)**

support a true system-level approach to ending homelessness and increased accountability for those entities that control related systems and resources.

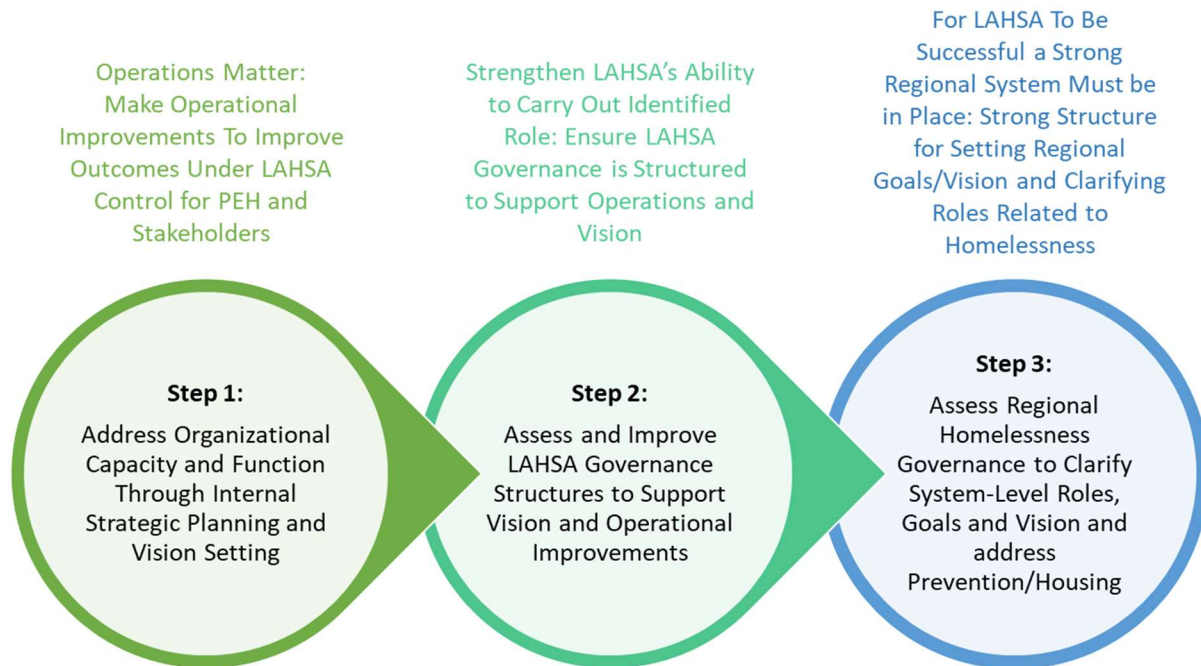


Figure 3: Strengthening Homelessness Assistance in Los Angeles

While this report focuses on Step 2 of the process as defined in Figure 3, the completion of Steps 1 and 3 are key to LAHSA's success and to the success of the community in ending homelessness in Los Angeles. Strengthening operational capacity and performance (completing Step 1) will build trust in the organization and its role. Clarifying roles and streamlining/strengthening LAHSA's governance structures (Step 2) will improve the organization's ability to receive and use information from the field, connect with elected leaders, and make strong policy and funding decisions.

Step 3, however, could be transformational. Building on the improvements made in Steps 1 and 2, Step 3 could build a true systems-level approach, placing LAHSA as system administrator in the proper position and providing it with the authority and flexibility necessary to be successful. This includes the ability to develop and implement policy as well as utilize flexible funding approaches to better meet the needs of people experiencing homelessness and the organizations that serve them. Flexible funding - especially from the City/County as part of the implementation of a shared vision, goals and metrics - could also create operational efficiencies in the contracting process and support the shift from a predominantly compliance-based approach to a collective action approach at the system level.

Equity and the Ad-Hoc Report on Black People Experiencing Homelessness

In December 2018 the LAHSA Commission's *Ad-Hoc Committee on Black People Experiencing Homelessness* issued a report and recommendations to "eliminate racial disparities impacting Black people experiencing homelessness by ensuring racial equity within the homeless crisis response system." The insights and recommendations included in the report reflect the connection between

**Los Angeles Homeless Services Authority: Report on Governance
February 2021 (Revised)**

LAHSA's governance structure and meeting the needs of people most impacted by homelessness. Two important insights into the intersection between equity and governance are described on page 7 of the report (emphasis added):

1. For lasting change to occur, **institutional barriers across agencies and mainstream systems must be dismantled** to eliminate the racial disparities and systemic racism affecting Black people experiencing homelessness.
2. The **inclusion of Black people with lived experience of homelessness in all aspects** of program and policy design, implementation, evaluation, and service delivery, is critical to ensuring that programs and services effectively meet the needs of those they are intended to serve.

While the *Ad-Hoc Committee on Black People Experiencing Homelessness* report did not include a specific chapter on governance, it offers a roadmap to how governance can fully support its implementation. The insights, principles and recommendations included in the report informed the development of the governance recommendations included here, especially related to power sharing, dismantling institutional barriers across systems, and inclusion of people with lived expertise in all layers of governance and program design.

II. Overview of the Process

The process for developing the recommendations included in this report included a review of documents provided by the Committee regarding LAHSA's governance structure and legal requirements, interviews with community stakeholders, and a review of governance models developed and used in other systems or geographic areas.

Interviews with community stakeholders began on October 13, 2020 and continued through the end of January 2021. The list of community stakeholders to be interviewed was established by Committee as part of the scope of work development for the project consultant (Ann Oliva, Center on Budget and Policy Priorities). While all interviews conducted as part of this project were facilitated by the project consultant, some interviews were conducted in conjunction with City of Los Angeles and County

Stakeholder Groups

The Committee included a broad array of stakeholder groups as part of the interview process. Interviews were conducted in two phases. In total, nearly 50 interviews with approximately 100 people were conducted as part of this project.

First, interviews were conducted with community-based organizations and individuals that work with or for LAHSA in a variety of capacities, including (see Appendix A for a full list):

- LAHSA senior staff and commission leadership
- Local Councils of Government
- Lived Experience Advisory Board members
- Business leaders
- City and County staff
- Faith-based groups
- Other Continuums of Care in the region
- Housing Authorities
- Police
- LA Continuum of Care leadership
- Coordinated Entry System lead organizations and policy council members
- HUD staff
- Philanthropic partners

Initial themes were identified through phase one interviews, and informed phase two interviews with:

- Elected leaders
- Former LAHSA commissioners

**Los Angeles Homeless Services Authority: Report on Governance
February 2021 (Revised)**

staff for the sake of efficiency and coordination. Interviews with a single person or entity were scheduled for 30 minutes, and those with larger groups or coalitions were scheduled for 60 minutes. Some interviews went longer than the scheduled period or were extended if additional discussion was necessary or requested by the interviewee. In order to establish clear boundaries and an environment of open and honest discussion, interviewees were advised that information collected from these interviews would not be attributed to specific individuals unless the project consultant requested express permission.

Interview questions were reviewed and approved by the Committee. They included the following open-ended questions as well as specific follow-up or related questions based on each discussion.

1. LAHSA's role within the larger Los Angeles homelessness ecosystem has shifted over the last several years from a grants administrator to a system administrator. Should this shift impact the way we think about LAHSA's governance?
2. How do you/your organization interact with LAHSA? Are the lines of authority and roles clear in that interaction?
3. What are the three biggest governance challenges facing LAHSA? In other words, what do you think we need to solve for in this exercise?
4. What skills and knowledge do we need represented in any LAHSA governance structure?
5. What are the characteristics of an ideal governance structure from your point of view?

Preparation for Phase One and Two interviews involved the review of documents related to LAHSA's governance and operating structure, including:

- Homeless Response System Map
- LAHSA Funding Overview
- LAHSA Joint Powers Agreement (JPA) and State JPA Guidance
- LAHSA Strategic Planning Materials
- City and County Motions on LAHSA Governance
- LAHSA Commission By-Laws, Organizational Chart and Commission and Committee Rosters
- Los Angeles Continuum of Care (CoC) By-Laws, Charter and Roster
- Regional Homeless Advisory Council (RHAC) Charter and Roster
- Coordinated Entry System (CES) Policy Council Background Memorandum, Process and Roster
- Overview of Home for Good Funders Collaborative
- Measure H Citizens Oversight Board Materials
- Lived Experience Advisory Board (LEAB) Charter and Roster
- Homeless Youth Forum of Los Angeles (HYFLA) Charter and Roster
- Federal Regulatory Requirements and CoC Guidance

Other governance and community homelessness assistance models reviewed included:

- Los Angeles County Metropolitan Transportation Authority Board
- Southern California Association of Governments
- Alameda Corridor Transportation Authority
- King County Regional Homelessness Authority
- New York City Continuum of Care and Department of Social Services

**Los Angeles Homeless Services Authority: Report on Governance
February 2021 (Revised)**

- Houston/Harris County, Las Vegas/Clark County, San Diego City and County, and Portland/Multnomah County Continuum of Care Governance

III. Themes Identified Through Interviews and Document Reviews

Phase One and Two discussions identified common themes across stakeholder groups and interviewees. The themes identified in Phase One, and presented to the Committee on November 9, 2020, informed the discussions with elected officials in Phase Two.

Interviewees raised, in multiple ways, four broad subject areas, which provide a framework for the challenges that will need to be addressed in any changes to LAHSA and system governance.

1. **Operations.** Challenges related to LAHSA operations were raised numerous times in Phase One and Two discussions, making it clear that LAHSA must successfully address these challenges for it to gain community trust and support. The two most often cited challenges relate to contracts and communication.
2. **Role Clarity.** Many interviewees pointed to overlapping or unclear lines of authority for various governing bodies as a challenge. This lack of clarity exists even for members of these bodies – they are unsure when they are the final decision-makers versus when they are acting in an advisory capacity. This causes confusion and frustration for governing body members and community stakeholders.
3. **Support for System Administration.** Generally, interviewees stated that LAHSA’s role as the homelessness system administrator is appropriate and needed. However, many also stated that LAHSA currently does not have the governance structure, independence, or political support necessary to successfully carry out this role. There was also general acknowledgement by many interviewees that LAHSA has an incredibly difficult job and is often blamed for issues that are not within its span of control.
4. **System-Wide Vision and Goals.** The lack of regional goals, metrics and a common vision was raised as a challenge in numerous interviews. Many interviewees expressed that a lack of clear direction for the system as a whole contributes to the perception that LAHSA is “caught” between the City and County when policy or funding disagreements arise.

Phase One Themes

Community stakeholders interviewed in Phase One identified challenges that should be addressed in the work to strengthen LAHSA’s governance structure.

- **Vision and Goals.** Community leaders and homelessness service providers should be clear on a common vision to drive the priorities and work of all partners. In many communities the development of a system-level vision includes a facilitated process conducted with key stakeholders, and sometimes includes the development of related interim goals and metrics of success. There is often also a single overarching plan that guides the work towards the vision and goals. Many interviewees indicated that a single regional vision does not exist, creating an environment where stakeholders are pursuing individual efforts that are not aligned.
- **Clear Authority.** No single entity has full control over the issue of homelessness in Los Angeles, and those in control of LAHSA’s funds are not always in agreement. LAHSA’s authority, especially when there is disagreement, is unclear and often does not match its level of responsibility.

**Los Angeles Homeless Services Authority: Report on Governance
February 2021 (Revised)**

- **Alignment.** A lack of alignment between partners (especially between the City of Los Angeles and the County) leaves the door open for system-level disruption from other sources (i.e., Alliance lawsuit, elected official subregional priorities).
- **LAHSA Commission.** The role of the LAHSA Commission and its members is not clear and does not adequately reflect the urgency of the homelessness situation today. Many interviewees discussed other types of governance structures that illustrate a stronger commitment by government because they include elected leaders rather than members appointed by elected leaders. While there was no consensus by interviewees about the best model for homelessness governance, the most often cited example was the Metro Board, which includes elected leaders staffed by subject matter experts. Additional challenges/concerns raised include:
 - City Council does not appoint any seats to the Commission,
 - Commissioners have no clear expectations regarding their role,
 - Commissioners are not selected based on needed expertise. Many interviewees discussed the need for elected officials to fill open seats with subject matter experts, including a specific focus on lived expertise.
- **Role clarity.** Role clarity is needed for all governing bodies to promote increased accountability, unity and trust in the system. It is also needed to ensure that each body understands their responsibilities and limitations with regards to policy and funding decisions. For example, the CES Policy Council may currently make policy decisions that have significant implications for funding that is under the authority of the Commission, leading to confusion and unclear directives for front-line service providers. Role clarity will also lead to a more robust opportunity for collective impact. Many interviewees stated that there are too many groups and planning tables that could be streamlined for a more efficient use of time and human resources.
- **Funding Complexity.** Funding requirements are complex and not flexible enough to meet the needs of people experiencing homelessness or the providers who serve them. This inhibits innovation and braiding of funding and creates a perception that compliance is more important than outcomes.
- **Connection to LAHSA staff and leaders.** Interviewees from areas outside the City of Los Angeles expressed a lack of consistent connection to LAHSA, both operationally and through its governance structure.

Phase Two Themes

Many of the themes expressed through Phase One interviews were also identified by Phase Two interviewees. However, elected officials and former Commissioners raised several additional items for consideration as operational and governance issues.

- **LAHSA's Focus and Purpose.** Several interviewees questioned whether LAHSA's dual purpose of system administrator and direct service/outreach provider is optimal. This issue was raised with regards to both operations and governance – specifically asking whether LAHSA should continue to conduct direct services or focus solely on its coordination and system leadership function.
- **The Need for More Direct Connection Between City Council and LAHSA.** The City Council does not appoint seats for the LAHSA Commission. Although they do confirm the Mayor's selections, the terms for Commissioners are often extended without further Council confirmation. For example, it is possible that no City-appointed Commissioners at a given time have been subject to confirmation by the current City Council because their terms were extended beyond the

**Los Angeles Homeless Services Authority: Report on Governance
February 2021 (Revised)**

initial three-year period. This dynamic can create a disconnect between the City Council and LAHSA Commission and Executives.

- **Need for Proactive Communication Between LAHSA and Elected Officials.** Several interviewees noted the need for more proactive communication and data sharing between LAHSA executives and elected leaders and their staff. While there is no formal requirement for this type of reporting through the Joint Powers Agreement, it was generally acknowledged that regular meetings to discuss challenges and progress would benefit both the elected officials and LAHSA.
- **Geographic Areas for Planning.** A unique theme raised in Round Two interviews was around the size of some service planning areas (SPAs) and whether they are too large to meet the diverse needs of geographic areas within some SPAs. Several interviewees described difficulty in conducting or executing subregional planning at the SPA level or described a desire for smaller geographic areas related to coordinated entry. While this is largely an operations issue, it will have implications for subregional planning and geographic representation related to governance structure.
- **Data Availability and Data Management.** Data was raised as both a challenge and an opportunity for more meaningful engagement with elected officials in several Phase Two discussions. This is, again, a largely operational issue. However, several interviewees raised the need for data sharing between LAHSA and the County in order to have a more holistic picture at any given time on homelessness in the region. Because the County has access to additional (including mainstream system) data sets, County department heads who are directly engaged in governance could facilitate data sharing and reporting for this purpose.
- **Mainstream Services.** Phase Two interviewees also raised governance challenges related to services provided by the County such as mental health and addiction treatment. While staff in Phase One interviews generally indicated that a strong working relationship between staff in the City, County and LAHSA currently exists, Phase Two interviewees voiced concerns around inequitable or inadequate distribution of key resources for people experiencing homelessness that should be addressed in the governance context. In other words, mainstream systems (e.g. child welfare, justice, behavioral and physical health systems) should be represented at the table and held accountable for their part in working towards an overall vision/goals.

Racial Justice and Equity: Partnership with People with Lived Expertise

Many interviewees in Phases One and Two expressed the need to align any governance changes to a racial justice and equity approach and to ensure that lived expertise is included. This aligns with the principles and recommendations made by the Commission's *Ad-Hoc Committee on Black People Experiencing Homelessness*, as detailed in Section I of this report. Phase One interviewees overwhelmingly called for persons with lived expertise to be included in every governance body, including the LAHSA Commission.

Many interviewees also pointed to the need for a more robust and clearer role for the Lived Experience Advisory Board (LEAB) including a direct connection between LEAB and LAHSA executive-level personnel and the Commission. In addition to the need for authentic representation in governance roles by people with lived expertise, a broad theme in both Phase One and Two interviews was ensuring that governing

Los Angeles Homeless Services Authority: Report on Governance
February 2021 (Revised)

bodies are more reflective of the characteristics of people who experience homelessness in Los Angeles. See the box on page 13 for additional details.

IV. Recommendations

Section I of this reports outlines a three-step process to strengthening homelessness assistance in Los Angeles. The steps as outlined are inter-related and will not provide the desired effect if not completed as part of a comprehensive approach.

Communities with the most effective homelessness assistance systems operate and plan at the systems level. In other words, they have moved beyond project-level or fragmented planning, funding and program design to a collective impact approach with an aligned set of goals and metrics to drive its decision-making, resource allocation and public accountability. It is important to note that while this report is about LAHSA governance, it is the City of Los Angeles and the County that play the most important role in getting to a true systems-level approach to ending homelessness in the region because they control funding and many of the systems that intersect with homelessness.

Operations (Complete Step 1)

The first recommendation is for LAHSA to complete the implementation of operations changes as described in the organization's strategic plan, many of which are already underway. Because so many of the challenges described by interviewees were, in fact, operational in nature (rather than governance related), it is imperative that LAHSA quickly implement needed structural changes to orient itself towards its role as system administrator. Changes in these key areas will help to establish an atmosphere of trust and collaboration with stakeholders while governance issues are being addressed.

- **Contract and Payment Issues:** Several activities are planned or underway.
 - A functional reorganization to strengthen grant administration and completing implementation of the Grants Management System will ensure more transparency and timely processing of contracting and subgrantee payments.
 - LAHSA should continue to implement procurement and contract modernization changes approved in December 2020. Among other things, this modernization will separate organizational evaluation from program proposals, allowing agencies to become an eligible/approved contractor at any time. This will allow smaller and faith-based agencies more time to benefit from technical assistance designed to help them meet these thresholds.
 - Implementation of master agreements will reduce contracting frequency, complexity and execution timelines.
 - LAHSA should clearly communicate to stakeholders when there are challenges outside of its control. For example, recent short-term (4 month) funding allocations and contracts that caused frustration among LAHSA's contractors were outside of LAHSA's control.
- **Communication:** A comprehensive communications strategy is key to building trust and transparency.
 - Implementation of proactive communications, including outreach to elected officials, clarity around LAHSA's true span of control within the homelessness assistance system

**Los Angeles Homeless Services Authority: Report on Governance
February 2021 (Revised)**

- and related systems, and a feedback loop between LAHSA and stakeholders will build an environment of trust and partnership.
- LAHSA’s communication strategy should include regular and standard data releases to track progress towards goals, inform policy, ensure transparency and establish a single public data set that supports collective impact at the SPA and regional levels.
 - **Equity:** Implementation of operating practices in alignment with the *Ad-Hoc Committee on Black People Experiencing Homelessness* and recommendations made by the National Innovation Service as part of the equity audit being conducted.
 - **People with Lived Expertise:** Support the full participation and representation of people with lived expertise in LAHSA’s operations, including through:
 - Employment opportunities and paths for advancement within LAHSA;
 - Creation of an executive-level connection with LEAB and conducting an examination of its charter and activities to more intentionally create opportunities for co-creation and tie its work to informing LAHSA executives on operations and policy;
 - Appropriate compensation policies and practices; and
 - Intentional roles in SPA-level work to ensure implementation progress and challenges are communicated to LAHSA executives.
 - **Direct Connection with Subregional Leaders:** In addition to communication strategies directed to subregional leaders and efforts, LAHSA should establish dedicated internal contacts for government (including Councils of Government) stakeholders or consider the implementation of an ombudsman for issues related to local governments that are not the City or County of Los Angeles.

Strengthen Current Governance Processes Through Role Clarity (Step 2)

Establishing clarity for groups as to when they have decision-making authority, when they are acting in an advisory capacity, and when they are workgroups making recommendations on specific policy/program areas will alleviate confusion and frustration and help stakeholders to prioritize their time and attention related to these groups. It will also streamline the decision-making process and appropriately consolidate authority to increase transparency and accountability. At the end of Step 2, each governance-related body or workgroup should have a *clear purpose* and *authority* and fulfill a *strategic role* for the system as a whole.

Map and Document Legal Authority and Delegated Responsibilities for Key Groups

Priority should be given to clarify roles and responsibilities for policy and funding decisions for four key governing groups:

1. The LAHSA Commission as the body that legally oversees LAHSA operations as established in the Joint Powers Agreement and State law;
2. The Continuum of Care and the CoC Board as the bodies that hold regulatory authority for HUD-funded programs and certain system-level activities established at 24 CFR §578.5-7. Decision making or advisory roles for these activities can be delegated to various groups, including the LAHSA Commission;
3. The Coordinated Entry System Policy Council that has authority delegated by the CoC for specific issues related to the implementation and operation of the Coordinated Entry System; and

Los Angeles Homeless Services Authority: Report on Governance
February 2021 (Revised)

4. The Lived Experience Advisory Board that currently acts in an advisory capacity but could be fully leveraged to share power and ensure that policy, funding, and program decisions are aligned with and informed by lived expertise.

Regional Homelessness Advisory Council

The Regional Homelessness Advisory Council (RHAC) no longer serves its originally intended purpose, and some members interviewed were unclear as to the value of their participation or for the group as a whole beyond information sharing at the regional level. Because the RHAC acts as the Los Angeles Continuum of Care for the purposes of meeting some federal requirements, it is recommended that the RHAC be dissolved only after the process to map and document roles and responsibilities for the four priority groups discussed above is complete.

Members of the RHAC should be surveyed so that a communication strategy can be developed and implemented as part of the process for successfully disbanding the group.

Streamlining Workgroups

Workgroups across the system have been created over time by various governing bodies and by the City/County to address sometimes similar or overlapping topic areas or priorities. A full analysis of existing workgroups and committees created as part of the LAHSA Commission, the Continuum of Care, the RHAC, and City/County strategy implementation should be conducted in order to understand any overlap or conflicting mandates and workflows. Extraneous groups should then be dissolved and membership in newly created or existing workgroups should be reviewed to ensure that they are comprised of appropriate subject matter experts, including people with lived expertise. Specific steps are outline on page iii of the Executive Summary.

LAHSA Commission

While a review of LAHSA's legal authority, and therefore the composition of the Commission, is recommended as part of the system-wide governance work described below, a number of changes can be made immediately to clarify the role of both the Commission and its members, and to build a stronger connection between the Commission and elected officials, including the City Council.

Recommendations include:

- Create position descriptions for LAHSA commissioners and officers, including expectations of the positions.
- Develop a characteristics, skills and expertise matrix to aid elected officials in the selection of Commissioners when filling an open seat (see box). Specifically address diversity, inclusion and representation by people of color and people with lived expertise.
- Work with Mayor's Office and City Council to develop a revised process for filling/confirming City of Los Angeles seats in the future.
- Create a formal mechanism to address sub-regional planning, policy and resources.

**Los Angeles Homeless Services Authority: Report on Governance
February 2021 (Revised)**

LAHSA Commissioners: Skills and Expertise

We asked interviewees what skills and expertise should be considered for people serving on the LAHSA Commission. Below is a comprehensive list of responses for consideration in developing a skills and expertise matrix as recommended in Section IV of this report.

Areas of Expertise/Skills:

- Lived Expertise
- Diversity, Equity and Inclusion
- Homeless Service Delivery and Policy
- Mainstream Systems and Services
- Affordable Housing/Housing Authorities
- Finance
- Real Estate
- Data Analysis
- Systems Thinkers
- Communications
- Contracts and Business Operations
- Legal/Law Enforcement
- Experience with Smaller Cities
- Experience with State Government
- Human Resources

Characteristics:

- Reflective of People Experiencing Homelessness (Gender Identity, Race, Ethnicity, Age, Sexual Orientation, etc.)
- Political Acumen
- Elected Officials
- Decision-Making Authority
- City/County Department Heads
- Geographic Representation

Build a Bridge: Engagement with Key Elected Leaders

Although this report generally recommends fewer bodies/workgroups with clearly defined roles and authority, it is also sometimes necessary to fill gaps in order to successfully execute a strategic vision. Currently, there is no body that includes key elected officials to assist LAHSA in administering the system and troubleshooting problems across political boundaries.

LAHSA should work with key elected officials (City and County) with jurisdiction over homelessness assistance resources to immediately create a homelessness-specific planning group to convene regularly while the system-wide structure (described below) is in development. This approach will quickly engage important decision-makers to address urgent challenges and lay the groundwork for a regional, system-level approach. The LAHSA Executive Director and two commissioners should participate in structured, action-oriented and facilitated meetings alongside elected leaders. Examples from other communities with similar groups are referenced on page iv of the Executive Summary.

Support for System Administration and System-Wide Vision and Goals (Step 3)

The final step outlined in Section I of this report entails a system-level review to identify goals/vision for the system as a whole, clarify roles, and tie LAHSA's work to its key partners within mainstream and affordable housing systems. It is therefore important that LAHSA be included as a partner along with the

**Los Angeles Homeless Services Authority: Report on Governance
February 2021 (Revised)**

City and County as the review is conducted and a comprehensive regional structure is developed. It is recommended that this system-level assessment be comprised of at least the following components.

- 1) An assessment of all regional governance structures/partners (including, to the extent possible, organizing documents like contracts and operational agreements that govern relationships between entities) that impact homelessness, including:
 - Public Sector Homelessness-Specific: LAHSA, City/County Departments, State.
 - Public Sector: Mainstream systems (systems that serve people experiencing homelessness and that exit people into homelessness) and affordable/supportive housing development, State-level systems.
 - Public Sector: Elected official coordination and collaboration across the region.
 - Private Sector: Funders, providers, housing developers and other private sector partners.

- 2) Identification of a City/County mechanism to implement a robust system approach to ending homelessness in Los Angeles and develop shared goals and vision to drive decision-making and resource allocation. This mechanism should take into account the following:
 - Creating clear areas and methods of accountability for public and private partners.
 - Networks necessary to develop and implement a region-wide plan.
 - Development of long-term vision/goals and interim (3-5 year) goals (measures of success) to create accountability across systems.
 - Subregional planning.
 - Continuum of Care operations and legal requirements.
 - Creating more flexible local funding streams.

- 3) A review of LAHSA's legal authority to determine if LAHSA has sufficient independence and decision-making authority to carry out its responsibilities as the system administrator or for its role as determined through the system-level assessment.

V. Conclusion

LAHSA is at a critical juncture in its evolution as an organization and as a leader in the homelessness and housing ecosystem in Los Angeles. The governance actions recommended through this process will help to position LAHSA to play an even more critical role in the region's work to end homelessness. With proper and sustained support from its government and community stakeholders, LAHSA can act as a true re-housing system administrator and partner to its counterparts responsible for affordable housing, mainstream services and homelessness prevention.