REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: February 3, 2022

To: The City Council

From: Matthew W. Szabo, City Administrative Officer

Reference: COVID-19 Homelessness Roadmap

Subject: **REPORT BACK ON FINANCING OPTIONS TO EXTEND PROJECT ROOMKEY**

CAO File No. 0220-05151-0318
Council File No. 20-0841
Council Districts: All

SUMMARY

On December 11, 2021, the City Council instructed the Office of the City Administrative Officer (CAO) to find financing options and explore whether operations at all of the existing City-funded Project Roomkey emergency non-congregate shelters options for people experiencing homelessness can be extended through the current April 1, 2022 Federal Emergency Management Agency (FEMA) deadline for full reimbursement. This report recommends the extension of two (2) Project Roomkey sites in Council Districts 1 and 4 using savings from the construction of an interim housing site in Council District 1.

RECOMMENDATIONS

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

1. REPROGRAM $2,943,953 in savings from the Capital Improvement Expenditure Program Fund No. 100/54, Account No. 00V846 allocated for the construction of an interim housing site with up to 132 beds at 499 San Fernando Road in Council District 1 to the Additional Homeless Services General City Purposes (AHS-GCP) Fund No. 100/56, Account No. 000931.

2. APPROVE moving up to $2,720,142 in additional funding from AHS-GCP Fund No. 100/56, Account No. 000931, to the GCP Fund No. 100/56, Account No. 000957 Project Roomkey COVID-19 Emergency Response to front-fund the extension of the City's Project Roomkey program through May 31, 2022.

3. TRANSFER up to $2,720,142 from the GCP Fund No. 100/56, Account No. 000957 Project Roomkey COVID-19 Emergency Response to the following

departments as needed for the extension of the City's Project Roomkey program through May 31, 2022:

    a. General Services Department (GSD) and/or Citywide Leasing up to the amount of $817,566;

    b. Personnel Department and Office of the City Clerk up to the amount of $126,395; and

    c. Los Angeles Homeless Services Authority (LAHSA) up to the amount of $453,497.

4. INSTRUCT the General Manager of the City of Los Angeles Housing Department, or their designee, to amend Roadmap Contract No. C-137223 with LAHSA to reflect the service funding allocation in this Report for Project Roomkey.

5. 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.

BACKGROUND

Project Roomkey was established in March 2020 as part of the State of California's response to the COVID-19 pandemic. The purpose of Project Roomkey is to provide non-congregate shelter options for people experiencing homelessness who are at high risk for medical complications, serious illness, or death to live temporarily in isolation to protect human life and minimize strain on health care system capacity.

On November 9, 2021, President Joseph R. Biden announced that FEMA will reimburse jurisdictions for costs associated with non-congregate homeless shelters at 100 percent through April 1, 2022. As of January 31, 2022, the City has committed $215,796,125 from various funding sources to Project Roomkey, of which up to $185,797,758 is eligible for FEMA reimbursement. The City has not received any reimbursement to date.

On December 11, 2021, the City Council instructed the CAO to find financing options and look into whether all of the existing Project Roomkey options can be extended until the updated FEMA deadline for full reimbursement. Of the six (6) existing sites, three (3) had been approved for extension up to or beyond April 1, 2022 by the City Council and Mayor on December 11, 2022. The following three (3) had not been extended to April 1, 2022: Royal Pagoda and Best Western Dragon's Gate in Council District 1, and Highland Gardens in Council District 4.

FEASIBILITY REVIEW OF EXTENSION OPTIONS

The process for considering extension and financing options of existing Project Roomkey sites requires various approvals. First, GSD confirms if the hotel/motel owner is willing to extend their agreement with the City. Next, LAHSA confirms if the service provider is willing to extend their contract or identifies a new service provider. Then, GSD and LAHSA, in consultation with the Mayor's Office, CAO, and other stakeholders, confirm a suitable end date to the agreements taking into consideration demobilization schedules. Lastly, the CAO confirms funding availability.

Following the above process, the Royal Pagoda was not available for extension.

FUNDING RECOMMENDATIONS

This report recommends funding to extend operations at two (2) existing Project Roomkey sites with up to 122 beds: Best Western Dragon's Gate in CD 1 and Highland Gardens in CD 4. A total of up to $2,720,142 is recommended to cover the operating costs through April 15, 2022, and May 6, 2022, respectively. Table 1 provides an updated schedule of the existing Project Roomkey sites.

Table 1: Schedule for Project Roomkey Extension through May 31, 2022

CD	Site	Rooms	Start Date	Previous End Date	New End Date
1	Mayfair	276	8/11/2020	4/30/2022	4/30/2022
1	Royal Pagoda	35	5/17/2021	2/4/2022	2/4/2022
1	Best Western Dragon's Gate	52	4/1/2021	2/18/2022	4/15/2022
4	Highland Gardens	70	7/8/2021	2/28/2022	5/6/2022
6	Airtel	237	4/15/2021	3/31/2022	3/31/2022
14	LA Grand	483	5/11/2020	5/31/2022	5/31/2022

FISCAL IMPACT

There is no impact to the General Fund as a result of the recommendations in this report at this time.

FINANCIAL POLICIES STATEMENT

The recommendations in this Report comply with the City Financial Policies.

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