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Kelvin Sauls

Administrative Office

707 Wilshire Blvd.
10th Floor
Los Angeles, CA 90017

213 683.3333 - PH
213 892.0093 - FX
213 553.8488 - TY

April 21, 2022

Councilmember Paul Krekorian
Chair, Budget and Finance Committee
Los Angeles City Hall, 200 North Spring Street
Los Angeles, CA 90012

Dear Chair Krekorian,

Thank you for your leadership in advancing an FY 22-23 budget that prioritizes the programs and resources that support the City of Los Angeles' most vulnerable populations. As always, we appreciate your office and the committee members' efforts to secure a budget that centers equity, racial justice, and responsiveness to the needs of all communities in Los Angeles.

To that end, we have several recommendations and responses to the proposed FY 22-23 General Fund budget, released by the office of the Mayor on April 20, 2022:

LAHSA Outreach Teams

Street outreach is often the first entryway that people experiencing homelessness have to the homeless services system. Outreach teams are the key entity that quickly shelter people in the City's interim housing resources, including A Bridge Home and Homelessness Roadmap sites. Currently, the City funds 41 teams through the General Fund (twenty-eight (28) CARE/CARE+ teams and thirteen (13) Generalist Homeless Engagement Teams ("HET")), while another fifteen (15) Roadmap teams are funded using other sources. Over the course of 2021, City-funded LAHSA outreach teams placed 2,931 individuals into interim housing in the City of Los Angeles, moving people from encampments into safer locations where they can stabilize and work with case management staff to move forward with resources and a plan to access housing. To maintain the work achieved by outreach teams across the City, LAHSA respectfully requests that the Budget and Finance Committee allocate a full year of funding for outreach teams in the FY 22-23 budget to support the critical work these teams do every day.

LAHSA remains committed to working in close coordination with City Council offices and the Mayor's office to make our outreach teams as nimble and responsive as possible, and to build relationships that bring more of our unhoused neighbors into interim and permanent housing. LAHSA outreach teams also work to ensure people experiencing homelessness are aware of coming sanitation operations and changes in municipal code, such as LAMC 41.18, to offer resources that can mitigate the impacts on people living in encampments. In addition, outreach teams have boldly led efforts to mitigate the worst-case scenarios for our unsheltered neighbors at the height of the COVID-19 pandemic.

Outreach is challenging, hard work, and has been made more challenging without secure funding beyond three months to give these workers a basic sense of job security. Like many other sectors, outreach teams face increased challenges in recruitment and retention but an uncertain funding landscape has exacerbated recruitment and retention challenges. Continuing to parse funding out in three-month increments impacts the efficacy and continuity of street outreach and in turn, the continuity of placements into interim housing.

Administrative and Operations Funding

The Mayor's budget for FY 22-23 proposes \$2,887,656 in administrative funding for LAHSA. This represents approximately nine percent (9%) of the \$31 million in initial General Fund that is being approved for LAHSA in the proposal. As more funding is moved over the course of the fiscal year from the Unappropriated Balance to LAHSA, or directed through other sources of funding such as the State Homeless Housing, Assistance, and Prevention Program (HHAP), this funding will represent a far smaller share than a nine percent administrative rate as administrative funding remains fixed despite growth in total funding LAHSA administers on behalf of the City.

Adequate administrative funding is a key ingredient in ensuring “back of the house” operations are carried out effectively. This includes key functions such as contracts being expediently processed and paid out to service providers, data requests being responded to in a timely manner, monitoring and compliance of subrecipients, and other needed functions. To that end, LAHSA recommends that the Budget and Finance Committee increase the administrative funding rate to ensure LAHSA ends the FY 22-23 fiscal year with administrative funding equivalent to roughly 10% of the total funding that the City directs to LAHSA. As additional program funds are directed to LAHSA throughout the fiscal year, the City has in previous years started the fiscal year by allocating an approximately 14% administrative rate to LAHSA with the understanding that the number will likely be 10% as the FY 22-23 winds down.

Matching Funds for CoC Domestic Violence Supportive Services, HMIS Bonus

For two line items, the City of Los Angeles’ choosing not to fund cash matches would risk LAHSA’s ability to leverage significantly larger sums of federal funding. This includes grant funding for the Domestic Violence Supportive Services grant, which funds housing and services for individuals fleeing domestic violence/intimate partner violence (“DV/IPV”). This request to the City includes an additional Expansion grant that addresses persistent gaps in service provision to survivors of DV/IPV, such as adding housing navigators meant to facilitate move-ins to permanent housing. The County of Los Angeles has pledged to commit half of the funding match needed.

These grant-funded programs have demonstrated positive outcomes in providing safe passage for 196 households fleeing DV/IPV by reducing barriers to emergency shelter, transitional housing, permanent housing, and supportive services. This focus on victims of DV/IPV is also aligned with the City’s desire to provide trauma-informed and gender-responsive care to unaccompanied women who more often present with histories of violence and trauma. If the City chooses not to fund the proposed \$430,320 in matching funds for domestic violence services, the Los Angeles CoC will miss out on \$3,342,555 in matching federal funds for domestic violence services and housing. These funds must come from the General Fund, as federal restrictions prevent the use of other federal funds, such as ESG-CV to serve as a source for federal matching funds.

A similar issue should be noted for the proposed budget regarding federal funding for Homeless Management Information System (“HMIS”). The HMIS houses population demographics, service coordination notes, and outcome data of all homeless service providers within the Los Angeles CoC. These HMIS data points support the generation and collection of multiple reports from LAHSA subrecipients and submission of mandated reports to the City of Los Angeles. Funding for HMIS also provides training and technical support to thousands of HMIS users across the region to ensure accurate data entry and effective use of the system. HUD requests a twenty-five percent local match be leveraged to receive full funding, which is equally shared by the County and City of Los Angeles. If the City chooses not to fund the proposed \$105,000 in proposed HMIS Bonus funds, the Los Angeles CoC will miss out on an additional \$840,000 in federal funding that is needed to maintain a responsive data system that meets the needs of LA City policymakers and other jurisdictions throughout the CoC.

Enterprise Grant Management System (“EGMS”) Support

Prior to the implementation of EGMS, LAHSA relied on a paper-based system that caused delays in efficiently tracking grants, as well as executing timely contracts to the community-based service providers that carry out the work on the ground. We have taken steps in remedying the concerns raised by Council Offices and contracted entities by heavily investing resources toward fully integrating a more transparent and effective system, EGMS, into our existing systems. Such investments ensure increased speed and transparency in our contracting, grant, and financial management operations. In addition to streamlined contracting timelines, the EGMS enables us to compile reports requested by the City that provide greater transparency on the status and performance of particular contracts. This is in line with a recent motion that is before the City Council requesting additional improvement to LAHSA’s contracting process.

More work is needed to complete a robust implementation of the EGMS. Without the City’s continued commitment, LAHSA’s ability to fully utilize the features of EGMS and realize the gains to funding transparency and efficacy may be hampered. An organization with the size and complexity of LAHSA needs a fully functional, automated grant and

financial management system, which is why we ask the Budget and Finance Committee to consider full EGMS funding in the 2022-2023 Proposed Budget.

I want to thank the Chair of the Budget and Finance Committee, as well as the Committee members, for your consideration of our requests. We are grateful for your partnership to build a more effective, systemic response that brings more of our unhoused neighbors inside. We look forward to continued discussion on the FY 22-23 budget.

Sincerely,

A handwritten signature in black ink, appearing to read "Heidi Marson", with a stylized flourish at the end.

Heidi Marson
Executive Director, LAHSA

cc:

Committee Vice Chair Bob Blumenfield
Councilmember Kevin de Leon
Councilmember Curren Price
Councilmember Monica Rodriguez
Mayor Eric Garcetti
Council President Nury Martinez
LAHSA Commission