

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: October 13, 2023

CAO File No. 0220-05151-0489

Council File No. 20-0841

Council District: 3, 4, 6, 13

To: The City Council

From: Matthew W. Szabo, City Administrative Officer



Reference: COVID-19 Homelessness Roadmap

Subject: **TWENTIETH REPORT: COVID-19 HOMELESSNESS ROADMAP FUNDING RECOMMENDATIONS**

SUMMARY

On September 9, 2020, the City Council approved funding for the initial projects under the COVID-19 Homelessness Roadmap (Roadmap) and directed this office to submit future funding recommendations through reports. This is the twentieth such report.

First, this report reprograms funding Homeless Housing, Assistance, and Prevention Round 2 funds to a Project Homekey 1.0 site for additional rehab costs and for Highland Gardens leasing and services costs. Expenditure authority is also extended for Highland Gardens existing contractual costs from last fiscal year.

Second, this report allocates Emergency Solutions Grant - CARES Act funds for two Tiny Home Village sites in Council District 13 for operations through September 30, 2023.

Third, this report extends expenditure authority for existing contractual costs from last fiscal year for Multidisciplinary Street Teams in Council District 3.

Lastly, this report provides contract authority for Rapid Rehousing/Time-Limited Subsidies and motel vouchers for people experiencing homelessness that were approved in the 19th Roadmap Report.

RECOMMENDATION

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

1. REPROGRAM \$2,257,038 in unspent funds from the Homeless Housing, Assistance, and Prevention Round 2 (HHAP-2) Fund No. 64J/43, Account No. 43WC46, LAHSA PRK Housing Navigation Services to HHAP-2 Fund No. 64J/10, Account No. 10V771, FC-1 COVID-19 Homelessness Roadmap Operating Costs;

2. APPROVE and APPROPRIATE up to \$1,572,546 from the HHAP-2 Fund No. 64J/10, Account No. 10V771, FC-1 COVID-19 Homelessness Roadmap Operating Costs to Fund No. 64J/43, Account No. 43TA43, Homekey Rehab for the Project Homekey1 site, Arleta (formerly known as Woodman) in Council District 6 for costs associated with Hurricane Hilary damage and construction corrections that have to be made to complete the rehabilitation of this property;
3. APPROVE and APPROPRIATE \$384,781.00 from the HHAP-2 Fund No. 64J/10, Account No. 10V771, FC-1 COVID-19 Homelessness Roadmap Operating Costs to Fund 64J/43, Account No. 43YC75, CD 4 - Highland Gardens IH Leasing for leasing costs of an interim housing site at the Highland Gardens Hotel, located at 7047 Franklin Avenue in Council District 4, for up to 143 beds (with double occupancy) through June 30, 2024;
4. APPROVE and APPROPRIATE \$136,310.00 from the HHAP-2 Fund No. 64J/10, Account No. 10V771, FC-1 COVID-19 Homelessness Roadmap Operating Costs to Fund 64J/43, Account No. 43YC70, CD - 4 Highland Gardens IH Operations for services of an interim housing site at the Highland Gardens Hotel, located at 7047 Franklin Avenue in Council District 4, for up to 143 beds (with double occupancy) through June 30, 2024;
5. REQUEST Los Angeles Homeless Services Authority (LAHSA) to amend its current contract, with People Assisting the Homeless (PATH) in the additional \$521,091 for operating and leasing costs of an interim housing site at the Highland Gardens Hotel, located at 7047 Franklin Avenue in Council District 4, for up to 143 beds (with double occupancy) through June 30, 2024;
 - a. \$384,781.00 for Highland Garden leasing costs;
 - b. \$136,310.00 for Highland Garden Services;
6. AUTHORIZE the extension of the Los Angeles Homeless Services Authority (LAHSA) expenditure authority for the previously approved Additional Homeless Services - General City Purposes Fund allocations for the Highland Gardens Hotel, located at 7047 Franklin Avenue in Council District 4 through June 30, 2024 for services and leasing costs;
7. REQUEST LAHSA to amend its current contract with People Assisting the Homeless (PATH) to reflect the new expenditure authority;
8. APPROVE and APPROPRIATE up to \$1,279,780 from the Emergency Solutions Grant CARES Act (ESG-CV) Fund No. 517/43, Account No. 43VC9V, COVID-19 Homeless Roadmap to Fund No. 517/43, Account No. 43TB32 Interim Housing Operations (Permanent Structure and Pallet) for operation costs through September 30, 2023 for the following:
 - a. \$577,060 to a THV located at 1455 Alvarado Street in Council District 13;

- b. \$702,720 to a THV located at 2301 West 3rd Street in Council District 13;
9. AUTHORIZE the extension of the Los Angeles Homeless Services Authority (LAHSA) expenditure authority for the previously approved General Funds allocation for the Multidisciplinary Street Team in Council District 3 through June 30, 2024;
- a. INSTRUCT the General Manager of Los Angeles Housing Department, or their designee, to amend the City's General Fund contract (C-140706) with the Los Angeles Homeless Services Authority to reflect the new expenditure authority;
10. REQUEST LAHSA to execute new sole source contracts in the up to amount of \$2,291,713 (\$1,037,713 in City General Funds and \$1,254,000 in City Emergency Shelter Grant (ESG)) for previously approved funds for operating the City Winter Shelter Program during the 2023-24 season through April 15, 2024, with the following providers:
- a. 211 LA County in the up to amount of \$520,913 (City General Funds);
 - b. Home at Last in the up to amount of \$380,000 (City ESG);
 - c. Assured Lifestyle Housing in the up to amount of \$304,000 (City General Funds);
 - d. Bryant Temple in the up to amount of \$456,000 (City ESG);
 - e. New Reflections in the up to amount of \$418,000 (City ESG);
 - f. Abundant Blessings in the up to amount of \$212,800 (City General Funds);
11. INSTRUCT the General Manager of Los Angeles Housing Department, or their designee, to amend the Alliance Settlement Agreement Program contract (C-141840), with the Los Angeles Homeless Services Authority as follows:
- a. Reflect the increase in the amount of \$521,091 from July 1, 2023, to June 30, 2024 for leasing and services;
 - b. Reflect the extension of expenditure authority for existing contract funding for leasing and services costs from June 30, 2023, to June 30, 2024;
12. INSTRUCT the General Manager of Los Angeles Housing Department, or their designee, to amend the City's Roadmap contract (C-137223) with the Los Angeles Homeless Services Authority as follows:
- a. Reflect the following amounts approved relative to the 19th Roadmap Report dated September 1, 2023 (C.F. 20-0841-S35):
 - i. Up to \$1,565,758.00 for Rapid Rehousing/Time-Limited Subsidies with an expenditure deadline of June 30, 2023;
 - ii. Up to \$505,229.52 for Motel/Hotel Vouchers with an expenditure deadline of September 30, 2023;
 - b. Reflect the service funding allocations/amendments in this report for:
 - i. 1455 Alvarado Street operation costs with an expenditure deadline of September 30, 2023;

- ii. 2301 West 3rd Street operation costs with an expenditure deadline of September 30, 2023;

13. INSTRUCT the General Manager of the Los Angeles Housing Department, or their designee, to amend the HHAP contract (C-135650) with LAHSA to reflect the addition of up to \$1,572,546 in service funding allocation for the Project Homekey site, Arleta;

14. 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

As part of the LA Alliance case, on June 16, 2020, the City reached an agreement with the County to create 6,700 new homeless housing units within 18 months to address the COVID-19 emergency. This agreement is referred to as the Homelessness Roadmap.

The Roadmap set the following targets:

- 700 beds in existing agreements with the County within 10 months
- 5,300 new beds within 10 months
- 700 new beds within 18 months

The City is required to open and maintain 6,000 new beds, not covered by existing City-County agreements. The County will provide up to \$60 million in annual service funding, totaling up to \$300 million over the five-year agreement term, based on the number of interventions open and occupied within 60 days of July 1st each year.

The City has met all obligations under the agreement and will continue to do so. As of September 30, 2023, 6,106 new beds are open and occupiable, which includes 781 rapid rehousing/shared housing point-in-time placements overseen by the Los Angeles Homeless Services Authority (LAHSA).

DISCUSSION

Project Homekey 1.0 Site, Arleta

The Arleta/Woodman site acquired by the City under the Project Homekey1 umbrella at 9120 Woodman Avenue in CD 6, is a former elderly care facility with 148 rooms, which did not receive a State Homekey1 match. The City acquired the site with its Coronavirus Relief Funds. The site will provide interim housing for seniors, ages 55 and older. The site is in its final rehabilitation phase, but has experienced water damage due to Hurricane Hilary and has received a number of corrections from the Department of Building and Safety to comply with building codes, including replacement of electrical wiring and rooftop HVAC units. As a result, an additional \$1,572,546 is needed to complete the site's rehabilitation by January 2024.

Highland Gardens Hotel

The Highland Gardens Hotel operated as a Project Roomkey (PRK) site through July 2021. In that time, there have been a number of discussions within the City about exploring the opportunity to convert the hotel into an interim housing site. After the hotel's owner expressed an interest and willingness to pursue this, the City conducted a feasibility review, which confirmed the site's suitability as an interim housing site. On October 31, 2022, the Highland Gardens Hotel ceased operations as a PRK site and immediately transitioned to interim housing beginning on November 1, 2022.

In a CAO report dated October 6, 2022 (C.F. 22-0756-S2), a total of \$6,049,350 Additional Homeless Service - General City Purpose (AHS-GCP) funds and \$10,000 Homeless Housing, Assistance, and Prevention Grant Program Round 1 (HHAP-1) funds were approved for the interim housing operations of the Highland Gardens Hotel. This report recommends extending the expenditure authority of previously approved funds through June 30, 2024. Additional HHAP-2 funding has also been identified in the total of \$521,091 for operations and leasing costs for this fiscal year.

Council District 13 Tiny Home Villages

Council District 13 currently has two Tiny Home Villages (THV) that are operated by Urban Alchemy. The first is located at 2301 W. 3rd St., also known as the Westlake THV, and the second is located at 1455 Alvarado St., also known as the Alvarado THV. In the CAO's 17th Roadmap Funding report dated May 12, 2023 (C.F. 20-0841-S34), a total of \$2,153,910 of County Agreement funds were approved for Fiscal Year 2023-24 to support ongoing site operations. Both THVs are currently operating at single occupancy, which was implemented in the third quarter of FY 2022-23. A funding shortfall has been reported for the first quarter of FY 2023-24 ending September 30, 2023 for both sites. This report recommends \$1,279,780 of the Emergency Solutions Grant CARES Act (ESG-CV) funding to close the operation gap at single occupancy for both THVs. Table 1 provides a breakdown of the sites' funding allocations and bed counts.

Table 1: CD 13 Tiny Home Village Operation Funding

Site Address	Single Occupancy Bed Count	FY 23-24 County Agreement Funding	Additional ESG-CV Funding	Total Funding Allocation
2301 W. 3rd St. (Westlake)	64	\$1,288,320	\$702,720	\$1,991,040
1455 Alvarado St. (Alvarado)	43	\$865,590	\$577,060	\$1,442,650

Multidisciplinary Street Team in Council District 3

On October 27, 2021, the Mayor and City Council adopted the Substitute Motion (Blumenfield - Buscaino, C.F. 21-1022) relative to funding a pilot multi-disciplinary street team (MDST) outreach model to improve access to services and housing navigation for individuals experiencing homelessness in Council District 3. The MDST pilot is composed of clinicians, case managers and those with lived-experience and complements the street engagement efforts undertaken by the County, LAHSA, and other community based organizations. This report recommends extending the expenditure authority of previously approved funds through June 30, 2024, to continue services.

FY 2023-24 Winter Shelter Program

The City of Los Angeles's Winter Shelter Program is comprised of two components: 1) Seasonal Winter Shelter Program (SWSP) and 2) Augmented Winter Shelter Program. The SWSP provides shelter, warmth, food, and comfort to individuals experiencing homelessness during the cold and wet weather season. The Augmented Winter Shelter Program (AWSP) is a program made available during severe and adverse weather-related emergencies that may impact unsheltered populations. The operation of both programs supports the effort to provide temporary shelter accommodations to people experiencing homelessness, to provide for their safety and well-being. LAHSA is authorized to utilize up to \$2,960,735 in total funding in City General Funds (\$1,560,735) and City ESG funding (\$1,400,000) to cover program costs. This report requests LAHSA to enter into sole source contracts in the up to amount of \$2,291,713 (\$1,037,713 in City General Funds and \$1,254,000 in City Emergency Shelter Grant (ESG) to provide Crisis-Housing hotel/motel vouchers, transportation services, and other services as warranted, to individuals participating in the Winter Shelter/Augmented Winter Shelter Programs.

LAHSA has not completed a competitive process and does not have adequate time to run a procurement process prior to the start of the service period. The Service providers listed in Table 2 (along with proposed allocations) have been identified by LAHSA as having vast experience providing services to people seeking services. The ability of LAHSA to expeditiously execute a contract with the identified service providers will ensure that operations start by November 1, 2023 and allow for a two-week ramp-up period prior to the opening of the program and a two-week ramp-down period after the close of the program.

Table 2: FY 2023-24 City Winter Shelter Program Sole Source Provider Breakdown

Provider	FY24 Allocation Amount	Funding Source
211 LA County	\$520,913.00	City GF
Home at Last	\$380,000.00	City ESG
Assured Lifestyle Housing	\$304,000.00	City GF
Bryant Temple	\$456,000.00	City ESG
New Reflections	\$418,000.00	City ESG
Abundant Blessings	\$212,800.00	City GF
Total	\$2,291,713.00	

FISCAL IMPACT STATEMENT

There is no additional General Fund impact as a result of the recommendations in this report. The recommendations in this report extends the expenditure authority of the City’s General Fund previously approved for homelessness interventions. Additionally, the recommendations in this report also utilizes the Emergency Solutions Grant CARES Act (ESG-CV) funds and Homeless Housing, Assistance, and Prevention funds for homelessness interventions.

FINANCIAL POLICIES STATEMENT

The recommendations in this report comply with the City Financial Policies in that budgeted funds are being used to fund recommended actions.

Attachment 1: COVID-19 Homelessness Roadmap Status of Capital and Operating Funding Recommendations are Approved

No.	Type of Unfunded/Operating	Site	Fiscal Year 2020-2021 Commitment				Fiscal Year 2021-2022 Commitment				Fiscal Year 2022-2023 Commitment				Fiscal Year 2023-2024 Commitment				Total Commitment		
			CD	HEAP/HRAP	CRF	CDBG-CV	ESG-CV (9)	County (4)	GCP-AHS	HEAP/HRAP	CRF	CDBG-CV	ESG-CV (9)	County (4)	GCP-AHS	HEAP/HRAP	ESG-CV (9)	County (4)		GCP-AHS	State Homekey Grant
155	Safe Sleep Operating	317 N. Madison Ave.	13	\$0	\$0	\$0	\$3,948,800	\$1,330,280	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,029,278
156	Safe Sleep Operating	7128 Jordan Ave.	3	\$0	\$0	\$0	\$351,228	\$154,067	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$699,419
158	Outreach	4301 S. Central Ave.	9	\$0	\$0	\$0	\$154,067	\$154,067	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$373,367
159	Outreach	1201 S. Figueroa St.	9	\$0	\$0	\$0	\$3,34272	\$3,34272	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$892,172
161	Outreach	11339 Iowa Ave.	11	\$0	\$0	\$0	\$109,500	\$109,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$657,750
162	Outreach	9100 Lincoln Blvd.	11	\$0	\$0	\$0	\$206,816	\$206,816	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$480,668
163	Safe Parking (1)	10000 Broadway	11	\$0	\$0	\$0	\$109,266	\$109,266	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$480,668
165	Outreach	8775 Wilbur Street	12	\$0	\$0	\$0	\$74,282	\$74,282	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$712,882
166	Outreach	1033 Cole Ave.	13	\$0	\$0	\$0	\$134,451	\$134,451	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$682,551
167	Outreach	4591 Santa Monica Blvd.	13	\$0	\$0	\$0	\$155,537	\$155,537	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$155,537
168	Outreach	711 S. Beacon St.	15	\$0	\$0	\$0	\$486,549	\$486,549	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,144,449
169	Outreach	19810 Hamilton Ave.	15	\$0	\$0	\$0	\$382,721	\$382,721	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$800,971
169	Outreach	Readings Outreach	Various	\$0	\$0	\$0	\$2,898,931	\$2,898,931	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,654,710
170	Outreach	Readings Outreach	Various	\$0	\$0	\$0	\$6,895,177	\$6,895,177	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,777,350
171	Outreach	Readings Outreach	Various	\$0	\$0	\$0	\$6,695,177	\$6,695,177	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000,000
172	Admin	BOE	n/a	\$0	\$0	\$0	\$2,000,000	\$2,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,977,365
173	Admin	COA	n/a	\$199,175	\$0	\$0	\$0	\$1,741,810	\$1,741,810	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,155,055
174	Admin	CSA	n/a	\$77,600	\$0	\$0	\$0	\$150,000	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$254,035
175	Admin	LAHD	n/a	\$199,175	\$0	\$0	\$0	\$1,158,255	\$1,158,255	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,158,255
176	Admin	LAHSA	n/a	\$199,175	\$0	\$0	\$5,500,682	\$5,500,682	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,594,161
Total	Committed			\$94,860,344	\$147,685,039	\$7,000,000	\$183,006,086	\$183,006,086	\$183,006,086	\$183,006,086	\$183,006,086	\$183,006,086	\$183,006,086	\$183,006,086	\$183,006,086	\$183,006,086	\$183,006,086	\$183,006,086	\$183,006,086	\$183,006,086	\$796,528,817
Total	Uncommitted			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

(1) Does not include Readings Outreach, which is an existing 99 lease with the County.
 (2) Operating costs for the intervention type: ABH Beds: \$60/bed/night; Project Homekey: \$85/bed/night; Safe Sleep: \$87/bed/night; and Safe Parking: \$30/car/night. Project Roomkey costs vary by site. 324 Winter Shelter beds ended on October 31, 2021.
 (3) Committed funds used to fund the Project Roomkey extension are expected to be reimbursed by the FEMA, at which time the funds will be available for programming.
 (4) County Services allocations are restricted to services, leasing, FEE, and start up costs.
 (5) Reflects the entire cost of the program for two (2) years using ESG-COVID.
 (6) 2300 S. Central is part of the City Project Homekey Program. The site will operate a Safe Sleep Program until the owner/operator is ready to begin construction on permanent supportive housing.
 (7) Placements funded with City funding for Measure H strategies will be counted toward the Roadmap target of 6,700 interventions.