

# **REPORT OF THE CHIEF LEGISLATIVE ANALYST**

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DATE: February 6, 2025

TO: Honorable Members of the City Council

FROM: Sharon M. Tso   
Chief Legislative Analyst

Council File No.: 23-0600-S115  
Assignment No.: 24-01-0051

## **SOLE-SOURCE CONTRACTS INVENTORY RELATIVE TO HOMELESSNESS AND ALTERNATIVE RESPONSE**

### **SUMMARY**

On January 24, 2024, the Budget and Finance Committee amended a City Administrative Officer (CAO) Report relative to fiscal concerns and prioritization of critical hiring (C.F. 23-0600-S115). This amendment instructed the Chief Legislative Analyst (CLA), with the assistance of the CAO, to report on sole-source contracts related to homelessness initiatives and alternative response and, further, to investigate the possibility of replacing sole-source contracted services with City workforce.

In response, the CLA, with the assistance of the CAO's Office of Procurement, contacted all City Departments, Bureaus, and Offices to identify contracts responsive to Council's instruction. The CLA also independently reviewed available public data resources to identify contracts responsive to the Council Instruction. A total of 59 Departments, Bureaus, and Offices were contacted, including all elected offices; contracts were identified from eight of these. Attachments II, III, and IV to this report provide further detail on the contracts identified.

CLA analysis determined that replacing sole-source contracted services with City workforce would not be feasible. The City lacks the staff positions equivalent to those which the City currently contracts, as well as an administrative body to oversee an expanded workforce in the realm of homelessness and alternative response. Further, replacing contracted positions with City staff would increase the City's budgetary obligations at a time when the CAO recommends expenditure reductions.

### **RECOMMENDATION**

That the City Council note and file this report.

## **BACKGROUND**

The CLA partnered with the CAO's Office of Procurement to directly query Department Contract Coordinators (DCCs) for active sole-source contracts related to homelessness and alternative response. The CLA and CAO together drafted a survey and issued it to DCCs overseeing contracts held by 59 City Departments, Bureaus, and Offices ("City Entities"). Attachment I to this report provides a full list of the 59 City Entities queried.

The survey asked each City Entity to produce a list of active sole-source contracts relative to homelessness and alternative response. Guidance provided to DCCs included the Council Instruction itself, as well as the CAO's working definition of alternative response, that is, an "unarmed" response to "nonviolent calls related to homelessness." Guidance also included the Bureau of Contract Administration's definition of sole-source contracts: "contracts for services not subject to competitive bidding."

During the response period, City Entities reported confusion as to which contracts fell under the Council Instruction. The CLA and CAO accordingly issued further guidance to all 59 City Entities to include in their response those contracts for which the City did not conduct its own competitive process, but instead leveraged another jurisdiction's competitive process (i.e. 'piggyback' contracts). Upon further discussion with CAO, it was also discovered that City Entities may have misunderstood guidance related to emergency contracts. To ensure clarity, CLA-CAO issued final guidance that contracts executed under the emergency declaration on homelessness should be included in the survey response.

In addition to electronic communications, the CLA contacted and communicated directly with DCCs and representatives of City Entities regarding responses to the survey request. At this time, all City Entities have either responded to the survey or to direct communication from the CLA regarding this Council Instruction.

It should be noted that the City does not maintain a centralized database that encompasses its entire inventory of contracts. Further, contracts found in existing City contract databases are not uniformly assigned a 'sole source' designation. As a result, an exhaustive list of sole-source City contracts cannot be produced by keyword search. The survey process described above, then, is a reliable way to identify contracts required for this analysis.

### Methods

The Council provided instructions concerning the types of contracts to be reported. The CLA-CAO issued guidance to City Entities pursuant to the Council Instruction, and then further communicated which contracts were applicable to the spirit of the Council Instruction, as detailed above. The CLA then reviewed the respective submissions and conducted concurrently its own independent review of contracts.

Ultimately, the CLA included contracts that were active at any time during the investigation period between February 7, 2024 through April 30, 2024, as directed by Motion. Those contracts are included in Attachments II to this report. In some cases, material changes to contracts, as well as updates to the public record, occurred subsequent to the conclusion of the investigation period. As a result, several contracts included in Attachments III and IV are, or were, active after the investigation period, because a City entity made the CLA aware of such changes or updates.

During the review process, the CLA further determined that certain contracts were not material to the substance of the Council Instruction, because they do not result in direct fiscal impacts to the City. For example, this report provides only those sole-source lease agreements that incur a General Fund obligation; other lease agreements are not included. Similarly, this report does not include sole-source service contracts pertaining to treatment of substance use disorder (SUD) for persons experiencing homelessness; examples of such contracts are those funded under the national *Opioid* Settlement, and therefore do not incur a General Fund obligation. CLA also considered but did not include zero-cost contracts such as ‘Right of Entry’ Agreements relative to the use of City property for the ‘A Bridge Home’ program, or similar license agreements for ‘Safe Parking.’

Additionally, the CLA determined that contracts related to Prevention Programs did not apply to this Council Instruction, examples of which are: Employment and Workforce Development Department (EWDD) contracts related to LA:RISE, Community Investment for Families Department (CIFD) contracts related to the Survivors First Homelessness Prevention Programs, as well as Housing Department (LAHD) contracts related to Eviction Defense and Rental Assistance programs. CLA determined that Prevention Programs primarily serve individuals who are housed but find themselves at risk of losing their housing, while homelessness programs and contracts principally serve the unhoused. Therefore, the list of submissions attached to this report only includes contracts related to the provision of services to persons experiencing homelessness, consistent with the Council instruction.

In addition to the direct request to the City Entities, the CLA independently searched available City databases for relevant contracts. The CLA made use of the Council File Management System (CFMS) by inputting the name, or abbreviated name, of the City Entity in the “Search Summary Information” field. Then, by inputting relevant search terms into the ‘Filter Search Results’ field, results could be cross referenced for relevance to the Council Instruction. Search terms included, “unhoused,” “homeless,” “homelessness,” “alternative response,” “unarmed response,” and “Inside Safe.” CLA conducted a similar review with reference to files publicly available on the City’s Ethics Commission website.

The CLA’s independent review identified contracts that appeared relevant to the Council Instruction but that did not appear in the survey submissions. In such cases, CLA reached out directly to the City Department, Bureau, or Office indicated as contract holder. CLA then determined through direct communication with the City Entity as to whether additional contracts should be included in the survey response.

The list of contracts found in these survey processes are provided in Attachments II, III, and IV.

### Submissions

The CLA and CAO received submissions from eleven City Entities. CLA made the determination that, as discussed above, EWDD contracts did not fall under the scope of the Council Instruction. Similarly, the CLA determined that zero-cost license agreements for Safe Parking, as submitted by Los Angeles World Airport and the City Tourism Department, did not apply to the Council Instruction. Additionally, the City Clerk and CAO made submissions, where applicable, on behalf of several Council Offices. Of the 59 City Entities, 48 indicated that they did not hold contracts relative to the Council Instruction.

Of the contracts submitted by the eleven City Entities, those with relevant contracts under the survey response include:

1. City Administrative Officer
2. Council Offices (CAO & Office of the Clerk)
3. Community Investment for Families Department
4. Engineering Bureau
5. General Services Department
6. Housing Department
7. Office of the Mayor
8. Police Department (LAPD)

See Attachment II for full detail on contracts relevant to this Council Instruction, which were active at any point during the CLA and CAO investigation.

### **DISCUSSION**

The following provides additional information relevant to the submissions of respective City Entities, as well as the results of the CLA independent review.

#### Attachment II: 2. Council Offices

Council Offices do not employ dedicated City contract managers, and there are no DCC-equivalent positions assigned to Council Office contracting. The City Clerk and City Administrative Officer serve in this capacity if and when a Council Office must enter into contractual agreements for services delivered within the boundaries of the District. Such contracts are generally funded through an annual allocation of General City Purposes (GCP) funding to respective Council Offices. GCP funding derives from the City's General Fund.

In addition, CLA independent review also identified several sole-source contracts related to homelessness, which are funded through the LAPD Reinvestment Fund. This funding source is a one-time allocation of the City's General Fund during Fiscal Year 2020-2021 for investment into disadvantaged communities across Council Districts (C.F 20-0600-S83). Attachment II notes sole-source contracts funded through this funding source. Attachment II does not include special funded contracts, such as those funded by one-time State and Federal grants, nor those funded through the AB1290 Fund. The Council District AB 1290 Fund provides discretionary funding for redevelopment and community services in various Council Districts, exclusive of the City's General Fund.

#### Attachment II: 5. General Services Department

In their survey response, GSD indicated and listed contracts not publicly available through the Clerk's Council File Management System (CFMS). GSD confirmed use of an internal tracking system. As a result, CLA requested, and GSD subsequently produced, contracts directly to the CLA for evaluation. GSD included information relative to the total to-date expenditure associated with each of these contracts (see column entitled, "Total Award").

#### Attachment II: 7. Office of the Mayor

CLA independent review identified several contracts for consulting services relative to Inside Safe, for a total award of approximately \$500,000 since the inception of the Program. The Mayor's Office has confirmed that the contracts listed in Attachment II do apply to the Council Instruction and were active during the course of the CLA-CAO investigation.

#### Attachments III & IV: Inside-Safe Booking and Occupancy Agreements

CLA independent review of contracts identified a series of Booking and Occupancy Agreements related to Inside Safe for which GSD serves as contract holder. CLA documented these contracts in separate attachments because substantive information in these Agreements either did not align with the information related to contracts found in Attachment II, e.g., Date of Attestation, Contract Amount; or substantive information that was materially relevant to Booking and Occupancy Agreements, e.g. Bed Rate and Number of Rooms, was not relevant to contracts found in Attachment II.

Booking Agreements are contracts under which the City reserves the right to occupy rooms in a hotel with Inside Safe participants, but under which the City only pays a nightly rate for occupied rooms. Occupancy Agreements are contracts under which the City leases a set number of rooms in a hotel. Occupancy Agreements obligate the City to pay a nightly rate for every hotel room listed in the Agreement, irrespective of actual hotel occupancy. GSD serves as contract holder due to their Charter-mandated position as the City's real estate agent. However, GSD performs neither contract management nor monitoring of services related to these contracts. The Office of the

Mayor serves as contracts monitor and manager for all Inside-Safe Booking and Occupancy Agreements.

Attachments III and IV indicate the nightly bed-rate for each individual Booking Agreement and Occupancy Agreement. For Occupancy Agreements listed in Attachment IV, “Total Award” indicates the annual cost of the nightly bed-rate, and is calculated through the following formula:

$$\text{Total Award} = \text{Bed-Rate} \times \text{Total \# Rooms} \times 365 \text{ days}$$

The Mayor’s Office confirms that this formula reflects how Occupancy Agreements are encumbered as line items within the Homeless Emergency Account. By contrast, Booking Agreements have no associated funding limit or set aside, so “Total Award” is not included in Attachment III. For further detail on this arrangement, please refer to Homeless Emergency Account Monthly Reports produced by CAO’s Homelessness Initiatives Unit (C.F. 22-1545).

Finally, the “Term” of each Booking and Occupancy agreement reflects information publicly available on the City’s CFMS, except where the Mayor’s Office reports otherwise. In such cases, the Office of the Mayor informs the end date for the contract term.

### City Workforce

During the course of its review, the CLA also evaluated opportunities to replace contracted staff with City workforce, in order to limit the number of vacancy eliminations. A cursory review of the contracts identified shows that many are related to services that are not offered by City staff, such as housing placement services, health or related health services, or unarmed response services. Other contracts relate to property uses, such as hotel room occupancy or Safe Parking site leases. As such, most of the contracts do not have an equivalent City staff position that could be filled, consistent with the spirit of the Council Instruction.

With reference to the Second Financial Status Report, dated December 6, 2024, the CAO identified \$296.14 million in expenditures above plan in the current year. Due to the size of the remaining budget gap, the CAO reports a need for the City to pursue cost control and reduction measures to balance the current-year budget. Full-Time Employees (FTEs) of the City present a higher payroll cost than their FTE-equivalents hired under sole-source or no-bid contracts, and therefore cannot be added to the City’s payroll without placing further burden on the City’s fiscal outlook. Further, contracts that the CLA identified in many cases do not contain staff positions that could be filled with City workforce.

At the same time, the City currently lacks an administrative body that could absorb and marshal an expanded workforce of City homeless program administrators and line staff. So, the current confluence of the City’s fiscal outlook with the decentralized administrative structure for homelessness programs belies any direct benefit to employing additional FTEs within the City workforce. Further, the City currently finds itself at a crossroads related to the funding and staffing

of Homeless Outreach and Alternative Response. Such challenges should be addressed prior to the City's adding additional workforce in both Fiscal Year 2024-2025 and in subsequent Fiscal Years.

This subject matter will be revisited at such a time as the Council may consider options to reform the City's Homeless Response System (HRS), including the creation of a City Homelessness Department, or other means of centralizing coordination, administration, and oversight of the City HRS (C.F. 24-0330).



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Analyst

#### Attachments

- I. Surveyed City Departments, Bureaus, and Offices of the City of Los Angeles
- II. Sole Source Homelessness Contracts, General Fund Impact
- III. Inside Safe Booking Agreements
- IV. Inside Safe Occupancy Agreements

## Attachment I – Surveyed Departments, Bureaus, and Offices of the City of Los Angeles

1. Aging
2. Airports
3. Animal Services
4. Building and Safety
5. Cannabis Regulation
6. City Administrative Officer
7. City Attorney
8. City Clerk
9. City Employees' Retirement System
10. City Planning
11. City Tourism
12. Civil, Human Rights and Equity
13. Community Investment for Families
14. Controller
- 15.-29. Council District Offices (1-15)
30. Cultural Affairs
31. Disability
32. Economic & Workforce Development
33. El Pueblo
34. Emergency Management
35. Ethics Commission
36. Finance
37. Fire
38. Fire and Police Pensions
39. General Services
40. Harbor
41. Housing
42. Information Technology Agency
43. Library
44. Mayor
45. Neighborhood Empowerment
46. Personnel
47. Police
48. Public Accountability
49. Board of Public Works
50. Bureau of Contract Administration
51. Bureau of Engineering
52. Bureau of Sanitation
53. Bureau of Street Lighting
54. Bureau of Street Services
55. Recreation and Parks
56. Transportation
57. Water and Power
58. Youth Development
59. Los Angeles Zoo

**Attachment II - Sole Source Homelessness Contracts, General Fund Impact**

**1. City Administrative Officer (CAO)**

| <b>Contract Number</b> | <b>Contractor Name</b>                           | <b>Service(s)</b>  | <b>Date Clerk Attested</b> | <b>Expiration Date</b> | <b>Amendments</b> | <b>Contract Amount (Original)</b> | <b>Total Award (To-date)</b> |
|------------------------|--|--|----------------------------|------------------------|-------------------|-----------------------------------|------------------------------|
| C-139200               | Urban Alchemy                                    | Unarmed Alternative-Response Services in Council Districts 1, 4, 6, 7, 9, 10, 11, 13, 14, 15 | 10/15/2021                 | 6/30/2024              | 3                 | \$2,600,000                       | \$17,830,000                 |
| C-139823               | Los Angeles County Department of Health Services | Multi-Disciplinary Teams (MDTs): Homeless-Outreach Services in Council Districts 2, 3, etc.  | 01/28/2022                 | 6/30/24                | 4                 | \$899,800                         | 3,621,993                    |

**2. Council Offices**

| <b>Contract Number (Contract Holder)</b> | <b>Contractor Name</b>           | <b>Service(s)</b>   | <b>Date Clerk Attested</b> | <b>Expiration Date</b> | <b>Amendments</b> | <b>Contract Amount (Original)</b> | <b>Total Award (To-date)</b> |
|--|----------------------------------|---|----------------------------|------------------------|-------------------|-----------------------------------|------------------------------|
| C-141458*                                | Harbor Connects                  | Homeless Services in Council District 15                        | 09/28/2022                 | 12/31/2024             | 1                 | \$600,000                         | \$600,000                    |
| C-140023*                                | Special Service for Groups, Inc. | Watts Homeless Program in Council District 15                   | 03/24/2022                 | 06/30/2024             | 1                 | \$1,500,000                       | \$1,500,000                  |
| C-139535* (City Clerk)                   | Special Service for Groups, Inc. | Homeless Services in Council District 10                        | 12/01/2021                 | 06/30/2024             | 2                 | \$500,000                         | \$500,000                    |
| C-139076 (City Clerk)                    | The People Concern               | Expanding Homeless Outreach for Mid-City in Council District 10 | 09/29/2021                 | 06/30/2024             | 2                 | \$365,000                         | \$1,159,314                  |

| <b>Contract Number (Contract Holder)</b> | <b>Contractor Name</b>                | <b>Service(s)</b>  | <b>Date Clerk Attested</b> | <b>Expiration Date</b> | <b>Amendments</b> | <b>Contract Amount (Original)</b> | <b>Total Award (To-date)</b> |
|--|---------------------------------------|--|----------------------------|------------------------|-------------------|-----------------------------------|------------------------------|
| C-144866* (City Clerk)                   | Homeless Healthcare Los Angeles       | Homeless Outreach Program in Council-District 10                         | 01/10/2024                 | 06/30/2024             | 0                 | \$226,000                         | \$226,000                    |
| C-144137 (City Clerk)                    | Lucas Rivera dba 'Sakul Creative LLC' | The production of five (5) Homeless Housing Events in Council District 8 | 07/01/2023                 | 06/30/2024             | 0                 | \$135,000                         | \$135,000                    |
| C-144852 (City Clerk)                    | West Valley Homes YES, Inc.           | RV-Homeless Outreach Program in Council District 7                       | 01/09/2024                 | 11/01/2025             | 0                 | \$500,000                         | \$500,000                    |
| C-139303* (City Clerk)                   | North Valley Caring Services          | Homeless Outreach Program in Council District 6                          | 05/10/2021                 | 06/30/2024             | 2                 | \$1,000,000                       | \$1,500,000                  |
| C-144849* (City Clerk)                   | Meet Each Need with Dignity           | Food services for low-income and homeless in Council District 2          | 01/08/2024                 | 3/15/2024              | 0                 | \$35,000                          | \$35,000                     |

\*Contracts funded with City General Funding under the LAPD Reinvestment Fund (C.F. 20-0600-S83).

3. Community Investment for Families Department (CIFD)

| <b>Contract Number</b> | <b>Contractor Name</b>              | <b>Service Type</b>  | <b>Date Clerk Attested</b> | <b>Expiration Date</b> | <b>Amendments</b> | <b>Contract Amount (Original)</b> | <b>Total Award (To-date)</b> |
|------------------------|-------------------------------------|--|----------------------------|------------------------|-------------------|-----------------------------------|------------------------------|
| C-144401               | New Economics for Women             | Case management and Supportive Services for 'Kids First' Program | 10/17/2023                 | 06/30/2024             | 1                 | \$575,000.00                      | \$925,000.00                 |
| C-145079               | Los Angeles Unified School District | Case management and Supportive Services for 'Kids First' Program | 02/20/2024                 | 06/30/2024             | 1                 | \$125,000                         | \$125,000                    |

| Contract Number | Contractor Name                     | Service Type  | Date Clerk Attested | Expiration Date | Amendments | Contract Amount (Original) | Total Award (To-date) |
|-----------------|-------------------------------------|---|---------------------|-----------------|------------|----------------------------|-----------------------|
| C-144547        | Salvadoran American Leadership Fund | Case Management and Housing Navigation Services for Migrant Transition-Aged Youth | 11/06/2023          | 06/30/2024      | 0          | \$200,000                  | \$200,000             |
| C-139330        | Clinica Oscar A. Romero             | Health Services for Underserved and Homeless Populations                          | 11/03/2021          | 06/30/2024      | 2          | \$100,000                  | \$798,610             |

4. Public Works – Bureau of Engineering (BoE)

| Contract Number | Contractor Name             | Service(s)   | Date Clerk Attested | Expiration Date | Amendments | Contract Amount (Original) | Total Award (To-date) |
|-----------------|-----------------------------|--|---------------------|-----------------|------------|----------------------------|-----------------------|
| C-124803        | Gonzalez/Goodale Architects | Professional Services Agreement for design plans and feasibility studies related to the homelessness Roadmap | 11/03/2014          | 10/10/24        | 1          | "N/A"                      | \$2,371,169           |

5. General Services Department (GSD)

| Contract Number (See Attachment III) | Contractor Name | Service Type                     | Date Clerk Attested | Expiration Date | Amended | Contract Amount (Original) | Total Award (To-date) |
|--------------------------------------|-----------------|----------------------------------|---------------------|-----------------|---------|----------------------------|-----------------------|
|                                      | Various         | Inside-Safe Occupancy Agreements | -                   | -               | -       | -                          | -                     |

| Contract Number     | Contractor Name                                      | Service Type  | Date Clerk Attested | Expiration Date | Amended | Contract Amount (Original)               | Total Award (To-date) |
|---------------------|--|---|---------------------|-----------------|---------|--|-----------------------|
| (See Attachment IV) | Various  | Inside-Safe Booking Agreements                                    | -                   | -               | -       | -  | -                     |
| C-144429            | Housing Authority of the City of Los Angeles (HACLA) | Mayfair Property Oversight (Security, Building Engineering, etc.) | 10/19/2023          | 8/29/2026       | 0       | "\$7,000 per month with CPI adjustments" | N/A                   |
| ARC 23*098          | United Site Services of CA, Inc.                     | Critical Needs Contract, hygiene units                            | 06/15/2023          | 04/30/2026      | 0       | N/A                                      | \$703,104             |
| ARC 24*048          | Life Arc SPC   | Critical Needs Contracts, housing, shelter, ADA 'en suite'        | 11/30/2023          | 11/30/2024      | 0       | N/A                                      | \$2,532,191           |
| ARC 20*123          | Pallet PBC   | Pallet Shelter, Aluminum-Framed Structure and Replacement Parts   | 05/01/2023          | 04/30/2024      | 0       | N/A                                      | \$9,175,634           |

6. Housing Department (LAHD)

| Contract Number | Contractor Name                                 | Service(s)                              | Date Clerk Attested | Expiration Date | Amendments | Contract Amount (Original) | Total Award (To-date) |
|-----------------|---|---|---------------------|-----------------|------------|----------------------------|-----------------------|
| C-140706        | Los Angeles Homeless Services Authority (LAHSA) | City's General Fund Contract with LAHSA | 06/29/2022          | 06/30/2024      | 6          | \$38,132,693               | \$133,933,912         |

| Contract Number | Contractor Name             | Service(s)  | Date Clerk Attested | Expiration Date | Amendments | Contract Amount (Original) | Total Award (To-date) |
|-----------------|-----------------------------|---|---------------------|-----------------|------------|----------------------------|-----------------------|
| C-141111        | USC Medical Care Group Inc. | Medical services (i.e., 'Street Medicine') for unhoused Angelenos | 08/17/2022          | 6/30/2024       | 3          | \$1,000,000                | \$7,091,464           |

7. Office of the Mayor

| Contract Number | Contractor Name (Signatory)                     | Service Description   | Date Clerk Attested | Expiration Date | Amendments | Contract Amount (Original) | Total Award (To-date) |
|-----------------|---|---|---------------------|-----------------|------------|----------------------------|-----------------------|
| C-144375        | Williams Consulting Services (Lakesha Williams) | Inside-Safe related consulting services                             | 10/11/2023          | 3/15/2024       | 1          | \$ 52,000                  | \$ 52,000             |
| C-144966        | City Housing (Yasmin Tong)                      | Grant Application Preparation: ERF Program Round 3                  | 1/8/2024            | 2/15/2024       | 0          | \$ 18,000                  | \$ 18,000             |
| C-144034        | Community Homelessness Expertise (Jose Ramirez) | Inside-Safe related consulting                                      | 08/23/2023          | 06/18/2024      | 1          | \$ 95,000                  | \$ 190,000            |
| C-142625        | LAHSA   | Dr. Adams-Kellum to provide Inside-Safe related consulting services | 02/09/2023          | 03/23/2023      | 0          | \$ 60,000                  | \$ 60,000             |
| C-143279        | Dr. Etsemaye Agonafer                           | Inside-Safe related Consulting services                             | 05/12/2023          | 4/30/2024       | 1          | \$ 52,000                  | \$ 175,000            |
| C-143195        | Roberto Aldape                                  | Inside-Safe related Consulting services                             | 04/28/2023          | 3/21/2024       | 0          | \$ 52,000                  | \$ 52,000             |
| C-144821        | Star Insights (R.Engel)                         | Training on the Homelessness Emergency                              | 01/04/2024          | 02/29/2024      | 0          | \$12,500                   | \$12,500              |

8. Police Department (LAPD)

| <b>Contract Number</b> | <b>Contractor Name</b>  | <b>Service Type</b>  | <b>Date Clerk Attested</b> | <b>Expiration Date</b> | <b>Amendments</b> | <b>Contract Amount (Original)</b> | <b>Total Award (To-date)</b> |
|------------------------|---|--|----------------------------|------------------------|-------------------|-----------------------------------|------------------------------|
| C-137882               | Didi Hirsch<br>Psychiatric<br>Service dba "Didi<br>Hirsch Mental<br>Health Systems" | Diversion of 9-1-1<br>Calls related to<br>Mental-Health<br>Emergencies | 02/10/2021                 | 03/31/2024             | 5                 | \$378,522                         | \$2,962,940.85               |
| C-144631               | SA Recycling  | RV-Disposal relative<br>to Inside-Safe<br>Operations                   | 11/21/2023                 | 11/20/2025             | 1                 | "Initially<br>\$1,000,000"        | Not Stated                   |

**Attachment III – Inside Safe Booking Agreements (as of 6/21/24)**

| <b>Contract Number</b> | <b>Property Name</b> | <b>Term</b>           | <b>Active (Yes/No)</b> | <b>Up-to-date CFMS Contract? (Yes/No)</b> | <b>CFMS Amendment</b> | <b>Bed-Rate** (Per Night)</b> | <b>Council District</b> |
|------------------------|----------------------|-----------------------|------------------------|---|-----------------------|-------------------------------|-------------------------|
| C-144428               | Ace Motel            | 10/19/2023-10/18/2024 | Yes                    | No – Contract Expired (through 4/18/23)   | No                    | \$100                         | 9                       |
| C-143658               | Atlas Motel          | 6/27/2023-6/25/2024   | Yes                    | No – Contract Expired (through 12/26/23)  | No                    | \$115                         | 8                       |
| C-144008               | Budget Inn           | 8/18/2023-8/16/2024   | Yes                    | No* – Contract Expired (through 2/16/24)  | No                    | \$95                          | 7                       |
| C-143601               | Budget Motel         | 6/22/2023-6/21/2025   | Yes                    | Yes                                       | 1                     | \$110                         | 8                       |
| C-143695               | Central Inn          | 6/29/2023-6/29/2025   | Yes                    | Yes                                       | 1                     | \$100                         | 9                       |
| C-144502               | Comet Motel LAX      | 10/31/2023-4/30/2024  | No                     | Yes                                       | No                    | \$100                         | 8                       |
| C-143294               | Cornett Motel        | 5/16/2023-5/15/2025   | Yes                    | Yes                                       | 1                     | \$100                         | 8                       |
| C-144009               | Crenshaw Inn Motel   | 8/17/2023-8/16/2024   | Yes                    | No* – Contract Expired (through 02/16/24) | No                    | \$110                         | 8                       |
| C-143542               | Deluxe Inn           | 6/14/2023-6/14/2025   | Yes                    | Yes                                       | 1                     | \$115                         | 9                       |
| C-143286               | Full Moon Inn        | 5/16/2023-5/15/2025   | Yes                    | Yes                                       | 1                     | \$100                         | 8                       |
| C-143656               | Golden West Manor    | 6/27/2023-6/26/2024   | No                     | No – Contract Expired (through 12/26/23)  | No                    | \$115                         | 8                       |
| C-145064               | Good Knight Inn      | 2/17/2024-2/16/2025   | Yes                    | Yes                                       | No                    | \$90                          | 7                       |
| C-143306               | Highland Park Motel  | 5/17/2023-5/16/2025   | Yes                    | Yes                                       | 1                     | \$95                          | 14                      |
| C-143603               | Hilltop Motor Inn    | 6/22/2023-6/21/2025   | Yes                    | Yes                                       | 2                     | \$100                         | 8                       |

| <b>Contract Number</b> | <b>Property Name</b>            | <b>Term</b>         | <b>Active (Yes/No)</b> | <b>Up-to-date CFMS Contract? (Yes/No)</b> | <b>CFMS Amendment</b> | <b>Bed-Rate** (Per Night)</b>           | <b>Council District</b> |
|------------------------|---------------------------------|---------------------|------------------------|---|-----------------------|---|-------------------------|
| C-143694               | Horizon Inn & Penguin Motel     | 6/29/2023-6/29/2025 | Yes                    | Yes                                       | 1                     | \$105                                   | 15                      |
| C-143600               | Hotel Silverlake                | 6/22/2023-6/21/2025 | Yes                    | Yes                                       | 1                     | \$100                                   | 13                      |
| C-145183               | Hotel Dreamscape                | 03/23/24-03/22/25   | Yes                    | Yes                                       | No                    | \$115                                   | 15                      |
| C-143540               | Hyde Park Motel                 | 6/14/2023-6/13/2025 | Yes                    | Yes                                       | 2                     | \$105 + applicable local taxes          | 8                       |
| C-144767               | Jolly Motel                     | 12/15/23-6/16/25    | Yes                    | Yes                                       | 1                     | \$95                                    | 9                       |
| C-143876               | King's Lodge Motel <sup>F</sup> | 8/3/2023-7/29/2024  | No                     | No* - Contract Expired (through 02/02/24) | No                    | \$100 single room;<br>\$110 double room | 10                      |
| C-143293               | Las Palmas Hotel                | 5/16/2023-5/15/2025 | Yes                    | Yes                                       | 2                     | \$110 single room;<br>\$140 double room | 13                      |
| C-143534               | Lux Inn                         | 6/14/2023-6/13/2025 | Yes                    | Yes                                       | 1                     | \$110                                   | 9                       |
| C-143858               | Monterey Inn                    | 8/2/2023-7/28/2024  | Yes                    | No* - Contract Expired (through 02/01/24) | No                    | \$105                                   | 15                      |
| C-143506               | Motel 6 Van Nuys                | 6/12/2023-6/11/2024 | Yes                    | No - Contract Expired (through 12/11/23)  | No                    | \$115                                   | 12                      |
| C-145185               | Olive Motel                     | 03/22/24-03/21/25   | Yes                    | No - Contract Active (through 09/21/24)   | No                    | \$115                                   | 13                      |
| C-144144               | Palm Tree Inn                   | 9/8/2023-9/7/2024   | Yes                    | No - Contract Expired (through 03/07/24)  | No                    | \$90                                    | 6                       |
| C-143653               | Palm Motel                      | 6/27/2023-6/26/2025 | Yes                    | Yes                                       | 1                     | \$110                                   | 15                      |
| C-143672               | Paradise Inn                    | 6/28/2023-6/16/2025 | Yes                    | Yes                                       | 1                     | \$110                                   | 9                       |
| C-143284               | Park Motel (South LA)           | 5/16/2023-5/15/2025 | Yes                    | Yes                                       | 1                     | \$105                                   | 9                       |

| Contract Number | Property Name                         | Term                  | Active (Yes/No) | Up-to-date CFMS Contract? (Yes/No)       | CFMS Amendment | Bed-Rate** (Per Night) | Council District |
|-----------------|---------------------------------------|-----------------------|-----------------|--|----------------|------------------------|------------------|
| C-144708        | Park Motel (Studio City) <sup>±</sup> | 12/4/2023-12/03/2024  | No              | Yes                                      | No             | \$110                  | 4                |
| C-143535        | Pine Tree Inn <sup>±</sup>            | 6/14/2023-6/13/2024   | No              | No – Contract Expired (through 12/13/23) | No             | \$115                  | 8                |
| C-143288        | Rosa Bell Motel                       | 5/16/2023-5/15/2025   | Yes             | Yes                                      | 1              | \$114                  | 8                |
| C-143292        | Sahara Inn                            | 5/16/2023-5/15/2025   | Yes             | Yes                                      | 1              | \$110                  | 9                |
| C-145133        | Starlight Inn                         | 3/7/2024-3/7/2025     | Yes             | Yes                                      | No             | \$115                  | 14               |
| C-143287        | Top Hat Motel                         | 5/16/2023-5/15/2025   | Yes             | Yes                                      | 1              | \$100                  | 9                |
| C-144416        | Travel Inn                            | 10/18/2023-10/17/2024 | Yes             | No – Contract Expired (through 05/17/24) | No             | \$100                  | 8                |
| C-144459        | Vista Motel                           | 10/25/2023-10/24/2024 | Yes             | No – Contract Expired (through 04/24/24) | No             | \$140                  | 11               |

\* CFMS “Action History” indicates the term of the Booking Agreement reported by the Office of the Mayor; however, updated contract(s) have not been uploaded onto CFMS, as of June 21, 2024.

\*\* All Booking Agreements include “contractually obligated damages” as an additional component of the nightly bed-rate.

± The Mayor’s Office reports that, even though these properties are contractually active, they are not currently in use.

**Attachment IV – Inside Safe Occupancy Agreements**

| <b>Contract Number</b> | <b>Hotel Name</b>           | <b>Term</b>           | <b>Bed-Rate (Per Night)*</b>      | <b>Number of Rooms</b> | <b>Total Annual Award</b> | <b>Council District</b> |
|------------------------|-----------------------------|-----------------------|-----------------------------------|------------------------|---------------------------|-------------------------|
| C-143884               | Hollywood Le Bon Hotel      | 8/8/2023-8/7/2024     | \$140                             | 20                     | \$1,022,000               | 13                      |
| C-144215               | Motel 6 (Canoga Park)       | 9/19/2023-9/18/2024   | \$120                             | 71                     | \$3,109,800               | 3                       |
| C-144290               | Hollywood Inn Express South | 10/10/2023-10/9/2025  | \$130                             | 76                     | \$3,606,200               | 13                      |
| C-144289               | Hollywood Inn Express North | 10/10/2023-10/9/2025  | \$130                             | 26                     | \$1,233,700               | 13                      |
| C-144554               | Stuart Hotel                | 11/7/2023-11/6/2025   | \$110                             | 64                     | \$2,569,300               | 1                       |
| C-144545               | Marina 7 Motel              | 10/1/2023-9/30/2025   | \$165                             | 23                     | \$1,385,175               | 11                      |
| C-144597               | Universal Inn Express       | 11/16/2023-11/15/2025 | \$132.60                          | 31                     | \$1,500,369               | 8                       |
| C-144712               | Willow Tree Inn and Suites  | 12/6/2023-12/5/2025   | \$105 plus applicable local taxes | 35                     | \$1,341,375               | 2                       |
| C-144850               | Budget Inn (Hollywood)      | 01/08/2024-01/08/2025 | \$115                             | 24                     | \$1,007,400               | 13                      |
| C-145494               | Antonio Hotel               | 06/17/2024-06/16/25   | \$105 plus applicable local taxes | 50                     | \$1,916,250               | 14                      |

\* All Occupancy Agreements include “contractually obligated damages” as an additional component of the rate.

BUDGET, FINANCE AND INNOVATION COMMITTEE REPORT relative to fiscal concerns and prioritization of critical hiring.

Recommendations for Council action:

1. INSTRUCT all City Departments to limit all hiring to the critical areas identified by the City Administrative Officer (CAO) report dated January 19, 2024, attached to Council file No. 23-0660-S115.
2. INSTRUCT the CAO, in collaboration with the Mayor's Office and the Chief Legislative Analyst (CLA), to develop and implement a process for prioritizing critical hiring, as described in the CAO report.
3. INSTRUCT the CAO to report monthly to the City Council following the implementation of the priority critical hiring process described in the CAO report on positions that departments have filled through the process described in the CAO report.
4. INSTRUCT the CAO to propose to Council, within 45 days, the elimination of all non-critical vacant positions, as defined in the CAO report. The report should include the number of consultants and contractors that will be needed to perform City work as a result of eliminating the proposed non-critical vacant positions.
5. INSTRUCT the CAO to report on the restructuring of services, programs, and/or other organizational components of the City that will be necessitated by the elimination of positions.
6. INSTRUCT the CAO, with assistance of various City departments, to report on opportunities to update fees for service and other revenue enhancement opportunities including ballot measures.
7. INSTRUCT the CAO to provide a written report within 45 days, and in every Financial Status Report thereafter, on attrition rates across all City departments. The report should include:
  - a. A breakdown of positions with high attrition rates and low attrition rates.
  - b. An analysis of how employment levels are affected by the hiring and promotional freeze and their effects on City services.
  - c. Recommendations for implementing effective retention strategies throughout the City.
8. INSTRUCT the CAO, with the assistance of the CLA, to provide a written report on the duplication and possible consolidation of services within the City's Budget, including the Homeless Budget and the City's Alternative Response Services. The report should include:
  - a. A breakdown of the services that are duplicated across the City and the success metrics associated with each service.
  - b. An analysis of the potential benefits and challenges associated with consolidating duplicate services.
  - c. An analysis on how service consolidation may impact the quality of services provided by the City.
9. INSTRUCT the CLA, with the assistance of the CAO, to report back on sole source contracts related to homelessness initiatives and alternative response initiatives and the possibility of

replacing sole source contracted services with City workforce, therefore decreasing the number of vacancy eliminations.

10. INSTRUCT the CAO to report on the number of department and proprietary department staff that are on loan to other departments and offices.
11. INSTRUCT the CAO to add the Clean LA Program and the Workforce Equity Demonstration program to the list of "Categories of prioritized critical hiring requiring review process" (page 5 in the CAO report).
12. INSTRUCT the CAO and the CLA to also report back to the Personnel, Audits, and Hiring committee for all future reports.

**Fiscal Impact Statement:** The CAO reports that adopting the recommendations stated will mitigate the City's current unresolved over expenditures totaling \$143 million, provide additional protection against a potential General Fund revenue shortfall currently estimated at \$158 million, support the City's efforts to maintain a Reserve Fund balance above the five percent policy minimum, and facilitate the development of a 2024-25 Budget that maintains critical service levels.

**Financial Policies Statement:** The CAO reports that the recommendations in stated are consistent with the City's Financial Policies insofar as they would help to ensure that current appropriations are limited to the sum of available cash and revenues to be received this fiscal year.

**Community Impact Statement:** None submitted

#### **SUMMARY**

At the meeting held on January 24, 2024, your Budget, Finance and Innovation Committee considered a CAO report relative to fiscal concerns and prioritization of critical hiring.

After an opportunity for public comment was held, the Committee recommended to move forward the recommendations contained in the CAO report, as detailed above, as amended, to expand on Recommendation No. 4 and to add Recommendation Nos. 7-12. This matter is now submitted to the Council for consideration.

Respectfully Submitted,



**BUDGET, FINANCE AND INNOVATION COMMITTEE**

| <b><u>MEMBER</u></b> | <b><u>VOIE</u></b> |
|----------------------|--------------------|
| BLUMENFIELD          | YES                |
| HARRIS-DAWSON        | YES                |
| YAROSLAVSKY          | ABSENT             |
| MCOSKER              | YES                |
| RODRIGUEZ            | YES                |

LV 1.24.24

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**