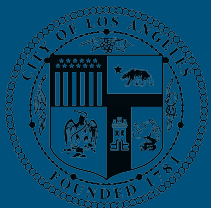


Interim Housing Bed Rate Formula

C.F. 23-1348

Presentation to the Housing and Homelessness
Committee on Wednesday, November 6, 2024



Office of the
City Administrative Officer

Items for Council Consideration

Approve the following:

Proposed Rates
effective January
1, 2025, and
July 1, 2025

Administrative
Cost Percentage

Updated Scope of
Required Services
(SRS)

Coordinated Recommendation



Proposed rates are based on data collected by Abt Associates.

Proposed Adult Interim Housing Bed Rates

Site Size	Staffing Model	Tier 1 (\$20 Starting)	Tier 2 (\$22 Starting)	Tier 3 (\$25 Starting)
50 Beds or Less	Level Staffing Model	\$79	\$84	\$89
	Enhanced Staffing Model	\$116	\$125	\$134
51 Beds or More	Level Staffing Model	\$69	\$73	\$77
	Enhanced Staffing Model	\$89	\$95	\$102

Add Ons to the Proposed Bed Rates (to be funded separately)

1

Mortgage / Leasing

- Agreed upon between the City, County, and LAHSA.
- Funds for mortgage / leasing will be programmed separately.

2

Housing Navigation

- This is a critical enhanced services.
- Funds for Housing Navigation are funded separately from the base rate.

Next Steps

Identify and provide funding recommendations for approved bed rates effective January 1, 2025.

Continue collaboration between representatives from the City, County, and LAHSA to consider Cost of Living Adjustments (COLA) and/or Living Wage. If a consensus is reached, recommendations will be included in a future report.

Background - Service Provider Engagement

**October
2022**

The Los Angeles Homeless Services Authority (LAHSA), in coordination with the County Chief Executive Office Homeless Initiative (Homeless Initiative) selected Abt Associates to complete a cost analysis of Interim Housing (IH) operations.

**August
2023**

Abt Associates released the results of its cost study on the IH portfolio across Los Angeles County. Abt Associates received detailed information about IH operations and costs at 125 IH sites and surveyed 16 Service Providers who represented a diverse set of IH sites to obtain a deeper understanding of the drivers affecting overall costs for IH.

**May
2024**

Abt Associates hosted open house discussions with service providers to receive feedback on the components of the proposed Interim Housing Bed Rate Formula.

Abt Average Per Bed Night Cost

Abt Associates reported that the average per bed night cost is just over \$139. The proposed bed rate formula for the Adult Interim Housing portfolio does not include some of the same components.



Background

In coordination with the City, County, and LAHSA, this report addresses the following recommendations from the Abt Associates cost study:

- 1 Immediate increase in bed-night rates across the portfolio of IH in Los Angeles County
- 2 Work towards a more defensible and empirically-driven bed rate formula
- 3 To move toward a more equitable homeless service system, there needs to be a transparent funding formula that creates IH bed rates
- 4 Public funders are encouraged to continue to research and understand staffing issues, including living wages, pay inequities, health and wellness benefits, and burnout and staff retention.

Background

These recommendations will be addressed in future reports:

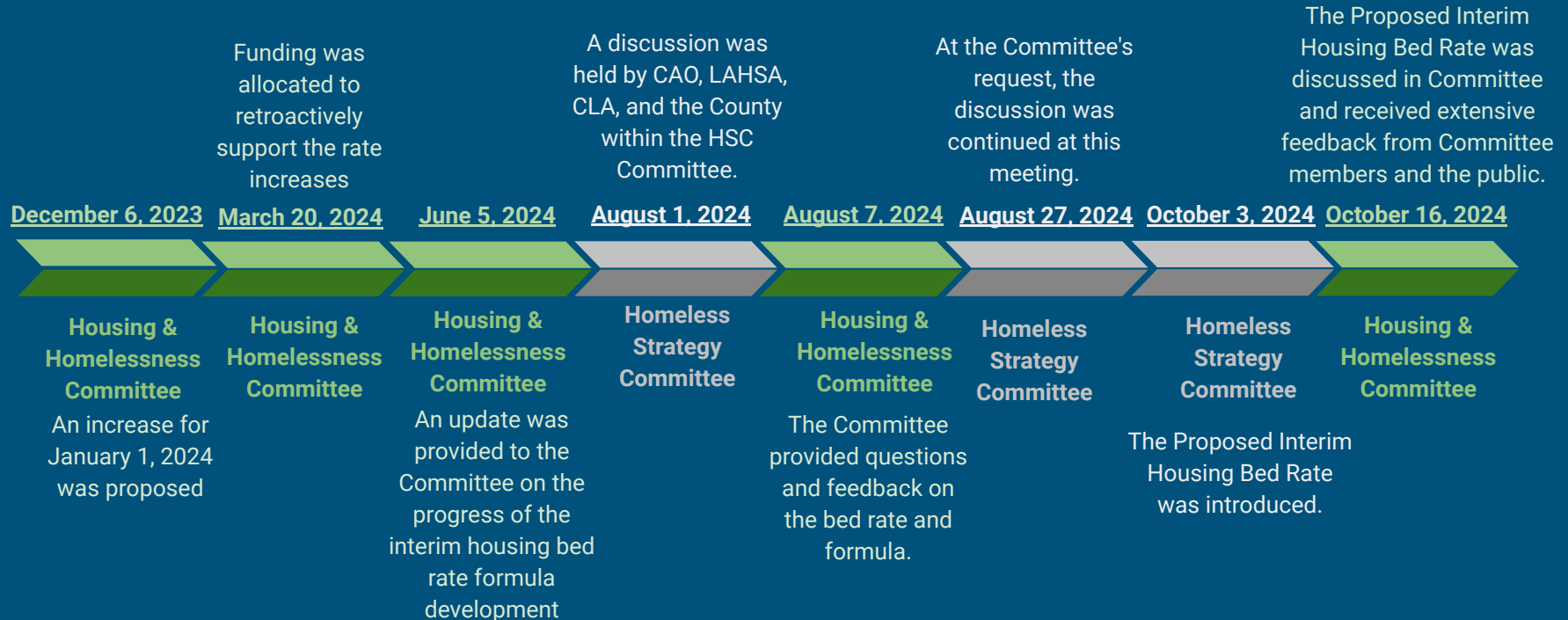
5

Apply an inflation factor for yearly increases to reimburse rates

6

Public funders are encouraged to continue to research and understand staffing issues, including living wages, pay inequities, health and wellness benefits, and burnout and staff retention.

Background - Public Meetings Timeline



Requests from Service Providers

**Providers be
fully
reimbursed
for their
costs.**

**Cost of
Living
Adjustments
(COLA)**

Living Wage

**Information on
how leasing
and mortgage
costs will be
covered.**

Interim Housing Bed Rate Formula includes:

Facility Operations/ Site Costs



Taxes,
insurance,
maintenance,
utilities, etc.

Food Costs



Three meals
per day

Program Supplies



Furniture, linens
and laundry,
hygiene supplies,
agency
owned/leased
vehicles, parking,
gas, office
supplies, etc.

Client Support Costs



Clothing, public
transportation/
rideshare,
program
activities, etc.

On-Site Staff



Case
Managers,
Security, and
Operational
Staff

Administration Fee



Executive/Admin
staff, agency
operations,
indirect costs, etc.

Rates prior to January 1, 2024

Intervention Type	Population	Rate
Winter Shelter Program	Adults, TAY	\$50
Roadmap - IH	Adults	\$55
Tiny Home Village	Adults	\$55
A Bridge Home	Adults, TAY	\$60
Transitional Housing	TAY	\$70
Project Homekey	Adults	Rates vary by project
Crisis Housing	Family	\$90 - site based \$105 - motel based

Rates effective January 1, 2024

Intervention Type	Population	Rate
Winter Shelter Program	Adults, TAY	\$60
Roadmap - IH	Adults	\$60.50
Tiny Home Village	Adults	\$60.50
A Bridge Home	Adults, TAY	\$66
Transitional Housing	TAY	\$77
Project Homekey	Adults	10% increase
Crisis Housing	Family	\$99 - site based \$115.50 - motel based

Basis for January 1, 2024 Rates

On November 28, 2023, LAHSA released a memo that recommended the following increases:

1. A baseline minimum contract level of \$60

OR

2. An increase of 10%

Using whichever methodology results in a greater increase for each contract.

Proposed Rates effective January 1, 2025

Bed Category	Tier 1 (\$20 Starting)	Tier 2 (\$22 Starting)	Tier 3 (\$25 Starting)
Level Staffing: 1-50 Beds	\$79	\$84	\$89
Level Staffing: 51+ Beds	\$69	\$73	\$77

Basis for Proposed January 1, 2025 Rates

Level Staffing FTEs		
Classification	50 Beds or Less	51 Beds or More
Site Management	2	3
Case Managers	1.4	2
Interim Housing Site Staff	8.4	11.2
Security	4.2	8.4
Janitorial	-	-
Maintenance	-	-
Kitchen Staff	-	-
Grand Totals	16	24.6

Proposed Rates effective July 1, 2025

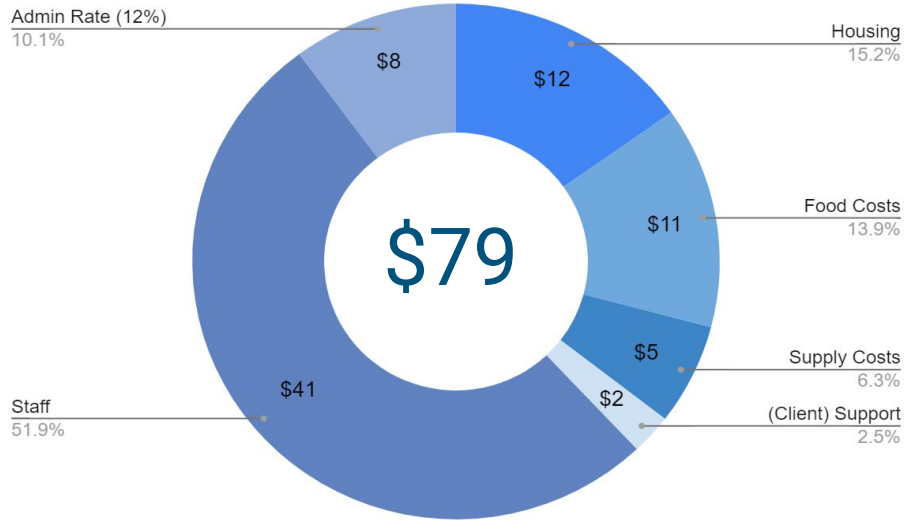
Bed Category	Tier 1 (\$20 Starting)	Tier 2 (\$22 Starting)	Tier 3 (\$25 Starting)
Enhanced Staffing: 1-50 Beds	\$116	\$125	\$134
Enhanced Staffing: 51+ Beds	\$89	\$95	\$102

Basis for Proposed July 1, 2025 Rates

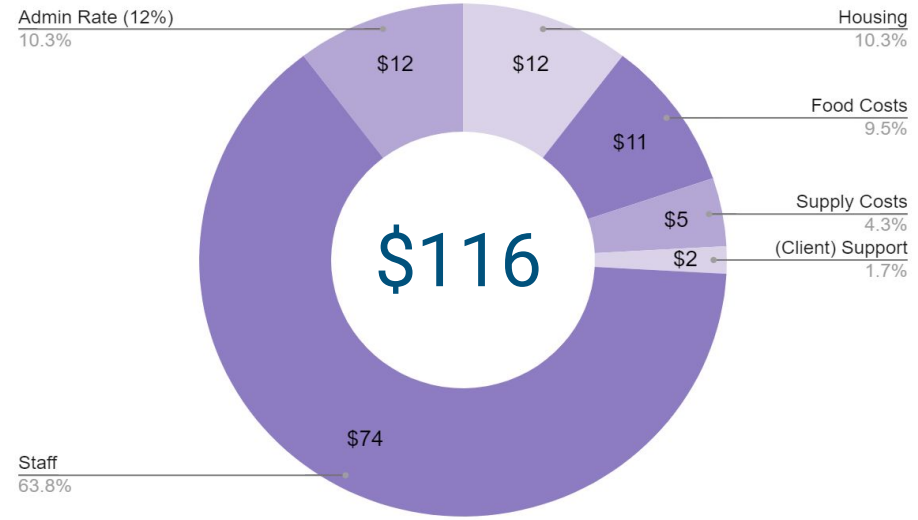
Enhanced Staffing FTEs		
Classification	50 Beds or Less	51 Beds or More
Site Management	2.5	3.25
Case Managers	2	4
Interim Housing Site Staff	9.8	12.6
Security	8.4	8.4
Janitorial	1	2
Maintenance	1	2
Kitchen Staff	4.5	8
Grand Totals	29.2	40.25

Bed Rate Components - Sites with 50 Beds and lower

Level Staffing Tier 1 (January 1, 2025)

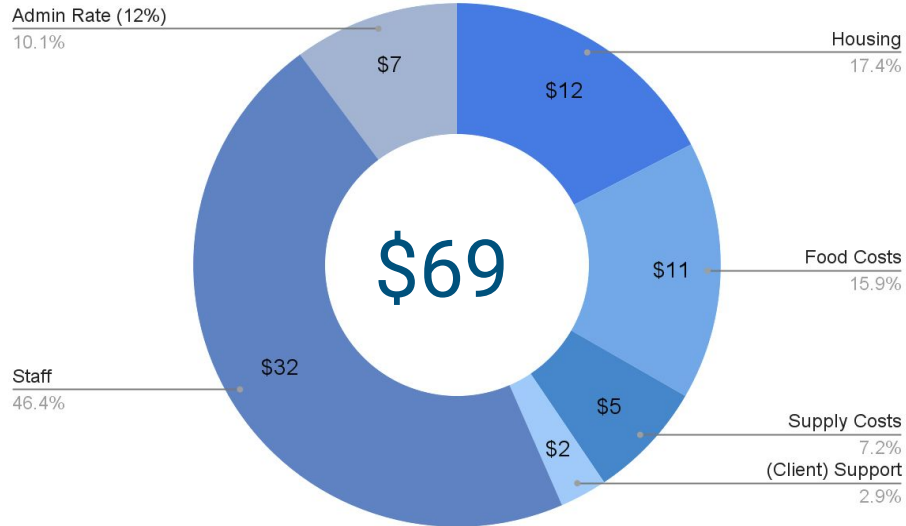


Enhanced Staffing Tier 1 (July 1, 2025)

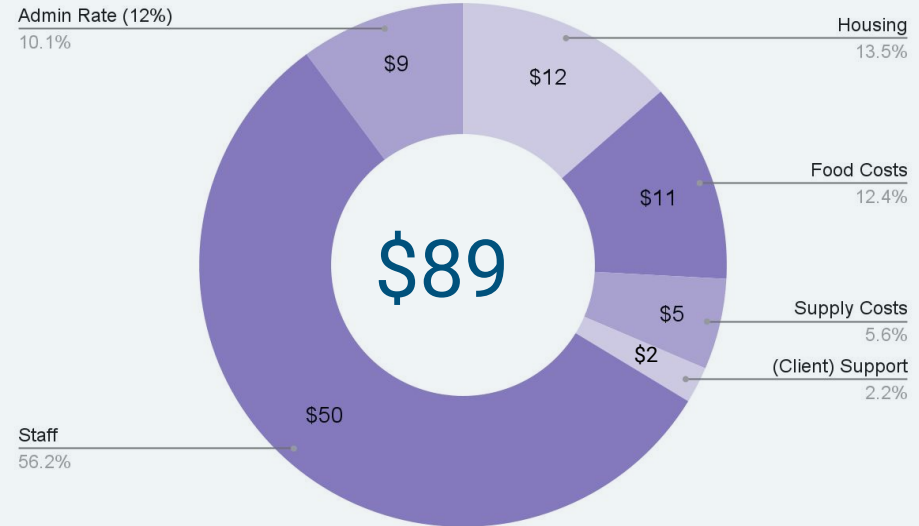


Bed Rate Components - Sites with 51+ Beds

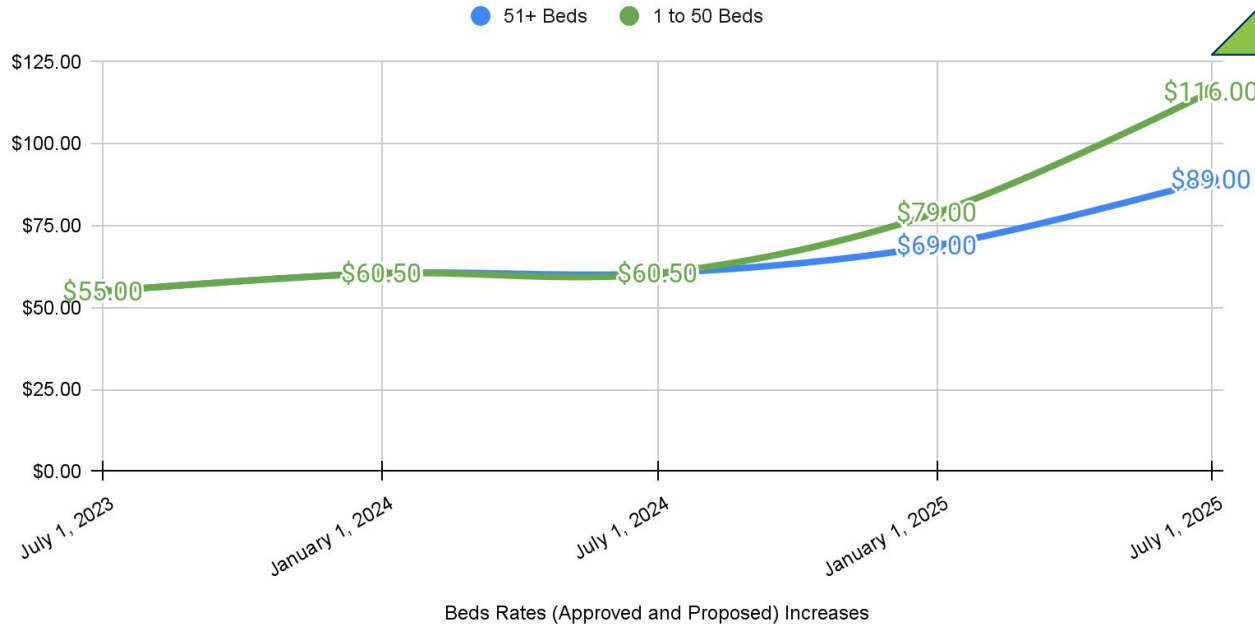
Level Staffing Tier 1 (January 1, 2025)



Enhanced Staffing Tier 1 (July 1, 2025)



Cumulative Increase from 2023 to 2025:



62% to 111%

If the proposed rates are approved, the estimated increase is 62% for sites 51+ beds or 111% for 50 beds or less from original rates in 2023 to 2025.

Interim Housing Beds Impacted by Proposed Rates

Program	Bed Category	No. of Sites	No. of Beds	Percentage
Roadmap (1)	50 Beds or Less	11	330	6.07%
	51 Beds or More	38	3,772	69.33%
Roadmap Subtotal		49	4,102	75.39%
Other Interim Housing (2)	50 Beds or Less	5	144	2.65%
	51 Beds or More	12	1,195	21.96%
Interim Housing Subtotal		17	1,339	24.61%
Total		66	5,441	100.00%

- (1) An estimate of 4,102 of Roadmap bed will be impacted by the increase
- (2) Include Alliance beds that are supported by General Fund

2024-25 - Estimated Funding Costs

FY 2024-25 Funding Costs						
Bed Category	Intervention Type	No. of Sites	No. of Beds	Tier 1 (\$20 Starting)	Tier 2 (\$22 Starting)	Tier 3 (\$25 Starting)
50 Beds or Less	A Bridge Home	4	131	\$272,948	\$377,928	\$120,908
	Interim Housing	8	176	\$550,332	\$680,652	\$810,972
	Project Homekey	3	129	-	\$29,308	\$71,843
	Tiny Home Village	1	38	-	-	-
Sub-Total		16	474	\$823,280	\$1,087,888	\$1,003,723
51 Beds or More	A Bridge Home	13	1,207	\$836,401	\$1,402,569	\$2,204,037
	Interim Housing	17	1,552	\$1,989,099	\$2,657,252	\$4,209,690
	Project Homekey	7	602	\$369,240	\$543,000	\$716,760
	Safe Sleep	1	88	-	-	-
	Tiny Home Village	12	1,518	\$2,285,438	\$3,346,822	\$4,408,206
Sub-Total		50	4,967	\$5,480,178	\$7,949,643	\$11,538,693
IH Bed Rate Mid-FY Increase Total		66	5,441	\$6,303,458	\$9,037,531	\$12,542,416
FY 2024-25 Budget		\$140,915,663				
FY 2024-25 IH Beds Costs Total				\$147,219,121	\$149,953,194	\$153,458,079

2025-26 - Estimated Funding Costs

FY 2025-26 Funding Costs						
Bed Category	Intervention Type	No. of Sites	No. of Beds	Tier 1 (\$20 Starting)	Tier 2 (\$22 Starting)	Tier 3 (\$25 Starting)
50 Beds or Less	A Bridge Home	4	131	\$1,122,090	\$1,552,425	\$1,982,760
	Interim Housing	8	176	\$1,736,670	\$2,232,705	\$2,874,740
	Project Homekey	3	129	\$1,172,672	\$1,596,437	\$2,020,202
	Tiny Home Village	1	38	\$55,480	\$180,310	\$305,140
Sub-Total		16	474	\$4,086,912	\$5,561,877	\$7,182,842
51 Beds or More	A Bridge Home	13	1,207	\$9,193,255	\$11,836,585	\$14,920,470
	Interim Housing	17	1,552	\$14,053,762	\$17,480,017	\$21,463,627
	Project Homekey	7	602	\$2,877,907	\$3,602,797	\$5,030,319
	Safe Sleep	1	88	-	\$192,720	\$417,560
	Tiny Home Village	12	1,518	\$14,783,114	\$18,107,534	\$21,986,024
Sub-Total		50	4,967	\$40,908,038	\$51,219,653	\$63,818,000
IH Bed Rate Increase Total		66	5,441	\$44,994,950	\$56,781,530	\$71,000,842
FY 2025-26 Projected Base Budget		\$140,915,663				
FY 2025-26 IH Beds Costs Total				\$185,910,613	\$197,697,193	\$211,916,505

Service Comparison - Mayfair Staffing (C.F. 23-0792-S4)

Mayfair Base Services Staffing	
Classification	FTEs
Program Manager	1
Program Assistant	1
Case Managers	16
Intake Coordinator	2
Activities Coordinator	1
Client Attendant	10
Data Coordinator	1
Grand Totals	32

Mayfair Enhanced Services Staffing	
Classification	FTEs
Program Manager	1
Clinical Lead	1
Nurse Practitioner	1
Registered Nurse	1
Mental Health Therapist	2
Housing Navigator	7
SUD Counselors	3
Data Entry Specialist	3
QA & Compliance Specialist	1
Grand Totals	20

Items Addressed In Reports

Accountability

Performance Tracking

Budget Implications

Enhanced Services

Staffing



Office of the City Administrative Officer
cao.lacity.org
October 2024