

April 23, 2024

The Honorable Councilmember Bob Blumenfield, Chair  
Honorable Members of the Budget, Finance, and Innovation Committee  
200 N. Spring Street, Room 435  
Los Angeles, CA 90012

Dear Chair Blumenfield,

Thank you for the opportunity to respond to the Mayor's proposed Fiscal Year 2024-25 budget for the Los Angeles Homeless Services Authority. LAHSA recognizes that despite this year's challenging budget environment, the proposed budget remains committed to the homeless emergency response.

The top five goals LAHSA will be able to achieve with the funding proposed in the Fiscal Year 2023-24 budget are:

**1. Address the Emergency**

Ongoing funding for the Seasonal Winter Shelter program and outreach teams will allow LAHSA to continue to deploy resources and services for people living unsheltered. LAHSA is re-structuring our outreach and emergency shelter approach to maximize the availability of these services to this most vulnerable of the homeless population. Proposed funds will support this work into Fiscal Year 2023-24.

**2. Improve Efficiency of the Rehousing System**

Funding Housing Navigation will allow navigators to help those moving indoors with each step of the pre-lease up process. These navigators improve housing outcomes by providing security deposits, application fees, transportation costs, landlord incentives, furniture, and unit viewings, among other pre-lease up activities.

**3. Refining LAHSA's purpose to have greater accountability and transparency**

With funding proposed for the Homeless Management Information System and the Enterprise Grants Management System, LAHSA will continue our work to provide accurate, timely, and useful data to support City and system-wide decision-making.

**4. Ensuring efficiency and timeliness in our contracts and grants management**

Administrative funding will ensure LAHSA's ongoing efforts to improve contracting, grants management, and financial reporting are efficient and effective. By July 1, 2023, over 80% of our contracts were executed, compared to 12% the year prior. We commit to continuing this trend.

**5. Equity**

LAHSA's focus in executing all our work is to reduce disparities in services and improve the quality of care experienced by all people experiencing homelessness. In the past year, LAHSA strengthened our Equity Department, continuing to facilitate the LAHSA Workgroup on Latinos Experiencing Homelessness and the Ad Hoc Committee on Black People Experiencing Homelessness. Our Lived Experience Advisory Board and Homeless Youth Advisory Board provide critical input to LAHSA and our partners on legislative initiatives and system improvements within the Continuum of Care (CoC), ensuring those closest to the problem are closest to the solution.

The time to act is now. We share this City's urgency in responding to a crisis that has long been left unaddressed by our predecessors. Please consider the following requests for changes to the Mayor's Proposed Budget as they relate to these priorities:

## **OUTREACH**

Funding in the proposed 2024-25 budget supports 28 CARE/CARE+ teams, which primarily assist LA Sanitation at scheduled encampment clean-ups, as well as 8 Generalist HETs and five (5) teams of Outreach Navigators. With our HETs, LAHSA is prioritizing moving people from the street into interim and permanent housing. Based on best practices, we are also retraining staff to provide services beyond basic referrals.

In December 2023, LAHSA began by repurposing ten current HET staff to be System Outreach Navigators, trained in both outreach, document readiness, and housing navigation. These newly trained staff will go where the need is most significant, based on performance data, such as Tiny Home Villages and Inside Safe motels, to expedite transitions into permanent housing. They will step into system gaps due to staff vacancies, new programs or areas needed technical assistance. Additionally, these staff will continue to be deployed in emergencies, such as heavy rain.

These positions are critical in supporting services in the City of Los Angeles and improving the efficiency and effectiveness of the City's significant investment in interim and permanent housing capacity. Although the City has yet to approve teams that can provide 24/7 coverage as requested in our System Outreach Navigator presentation, we continue to believe this approach is vital to prevent both repopulation of encampment sites and duplication of services.

Request: Approve an increase from \$10,216,684 in FY23-24 to \$10,230,500 in FY24-25 (increase of \$13,817) to continue funding 41 HET teams, comprised of 28 CARE/CARE+ teams, 8 HET Generalist teams, and 5 Outreach Navigator teams (shifted from Generalist teams). The increase will support the adjusted per-team cost for the new Outreach Navigators, who will have the flexibility to pivot across the system and fill gaps in coverage, staffing capacity, and increase throughput from interim to permanent housing.

## **EMERGENCY RESPONSE PROGRAM & RESTORATION OF SEASONAL WINTER SHELTER FUNDING**

The Seasonal Winter Shelter Program (SWSP) continued to provide life-saving emergency shelter beds in FY 2023-24, including transportation to shelters, case management, referrals, daily meals, and access to lavatories and showers to people experiencing homelessness during the winter season from November through March. This past season, LAHSA opened eleven sites across the County, seven of which were within the City of Los Angeles, raising the total inventory to 388 beds. LAHSA now dedicates staff specifically to the SWSP program, allowing us to aggressively expand efforts to identify sites and recruit providers to operate them. Since these changes were made, our utilization rates have been above 90%, compared to about 30% two years ago. To meet growing needs, we need to increase the capacity for this program by 36%, or 140 beds.

In FY23-24, LAHSA received \$1.5 million for the Seasonal Winter Shelter Program. In 2023, the City approved LAHSA's proposal to increase the rate paid for the SWSP from \$50 per night to \$60 per night. Unfortunately, due to this increase, the proposed \$1.56 million for the SWSP will not support the same number of beds in FY-24-25, as were provided previously. This will force LAHSA to reduce the number of beds available for those served by the SWSP next year.

Additionally, while funds for SWSP also activate additional beds whenever cold, inclement weather is forecasted between November and March, known as the Augmented Winter Shelter Program (AWSP). Frequent activations in recent years drained budgeted funding sooner than anticipated. Since a year-round Emergency Response Program (ERP) was not funded, the City will be left for several months without any type of emergency shelter. To avoid future restrictions due to the program period or available funding, LAHSA requests funding to expand the AWSP into a year-round program to be called the Emergency Response Program. All services and resources available in typical augmented winter shelter activations would still be part of this program. By transitioning to a year-round approach, LAHSA can mobilize quickly in response to a broader range of scenarios.

Request: Approve funding to support the year-round emergency response program at the initial request of \$4,056,250, to activate shelter and services for up to 250 individuals for up to 75 activation days during severe weather events or other imminent threats to unsheltered individuals.

- If the year-round Emergency Response Program is not recommended at this time, LAHSA requests an increase in funding in the amount of \$2,698,625 to its Seasonal Winter Shelter Program, to meet the increase in bed rate and motel voucher rate per night, and account for funding for Augmented Winter Shelter Program (AWSP) and 211 services.

## **HOUSING NAVIGATION**

Housing navigation is a critical service that connects individuals in search of housing with specialized staff who will guide them every step of the way, including developing a housing plan, conducting housing searches, providing transportation to and from unit viewings, negotiating with property owners, and collecting required documentation. In recent years, LAHSA has embedded housing navigation slots at interim housing sites across the city to help increase throughput in the system, addressing growing concerns about individuals residing at sites for months on end with no pathway in sight. This pivot has accelerated placements into permanent housing and helped individuals find homes faster than ever before.

LAHSA's housing navigation budget approved level funding for the upcoming fiscal year and we are grateful for that investment; however, the amount does not account for a 10% increase in the slot rate for the upcoming year. The new rate of \$5,146 per slot would support spending efficiency that would in effect help retain staff by offering competitive, livable wages. We have seen the system struggle to hire and retain staff in the homeless services system across the board. By funding housing navigation at the new rate, the City will enable us to deliver even stronger results next year, freeing up competing resources and eliminating bottlenecks in system throughput.

Request: Approve an increase of \$204,188, from \$1,000,000 in FY23-24 to \$1,204,188 to maintain the 172 currently funded Housing Navigation slots and support a 10% increase in the Housing Navigation slot rate. This increase will also fund 3.0 FTE for LAHSA Housing Navigation Coordinators, who will provide technical assistance to service providers and ensure participants are appropriately referred and receive follow-ups.

## **ADMINISTRATION**

### *Continuum of Care Planning Program Cash Match*

The Continuum of Care (CoC) Planning Program Cash Match fulfills a requirement for LAHSA in acceptance of annual grants from the U.S. Department of Housing and Urban Development (HUD). The CoC Program Planning component provides support for LAHSA to serve as the system coordinator for housing and

supportive services For 2024-2025, HUD increased the Planning Grant award from \$1,250,000 to \$1,500,000; to receive these funds, HUD requires a match of at least 25% (\$375,000). The County and City of Los Angeles have traditionally each contributed half of the required matching funds. In this case, \$187,500 is needed from each (an increase from \$156,250 in previous years). The County has approved this increase.

Request: Approve an increase from \$156,250 in FY 2023-24 to \$187,500 in FY 2024-25 for the CoC Planning Program Cash match, to meet the federal requirement of a 25% cash match to receive HUD funding.

#### **ADMINISTRATIVE RATE**

The U.S. Department of Housing and Urban Development (HUD) defines administrative rate, otherwise known as indirect costs, as an incurred cost that cannot be tied to any one program or activity.<sup>1</sup> This can include costs associated with non-programmatic actions, such as utilities, facility costs, finance, payroll, and other administrative functions. Administering the City's programs requires a commensurate rate of 15% that can support LAHSA's infrastructure.

Other funding sources that City awards LAHSA, like Roadmap and HHAP, do not come with an administrative allocation, which effectively drains the existing pool of administrative funds, leading to an actual rate far lower than the allocated 15%; for FY23-24, the effective rate for City funding now stands at approximately 2.5%.

That is why LAHSA respectfully requests that the administrative rate be maintained at 15% of the total programmatic funding allocated. This rate would continue to support LAHSA as it builds out its capacity to provide more rigorous data and financial reporting that is so critical in determining success and appropriate allocations to higher performing programs.

Request: Maintain the 15% of administrative rate requested based on the total programmatic funding allocated to LAHSA to carry out the City's funded programs.

In closing, I thank you on behalf of LAHSA for your steadfast resolve in ending unsheltered homelessness in Los Angeles. Mayor Bass's proposed budget provides historic and significant investments in bringing Angelenos indoors. By considering our recommendations, we can move even closer to this shared goal.

Thank you for the City's leadership and continued partnership. If you have any questions, please do not hesitate to contact me at [valecia.adamskellum@LAHSA.org](mailto:valecia.adamskellum@LAHSA.org).

Sincerely,



Dr. Va Lecia Adams Kellum  
Chief Executive Officer