

REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: October 16, 2025

TO: Honorable Members of the City Council

FROM: Sharon M. Tso 
Chief Legislative Analyst

Council File No.: 25-0577
Assignment No.: 25-08-0640

SUBJECT: Homelessness Emergency Declaration

SUMMARY

On June 20, 2025, Council adopted Motion (McOsker – Raman, Jurado, et al) which instructs the Chief Legislative Analyst (CLA), in coordination with the City Administrative Officer (CAO) and the City Attorney, to report back in 30 days on the legislative, budgetary, and legal efforts currently underway, including efforts in the Adopted Budget Fiscal Year 2025-26 (FY 2025-26 Budget), that the City has deployed to address homelessness since the start of the Declaration of Local Homelessness Emergency initiated by the Mayor (Emergency Declaration). The CLA released a report on August 12, 2025, which provided a summary of discussions with departments whose work could be impacted if the Emergency Declaration were to sunset. This is the second report on this matter which intends to respond to questions and concerns presented during the hearing in Council.

On August 20, 2025, the City Council renewed the Emergency Declaration for an additional 90 days (C.F. 22-1545). During the discussion for this matter, the Council requested a follow-up report before it considers renewing the Emergency Declaration again in 90 days. The Council instructed our Office to work with the Department of City Planning (DCP) to provide data on how many projects have been approved through Mayor Bass' Executive Directive 1 (ED 1) and what impact sunseting of the Emergency Declaration would have on City homelessness efforts. Furthermore, Council also instructed our Office to work with the General Services Department (GSD) and any other departments that have active contracts under the Emergency Declaration and report on the impacts on those contracts if the Emergency Declaration were to sunset.

For this second report, the CLA's Office reached out to departments with a follow-up Citywide survey which asked departments to identify any contracts that the department executed under the Emergency Declaration and provide any additional comments. Furthermore, the CLA's Office worked closely with the DCP, GSD, Bureau of Engineering (BOE), and the City Attorney's Office to answer questions and provide information instructed by the City Council. The following report provides further clarity on the status of City contracts that might be impacted with the potential sunseting of the Emergency Declaration. The Report also includes information regarding ED 1 as requested by Council. The Report also provides additional information gathered through the Citywide survey.

RECOMMENDATION

Note and File as this report is for informational purposes only.

DISCUSSION

City Attorney

The CLA's Office reached out to the City Attorney's Office regarding questions about contracting under the Emergency Declaration and contracts that use sole source findings. The City Attorney has advised that generally, during an emergency, the competitive bidding requirement is waived, which allows for sole source contracts to be utilized for the purpose of responding to the emergency. Under Los Angeles Charter and Administrative Code 8.33, that emergency waiver only lasts for one year. However, that does not mean that the contract cannot be extended if stand-alone (i.e., non-emergency) sole source findings can be made. The City Attorney's Office stated that generally, the Charter requires competitive bidding, absent a sole source finding. Non-emergency sole sourced contracts can be extended to the extent that the sole source findings can still be made again at the time of the extension.

Further, they stated that the ability to sole source a contract (or to extend a sole source contract) under the homelessness emergency would expire with the termination of the emergency, which means that those sole source contracts could not be further extended after the date of termination, even if they were started as a result of the emergency. However, one important note is that even under 8.33(d)(v)(2), the sole source homelessness emergency authority only lasts for a year, with a Request For Proposal generally required for any extension beyond the year. City Attorney advises that departments should recognize that as well. However, a normal sole source justification might be able to be made for any future contract/contract extension, regardless of an active Emergency Declaration, but a higher standard needs to be met to achieve it. So, any contracts that are active now related to homelessness program and services in the City will proceed to their expiration date and can be extended only if an extension term is part of the initial contract. If not, the contract would expire at this expiration date and the department will have to competitively bid to procure the new contract or will have to provide sole source justification to establish a new contract. Regardless of the Emergency Declaration renewing or sunseting, contracts executed using the declaration should only last up to a year.

Planning Department

The CLA's Office worked closely with DCP to provide the following information. The Council had questions about ED 1 and impacts on City projects if the Emergency Declaration were to sunset. Mayor Bass established ED 1 on December 16, 2022 which has since been revised multiple times with the most recent revision on July 1, 2024. ED 1 expedites the consideration of shelters and 100 percent affordable housing projects in the City, with eligible projects receiving expedited processing, clearances, and approvals through the ED 1 Ministerial Approval Process. ED 1 is reliant on the Emergency Declaration and, if the Emergency Declaration does not exist, it would not have grounds for existing any more as well.

There is a report from DCP currently pending in the Housing and Homelessness Committee, and recently approved by the Planning, Land Use, and Management Committee (PLUM) on September 30, 2025, that would codify and create a permanent ordinance to implement the incentives and directives of ED 1 (C.F. 23-0623-S1). The DCP Report includes a draft ordinance which was

amended by the PLUM Committee. If this Report, as amended, is approved by the Housing and Homelessness Committee and Council, the City Attorney will then prepare a proposed ordinance based on the DCP Report. This proposed ordinance will then be presented to Council for consideration, which, if approved, would codify the provisions of ED 1.

DCP has provided data concerning projects that were approved under ED 1 (Attachment I). The data show the total number of applications that DCP has received under ED 1 and the total number of proposed units under those applications. The data also includes total number of approved applications and units. There were 470 applications (or cases) with a total of 37,025 units from December 2022 to August 2025. Out of this total application number, 399 applications were approved. The remaining applications are pending approval or were withdrawn by the applicant.

Our Office asked the DCP to provide any additional insight on existing legislation or programs which can cover similar project applications in the future if the Emergency Declaration, and therefore ED 1, sunsets. A memo (Attachment II) has been provided by DCP which addresses this topic. The memo indicates that based on DCP's analysis, approximately 15 percent of the 470 project applications DCP received would not qualify for streamlining under existing state or local programs. DCP states that this is a rough estimate. The memo states that maintaining ED 1's streamlining provisions through the retention of the Emergency Declaration or codifying it through the adoption of the proposed permanent Affordable Housing Streamlining Ordinance is important to avoid losing a key tool to address the housing crisis. DCP also states that the majority of Affordable Housing Incentive Program case filings in 2025, which includes some preliminary applications, are being filed in conjunction with ED 1, indicating a project level benefit to the program. DCP has emphasized that ED 1 provides benefits that go beyond the ministerial provisions, including specific timeframes for approval of specific permit review processes across departments.

General Services Department

The CLA's Office reached out to GSD to determine if there are any contracts that are in imminent risk of being in jeopardy if the Emergency Declaration sunsets. We received correspondence from their Real Estate, Custodial, Supply Chains divisions, and Construction Forces.

GSD stated that for Real Estate, the Bridge and Tiny Home and other homelessness licenses and leases are all Council approved so they were not put into place just under the declaration, therefore sunset will have no impact. For Custodial division, they reported as having no impact as well.

The Supply Chain Division in GSD manages contracts and procurement that supplies the materials needed for the establishment and construction of interim housing facilities in the City. For this division, GSD provided a list of contracts that they executed in the period since the start of the Emergency Declaration (Attachment III). During this time period, there have only been three contracts that were awarded per the Emergency Declaration, as shown in Attachment III. For all three contracts, there are renewal options in the contracts that allow the City to avoid service disruption if the Emergency Declaration were to sunset. One of the contracts has seven existing renewals remaining, one has three renewals remaining, and one has two existing renewals remaining. GSD has informed us that the contract administrator will exercise the renewal each year for these contracts. In the Attachment, GSD has identified several other contracts that were

not awarded per the Emergency Declaration. For these contracts, the sunseting or renewal of the Emergency Declaration does not pose any consequences.

Bureau of Engineering

The CLA's Office reached out to BOE to ask for any concerns not covered in our first report. BOE stated that based on the previous correspondence with CLA's Office, BOE's concerns are mostly how other departments would interpret the sunseting of the Emergency Declaration. They have stated that they are assured that with the State Shelter Crisis Declaration still in place, operations can continue as they are.

A representative from BOE's Environmental Management Division also provided information on the potential impact on CEQA exemptions for interim housing siting. They informed us that they had been using CEQA exemptions prior to the emergency declaration, though the Emergency Declaration made the process easier. However, they can still use CEQA authorities if the Emergency Declaration sunsets. Per BOE's suggestion, our Office reached out to the City Attorney assigned to this matter for additional input. The City Attorney stated that in recent years, the State Legislature has provided better statutory CEQA exemptions specifically exempting qualifying homelessness projects, and the City now tends to rely on those instead of the Emergency Declaration. The State's statutory CEQA exemptions are much stronger since they specifically address the types of homelessness projects the City is establishing. The City Attorney stated that the City's Emergency Declaration, while supporting additional arguments for why the homelessness projects should be exempt, is not needed to support those new statutory exemptions from CEQA.

BOE referred our Office to the LADWP to ensure that they would continue streamlining and expediting new projects that are submitted under ED 1. LADWP confirmed that they have been accepting and working on housing projects submitted as part of the existing ED 1. In the correspondence with LADWP, they stated that according to their Board motion that established Project PowerHouse, which allows for the streamlining of projects, the authorization is based upon the "local emergency declaration [on homelessness] coupled with ED 1". LADWP stated that if the City Council codifies ED 1 into the City of Los Angeles Municipal Code and the City Council declares a shelter crisis in accordance with Government Code Section 8698.4, the State Shelter Crisis Declaration, the LADWP General Counsel agrees that LADWP could continue with Project PowerHouse as it is already doing as long as the conditions are met.

It should be noted that in the CAO's Alliance Bed Plan Report (C.F. 23-1022-S18), adopted by the Council and Mayor on October 2, 2025, the City has plans to invest in Time-Limited-Subsidies, instead of interim housing facilities, to achieve Alliance Settlement goals. This does not mean that the City will not establish or construct any new interim housing facilities. However, there are budget limitations that the City has to consider when planning ahead on how to address the homelessness crisis and currently and there are no immediate plans to construct more interim housing beds.


Los Angeles Housing Department

The Los Angeles Housing Department (LAHD) informed our Office that they do not anticipate any significant operational impact in the event that the Emergency Declaration is not renewed. The

City Attorney's Office's policy of moving away from sole source contracts (including those connected to the declaration) would not create an impediment to contracting. LAHD has advised that they have transitioned to procuring replacement contracts for those services that are still needed. In the list of LAHD contracts executed during the period of the Emergency Declaration, all but one of the contracts have expired. For the one contract remaining, LAHD has informed us that they are planning on requesting authority to extend the term and do not foresee any operational impact.

Los Angeles Police Department

In the Citywide survey form, the Los Angeles Police Department (LAPD) identified a contract that was executed using the Emergency Declaration, SA Recycling Contract (C-144631), which according to LAPD did not require City Council approval under the Emergency Directive. This contract has an upcoming renewal in November for one final year. The LAPD plans to re-issue the RFP and follow standard contract protocols. Another contract that the LAPD identified is a contract for URT Keystone Towing (C-131691). It is a contract for a police garage towing and storage facility. There is an upcoming contract amendment, expected to be executed in November 2025, that would amend the contract to include an additional storage lot. LAPD has identified that in the past, permits for storage lots such as these have circumvented specific Board of Police Commissioner requirements for impound lots/storage yard due to the Emergency Declaration. Our Office has reached out to LAPD for additional details and are awaiting a response.


Pranita Amatya
Analyst

Attachments:

- I. Department of City Planning ED 1 Data
- II. Department of City Planning Memo
- III. General Services Department Contract List

Summary of Executive Directive 1 Entitlement Activity (December 2022 to August 2025)				
Filing Quarter	Sum of Proposed Units	Sum of Filed Cases	Sum of Approved Units	Sum of Approved Cases
Dec-22	183	5	-	0
2023 Q1	2,067	25	794	11
2023 Q2	3,383	38	898	13
2023 Q3	1,894	25	1,860	20
2023 Q4	3,481	50	2,197	25
2024 Q1	5,540	65	2,006	28
2024 Q2	5,963	80	2,767	42
2024 Q3	4,799	60	4,773	62
2024 Q4	4,224	56	6,123	75
2025 Q1	1,947	29	3,601	46
2025 Q2	1,126	17	3,811	55
2025 Q3 (to date)	1,136	10	1,271	22
Converted Cases*	1,282	10	-	-
Grand Total	37,025	470	30,101	399

Notes

*Converted Cases were filed prior to the ED1 effective date. Applicants opted to comply with ED1 Incentive Program requirements subsequent to the Effective Date of the Executive Directive.
 Report Period: 12-16-2022 through 08-25-2025.
 Report Produced by DCP Performance Management Unit on 08-28-2025

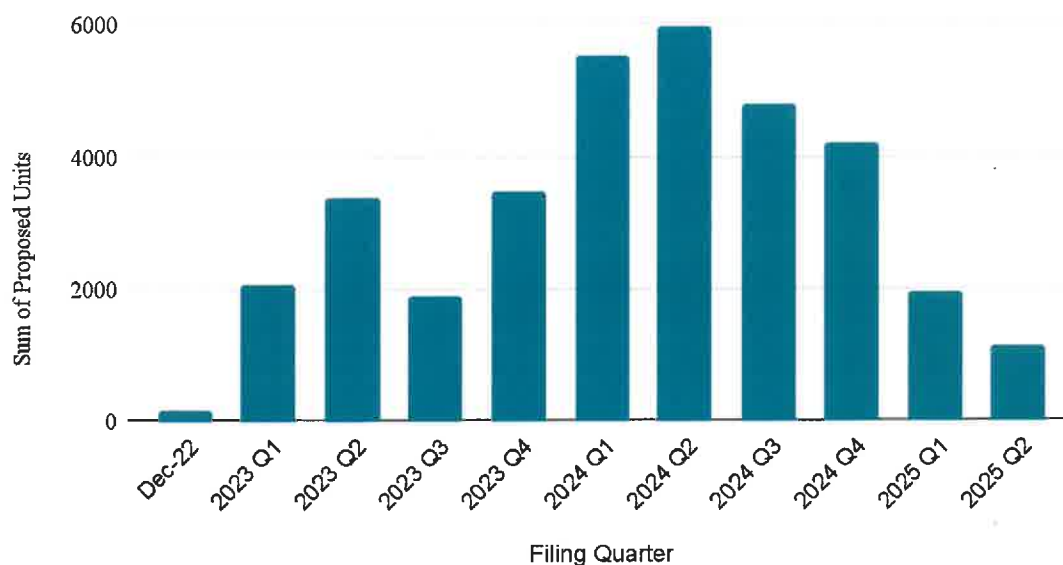
ED1 Progress, Challenges, and Future Outlook

The Mayor's Executive Directive 1 (ED1), which became effective on December 16, 2022, is a citywide initiative in Los Angeles aimed at accelerating the production of 100% affordable housing. It streamlines approvals across multiple city departments, prioritizing affordable housing projects and mandating expedited processing for city planning entitlements as well as other citywide permitting procedures.

Since its inception, ED1 has led to the approval of over 30,000 affordable housing units by City Planning, with an additional 7,000 units currently in the pipeline. At its peak in Q2 2024, ED1 facilitated the proposal of over 6,000 units per quarter. Following its initial release, ED1 was amended in June 2023 and in July 2024 with an intent to create additional protections for existing residential tenants, ensure the protection of historic resources, create safeguards for projects in very high fire risk areas and industrial sites, and improve the design, landscaping, and open spaces of new affordable housing.

The number of ED1 applications and proposed units began to decline in mid 2024, and again in early 2025. By Q2 2025, quarterly submittals had dropped to 1,126 units, the lowest level since the directive's inception. The particularly steep decline seen in the first half of 2025 may be partially due to the introduction of the Citywide Housing Incentive Program (CHIP) and its Affordable Housing Incentive Program (AHIP) in February 2025. Other broader market factors are also likely at work.

Proposed ED1 Units by Filing Quarter



The August 12, 2025 Chief Legislative Analyst (CLA) report identifies major state and local programs that offer streamlining benefits for affordable housing, aside from ED1. Each state and local program has its own limitations and does not provide all the streamlining benefits provided by ED1. For example, the City's new Housing Element Sites streamlining provisions, require projects to be wholly located on certain identified sites, which poses challenges for projects located on multiple parcels. The new CEQA streamlining provision in Assembly Bill (AB) 130 (2025) may not significantly streamline review processes (due to the tribal notification procedures) and do not remove public hearings and appeals like ED1 does. The Site Plan Amendment for Affordable Housing Ordinance removes the discretionary components of City Planning's Project Review entitlement, but does not provide other streamlining or permitting benefits.

The Affordable Housing Incentive Program (AHIP) LAMC 12.22.A.39 offers ministerial review to an expanded list of eligible project request types beyond what is available in state law and Executive Directive 1 (ED 1), including sites owned by Public Agencies, Faith-Based Organizations and nonprofit Community Land Trusts and Cooperatives, and to 100% Affordable Projects which are not eligible for ED1 based on the locational, Rent Stabilization Ordinance (RSO), and zoning requirements. While AHIP offers significant development incentives and streamlined review, it does not override the following discretionary review procedures in the same way ED 1 does:

- Project Compliance review in Plan Overlay areas (e.g. Specific Plans, Community Design Overlays) for project compliance per Sections 13B.4.2 and 4.3 of Ch. 1A of the zoning code, and
- LADBS haul route permit approvals, and
- Tree removal permits issued jointly by the Department of City Planning (DCP) and Department of Public Works (DPW).

Any discretionary process triggers CEQA and sometimes hearings and appeals, which may lengthen review time as well as potential risk and cost. For example, CEQA review must look at the entire project, not just the discrete haul route or tree issue. A project's CEQA clearance may be appealed to the City Council, with a 75-day timeline to act that may be extended, which significantly works against the goals of streamlining. All the issues identified above will be discussed in more detail as part of a report back for a separate City Council motion (21-1230-S10). The motion requested the Department evaluate the creation of a clear ministerial entitlement process for mixed income and 100% affordable housing and mixed use projects that are currently subject to discretionary review processes provided certain affordability criteria are met.

To assess the potential impact of ED1's expiration, City Planning reviewed recent ED1 case filings to identify projects that would otherwise trigger discretionary approvals. This included projects located within Specific Plan areas, Community Design Overlay areas and the Bureau of Engineering's Special Grading Area. Most ED1 projects in the hillside grading areas do not

trigger the discretionary permit thresholds, which is based on the amount of grading, so an estimate of 10-15% of projects in these areas was used for the analysis. Other discretionary triggers, such as protected or street tree removals, could not be directly assessed and were therefore estimated based on available data.

Based on its analysis, City Planning estimates that approximately 15% of current ED1 projects would not qualify for streamlining under existing state or local programs if ED1 were to expire. This should be considered a rough estimate given the complexity and iterative nature of housing development in a changing regulatory environment. In addition, initial findings of the new Affordable Housing Incentive Program (AHIP) show that the majority of AHIP case filings (64%) in 2025, which includes some preliminary applications, are still filing in conjunction with ED1, indicating a project level benefit to the program. This likely points to ED1 benefits that go beyond the ministerial provisions discussed above, including specific timeframes for approval of specific permit review processes across departments. It's worth noting that the proposed permanent ED1 ordinance (Affordable Housing Streamlining Ordinance; CF 23-0623-S1) would only affect planning procedures, and not the procedures of other departments and agencies.

Whatever the number of affected units, every affordable housing unit is important. In addition, the geographies impacted by losing ED1 streamlining appear to be more likely to be in higher resource areas. Maintaining ED1's streamlining provisions through the retention of ED1 or adoption of the proposed permanent Affordable Housing Streamlining Ordinance is important to avoid losing a key tool in the City's multifaceted strategy to address the housing crisis.

If the emergency declaration were to end prior to the ordinance taking effect, projects already in the ED1 pipeline would be allowed to proceed; however, new ED1 applications could no longer be accepted. As previously noted in the CLA report, other policy options may help mitigate this gap but would not fully replicate ED1's benefits.

Supplier Name	Description	Award Date	Expiration Date	Total Expended	Award Method	Notes
Design Space Modular	Trailer, Mobile Shelter, Lease	1/19/2018	8/15/2019	\$532,004.65	Cooperative Purchasing Agreement, RAP Contract 3497	on extensions
Design Space Modular	Trailer, Mobile Shelter, Purchase & Lease	4/13/2018	3/31/2026	\$20,018,433.69	Competitively Bid	
Sprung Instant Structures	Structure, Shelter, Stressed Membrane, Fabric	7/1/2018	7/31/2023	\$4,375,954.94	Sole Source	
Shelter Structures America	Structure, Shelter, Membrane, Fabric	7/1/2018	7/31/2023	\$0.00	Competitively Bid	
ARCHITXTURE LLC	Partitions, Panels, for Homeless Shelters (Catalyst), Mattresses	12/1/2018	11/30/2023	\$2,380,492.59	Competitively Bid	
GBO Homes LLC	Container, Up-Cycled	1/17/2019	1/31/2024	\$0.00	Competitively Bid	
Total Corp Solutions	Furniture, Bed Frame & Cabinet	1/1/2019	12/31/2023	\$0.00	Competitively Bid	
DSMBI	El Pueblo Leased Trailers	12/5/2019	6/30/2021	\$115,378.47	Cooperative Purchasing Agreement, RAP Contract 3601	
Comforts of Home	Trailer, Hygiene	8/1/2020	2/28/2026	\$1,690,385.58	Awarded per Council Resolution due to the local emergency relating to the COVID-19 Pandemic	
United Site Services	Mayor's Special Hygiene Program	6/15/2023	4/30/2026	\$3,160,543.50	Awarded per Homeless Declaration	7 existing renewals
Life Ark SPC	Prefabricated Modular Factory-Built Housing and Components, CDS	11/30/2023	11/30/2025	\$2,532,191.20	Awarded per Homeless Declaration	3 existing renewals
Pivot Interiors, Inc.	Furniture, Homeless Shelters, Mfg Gebesa	9/30/2024	9/30/2026	\$0.00	Sole Source	
Pallet PBC	Structure, Shelter, Aluminum Framed, Pallet Shelters	3/20/2020	10/31/2025	\$10,208,475.74	Sole Source	
Sprung Instant Structures	Shelter, Stressed Membrane, Fabric	10/22/2024	11/30/2027	\$2,647.50	Sole Source	
Boss Homes LLC	Prefabricated, Cabins, Emergency Sleeping	10/1/2024	9/30/2026	\$0.00	Awarded per Homeless Declaration	2 existing renewals