

MOTION

Insurance costs have spiraled in California over the last decade, impacting residents, businesses, and housing developers, creating significant financial stress on everyone. Service providers supporting the City's homelessness response have not escaped the impacts of these cost increases. Any increase in costs on Interim facility operations, for example, constrains the ability of service providers to support unhoused people.

In 2025, the City and County increased the reimbursement rate for service providers supporting Interim facilities such as Tiny Villages, to ensure that these facilities are providing full services to support their clients and to pay good wages to their employees. But out-of-control cost increases in insurance, for example, can limit the ability of service providers to fulfill the needs of the facilities they operate.

In addition to the increase in costs for insurance, City policies may impact the insurance requirements that service providers are obligated to meet, just to receive a contract with the City. The result is that City policies may be adding unnecessary costs to the operation of City facilities.

Ultimately, increased costs to operate and support unhoused people in City programs could force service providers to close their facilities altogether. We must make every effort to identify solutions to manage costs to operate and serve the unhoused people who depend on City programs.

I THEREFORE MOVE that the Council instruct the City Administrative Officer, Chief Legislative Analyst, and Los Angeles Housing Department to report on insurance requirements for homeless service providers, including a review of City actions that may impact the ability of service providers to effectively provide support to the City, fiscal impacts of insurance costs and City policies impacting costs, and other relevant policies, legislation, or actions that involve insurance impacts on the homeless service sector.

PRESENTED BY


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SECONDED BY



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