



June 1, 2016

To: Homeless and Poverty Committee

From: Peter Lynn, Executive Director, Los Angeles Homeless Services Authority

Subject: **LOS ANGELES HOMELESS SERVICES AUTHORITY – AGENCY CAPACITY, GOALS, AND TIMELINE**

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The Budget and Finance Committee Discussing the Mayor's Proposed Budget for FY2016-17 approved by City Council included a requested report; referring to Budget Memo 73 to the homelessness and Poverty Committee for consideration of the appropriate funding allocations for the Los Angeles Homeless Services Authority and other budgetary allocations, as appropriate, contained in the Homeless Budget.

Budget Memo 73 requested that LASHA report on each item in the Blue Book, provide a report on the agency's capacity, goals, and timelines. Explain which programs will be ready for implementation on July 1, 2016. For those not ready on July 1, detail: the reasons why; steps necessary to be operational; and, projected timeline to be operational.

The report has been revised to reflect the approved GCP budget by the Mayor and City Council. The Coordinated Entry System for Singles and Youth is a new system in the Los Angeles community. The infrastructure of a new system is as important to the success of the system as direct funding. The infrastructure component of Housing Navigation/Community Outreach is significant to the system and was not funded. LAHSA is recommending that \$2,946,000 in funding be moved from the CES Rapid Re-Housing activity to Housing Navigation/Community Outreach. The recommendation has been reflected in the following report.

Housing Navigation/Community Outreach will assist our homeless neighbors in navigating from our streets to a permanent housing outcome. In a City and region where the majority of homeless residents are unsheltered, and often must be engaged on the streets, outreach is a critical component, and case management and housing navigation are vital services to get people housed.

Coordination and navigation is another of the systemic infrastructure components that will drive the success of the new CES for singles and youth. Coordination ensures that all participants are supported at every stage of the housing process, regardless of the actual worker or provider interfacing with that client at any given time. Navigation is a concept by which participants are engaged and supported through every stage of the housing process, initial engagement through housing placement and beyond. Navigation may be the work of one person, or may be done by a series of people throughout the participant's path toward permanent housing stability.

LAHSA Administration and Operations

\$4,640,536

The 2016-17 Proposed Budget increases the funding commitment for LAHSA by \$35,889,624 to \$50,838,698. The \$4,640,536 represents a 9% administrative rate.

The 2016-17 Proposed Budget represents a 242% increase in funding for LAHSA. The LAHSA Administration and Operations funding line item is necessary for LAHSA to undertake and conduct these significantly increased administrative and operations responsibilities.

LAHSA Administration and Operations funding supports personnel resources of 85% and non-personnel resources of 15% and consist of the following basic categories: personnel, Insurance, office expense, parking & mileage, office space, professional services, travel & training, and Outreach.

On January 7, 2016, City of Los Angeles and L.A. County released a series of strategies for ending homelessness in the region, committing to a coordinated approach encompassing the entire region. Both City and County plans place LAHSA at the center of this concerted effort. LAHSA is named as the lead or co-lead on 24 of the strategies, and collaborating agency on 22 strategies, bringing with it increased operational and coordination responsibilities.

As a joint-powers authority created by L.A. City and County, LAHSA is uniquely positioned to lead this new fight by bridging the public and private partners together. The new strategies recognize this, with local government recommending a central role for LAHSA in shaping policy, and in planning and execution. It requires one unified system for servicing homeless adults, families, unaccompanied minors, youth and young adults ages 18 to 24, as well as more robust analytics for the data management process that brings the homeless of Los Angeles from a place of deprivation to a place of wraparound support and permanent housing. A greater capacity is required to move clients towards recovery from drugs and alcohol addiction, so they can take full advantage of the services, shelter and housing options they are entitled to. It also requires expanded use of shared housing in a time of apartment scarcity.

During fiscal Year 2015-2016, LAHSA completed its transition from an administrator of federal funds to a pivotal entity at the center of the concerted effort to end homelessness. To meet these responsibilities and add management depth, LAHSA experienced a 65% increase in staffing during Calendar Year 2015. LAHSA is currently hiring project manager personnel in the Executive department; accounting, monitoring, and analyst personnel in the Finance department; associate director, project manager, coordinator, contract specialist, and funding analyst personnel in the Programs department; associate director, coordinator, and analyst personnel in the Policy and Planning department; and analyst personnel in the Human Resources department. Under the new City and County strategies, we project further necessary increases in our workforce to ensure that we have the capacity in-house to efficiently and effectively administer the programs.

For LAHSA to fulfill this vastly expanded mission, the implementation of a broad-based training programs for new personnel is required. Even LAHSA's most experienced personnel will require extensive retraining to fulfill their greatly expanded roles before the new system is launched this summer; which presents a very tight timeframe. Personnel must acquire a firm grasp of how the new battle-plan affects their areas of expertise, and be given the tools they will need to satisfy obligations that have expanded or changed entirely. Targeted human resource training will be essential in the months ahead to ensure individuals hired will be able to fulfill specific responsibilities under a new

framework for ending homelessness. Executive training for management will focus on staff recruitment, development, strategic planning and retention. Additionally, trainings focused on mentoring models and leadership succession will be invaluable in the current climate of rapid expansion.

With the expanded workforce, LAHSA has expanded its non-personnel cost as well. Leased office space was expanded during FY 2015-16, and will be expanded further, building out more floor space during FY 2016-17. With the increase in personnel and leased space, LAHSA incur an increase in costs associated with insurance, office expenses, and parking & mileage.

In addition to the organizational growth and capacity of LAHSA itself, LAHSA will also need to support expanding capacity among our community based providers who are tasked with delivering the programmatic functions called for in the budget line items. LAHSA has engaged technical assistance providers, and is facilitating a dialog with them to identify capacity constraints and how LAHSA investment can be of assistance. Consulting, contracting for shared services, and other capacity enhancement strategies are all under discussion.

Downtown Drop-In Center/Transition to No-Barrier Bridge Housing \$450,000

Level funding; ready for operation on July 1. The Downtown Drop-In Center is located on San Julian and operates in a LAHSA owned property. The \$450,000 is for on-going operation of the site as a Drop-in Center, as we work to with Councilmember Huizar's office, to convert the program at the San Julian location to a state of the art facility for severe need, no-barrier bridge housing facility for Skid Row's most vulnerable homeless, many of whom have active substance use disorders.. The Los Angeles Homeless Services Authority's Center would function as a recuperative care unit for homeless individuals that request and/or require longer medical care. Recuperative Care provides short-term (24/7) medical care and case management to homeless persons who are recovering from an acute illness or injury, whose conditions would be exacerbated by living on the street or in a shelter. By implementing a recuperative care component strongly reduces the potential of duplicative efforts, addresses service gaps and provides a seamless system to combat homelessness and help consumers explore long-term housing options in Skid Row and the City at-large.

Timeline is FY 2016-17 for the conversion to new use.

- Identify Rehab funding for building
- Select contractor to complete rehab
- Rehab of building
- Request for Proposals process to select provider to operate center

Homeless Management Information System (HMIS) Cash Match \$131,158

Level funding; ready for operation on July 1. In 2001, Congress issued a directive to HUD to provide data and analysis on the extent and nature of homelessness and the effectiveness of the McKinney-Vento Act program; Supportive Housing program (SHP). SHP was changed to the Continuum of Care program with the HEARTH Act, which re-authorization of the McKinney-Vento ACT. LAHSA has operated the program since its implementation and has the required capacity to ensure program efficiency.

Continuum of Care (CoC) Planning Program Grant Match **\$156,250**
Represents a \$125,000 increase; ready for operation on July 1. The HUD CoC program requires a 25% match to except the funding. The award increased from \$250,000 to \$1,250,000, requiring an increase in match funding. This will be the third year of operating the Planning Grant and LAHSA has the required capacity to ensure program efficiency.

Continuum of Care (CoC) Coordinated Assessment Match **\$59,883**
Level funding; ready for operation on July 1. This will be the third year of operating the Coordinated Assessment Grant and LAHSA has the required capacity to ensure program efficiency.

Operation Healthy Streets (OHS) **\$2,113,806**
Represents a \$134,330 increase; ready for operation on July 1. LAHSA has operated OHS since 2013. LAHSA has the required capacity to ensure program efficiency.

Homeless Families Solutions System (HFSS) Rapid Re-Housing and Crisis Housing for Family System **\$556,625**
Level funding; ready for operation on July 1. HFSS is leveraged with City and County funding. This will be the fourth year of operating HFSS and LAHSA has the required capacity to ensure program efficiency. The program has been very successful in placing families which will be reflected in the reduction in homeless families in the 2016 homeless count numbers. The program has achieved the following results:

- 2013-2014, 743 housing placements
- 2014-2015, 1,046 housing placements
- 2015-2016, 1,200 housing placements (projection)
- 2016-2017, 1,400 housing placements (projection)

Coordinated Entry System (CES) Crisis and Bridge Housing for Singles and Youth System **\$15,217,336**
Represents a \$7,960,150 increase; ready for operation on July 1. The increase in funding will support approximately 1,500 shelter beds and the following three initiatives:

- Convert 14 hour shelter system to 24 hour system, ready to implement July 1.
- Increase reimbursement rate from \$25 to \$30, ready to implement July 1.
- Increase capacity by converting CoC transitional housing beds to Crisis/Bridge Housing beds. To be implemented.

As the City systematically addresses the needs of the homeless, expansions in the shelter supply will be needed. When shelters are paired with standardized CES engagement via a Bridge Housing model, supportive services and housing navigators help reduce the chance that homeless individuals fall back into street homelessness. HUD sent a clear message for CoC's to take a critical look at transitional housing programs and consider reallocating the funds. The CoC was able to protect \$13 million at risk of lost to the Los Angeles CoC, transitional housing, domestic violence, and supportive services programs by reallocation. The CoC was able to create \$15 million in new permanent housing projects. The City has taken this opportunity to preserve the transitional housing beds in that were included in the HUD CoC reallocation by converting them to Bridge Housing and filling the shelter supply gap.

Like shelter, Bridge Housing provides an interim facility to homeless individuals or families to ensure they are not sleeping in the public space while they await permanent housing. Bridge Housing offers a stronger value proposition to homeless Angelenos through a one-on-one case management relationship that leverages personal trust and expertise to help a homeless person into permanent housing. Shelter alone does not offer this added level of assistance. This case management activity could include procurement of personal identification, application and approval for various types of public assistance like Social Security (SSI) and completion of the CES intake process that determines acuity and priority levels to match a homeless individual with the right type of housing. Homeless client to caseworker ratios have been fairly consistently reported by providers as around 20 to one. Funding caseworkers from public dollars will be critical to the success of Bridge Housing. This aspect of care is currently underfunded and understaffed through the CES. Funding a higher level of care and converting existing emergency shelter space to Bridge Housing creates a stronger incentive for homeless individuals to remain in interim housing until permanent housing is provided. Unlike Transitional Housing, Bridge Housing is provided with an almost foolproof expectation of moving the client into a permanent housing outcome.

The steps necessary and timeline to implement the increased Bridge Housing capacity will be through a competitive Request for Proposal process and are the following:

- Release Request for Proposal, May 2016
- Funding awards announced, September 2016
- Contracts with partner agencies, October 2016

CES Regional Coordination **\$1,100,000**
Represents a \$400,000 increase; ready for operation on July 1. This will be the second year of operating CES Regional Coordination and LAHSA has the required capacity to ensure program efficiency.

Annual Homeless Count **\$550,000**
Represents a \$200,000 increase; ready for operation on July 1. The homeless count has transitioned from biennial to annual. LAHSA has the required capacity to ensure program efficiency.

Winter Shelter Program (WSP) **\$297,349**
Level funding; ready for operation on July 1. WSP is a seasonal program that operates during the period December 1 to February 28. LAHSA has the required capacity to ensure program efficiency.

CES Coordinated Case Management, Housing Navigator & Outreach **\$2,946,000**
New funding; implemented during FY 2016-17. The funding will be awarded to providers through a competitive Request for Proposal process:

- Release Request for Proposal, May 19, 2016
- Funding awards announced, September 2016
- Contracts with partner agencies, October 2016

Fiscal year 2016-17 will be the system ramp-up period.

CES Rapid Re-Housing (RRH) for Singles and Youth System **\$10,304,027**

Represents funding in the amount of \$5,271,737 with \$5,032,290 in re-appropriated unspent 2015-2016 funding. Ready for operation on July 1. The \$5,032,290 will be ready for operation on July 1. The \$5,271,737 will be awarded to providers through a competitive Request for Proposal process:

- Release Request for Proposal, May 19, 2016
- Funding awards announced, September 2016
- Contracts with partner agencies, October 2016

Fiscal year 2016-17 will be the system ramp-up period. As reflected in the outcomes of **Homeless Families Solutions System (HFSS) Rapid Re-Housing and Crisis Housing for Family System** section above, future years of the Single system are anticipated to achieve a steady rate of housing placement with continued funding.

Rapid Re-Housing Vouchers

\$5,000,000

The timing of \$5 million in TOT funding for Rapid Re-Housing Vouchers is unknown. The transfer of funds will remain pending until an agreement is negotiated for the collection and remittance of transient occupancy tax between the City and short-term rental websites (e.g., Airbnb). In accordance with the verbal direction of the Budget and Finance Committee on 8/3/2015, the Office of Finance halted negotiations with Airbnb (the largest market provider) while the City finalizes its short-term rental policy. The draft ordinance was released by Planning on 4/15/2016. The Office of Finance would need instruction to restart negotiations and would likely require clarification on goals, as several provisions in the proposed ordinance contradict terms put forth by Airbnb.

Safe Parking and Mobile Showers

\$770,198

New funding; program to be implemented during FY2016-17. As Safe Parking and Mobile Showers are a new service type in LA, it is unknown if the proposed budget amount is sufficient for operation of these services. Safe Parking is contingent on the work CAO's office is doing to identify City owned sites appropriate for a range of services, i.e.: safe parking; mobile showers; toilets; voluntary storage; and, connection to housing services. Mobile Showers are not contingent on the identification of City owned sites. Mobile Showers are contingent on finding an operator for the service type. LAHSA has had discussions with a number of agencies operating mobile showers in other cities. None of the identified agencies have a willingness to expand into LA, including LAVA Mae. LAHSA will continue to pursue other operators, as well as the possibility of supporting a new operator to develop new program capacity in LA.

Domestic Violence (DV) Program for Singles and Families

\$613,200

New funding; ready for operations July 1. HUD sent a clear message for CoC's to take a critical look at transitional housing programs and consider reallocating the funds. The CoC was able to protect \$13 million at risk of lost to the Los Angeles CoC, transitional housing, domestic violence (DV), and supportive services programs by reallocation. The CoC was able to create \$15 million in new permanent housing projects. The City has taken this opportunity to preserve the DV programs that were included in the HUD CoC reallocation process.

HUD CoC programs start each month. LAHSA is in the process of contracting with provider to continue the program.

Access Centers

\$898,212

New funding; ready for operations July 1. HUD sent a clear message for CoC's to take a critical look at transitional housing programs and consider reallocating the funds. The CoC was able to protect \$13 million at risk of lost to the Los Angeles CoC, transitional housing, domestic violence (DV), and supportive services programs by reallocation. The CoC was able to create \$15 million in new permanent housing projects. The City has taken this opportunity to preserve the access centers that will be linked to the Navigation/Open Door Centers that were included in the HUD CoC reallocation process. HUD CoC programs start each month. LAHSA is in the process of contracting with provider to continue the program.

Navigation/Open Door Centers

\$2,100,000

New funding; program to be implemented. The funding is to address the Homeless Strategy 6A; Co-Locate Homeless Services within Homeless Storage Facilities & Create New Facilities, where LAHSA and the CAO are co-leads. The CAO is working with City departments to identify potential storage facilities in each council district. The CAO and LAHSA have established a common tool to standardize the site evaluation process. In this process:

1. Sites are identified as potential storage/service candidates;
2. The CAO conducts an initial review to determine site appropriateness;
3. If the site is appropriate, CAO conducts a site visit and scorecard review and sends the scorecard to LAHSA for additional review;
4. LAHSA reviews the site for homeless-issue specific analysis and sends the scorecard back to the CAO;
5. CAO finalizes the scorecard and distributes the scorecard back to the Council offices; and,
6. Council offices determine next steps based upon CAO and LAHSA analysis.

LAHSA is finalizing the Storage Facility report with scorecards for presentation to Homeless and Poverty Committee in May 2016

LASHA currently partners with potential site operators and is ready to execute a contract with the provide for these services as soon as the site is selected and ready for operation.

Emergency Response Teams (ERTs)

\$1,739,118

Reflects additional funding of \$99,683 for FY 2016-17; ready for operation on July 1. This will be the second year of operating the expanded ERT and LAHSA has the required capacity to ensure program efficiency. As the AmeriCorps personnel contracts expire, LAHSA will fill the positions with full time personnel.

HFSS Crisis Housing for Families

\$1,095,000

New funding; ready for operations July 1. HUD sent a clear message for CoC's to take a critical look at transitional housing programs and consider reallocating the funds. The CoC was able to protect \$13 million at risk of lost to the Los Angeles CoC, transitional housing, domestic violence (DV), and supportive services programs by reallocation. The CoC was able to create \$15 million in new permanent housing projects. The City has taken this opportunity to preserve the transitional housing (TH) units for families that were included in the HUD CoC reallocation by converting them to Bridge Housing for families.

HUD CoC programs start each month. LAHSA is in the process of contracting with provider to continue the program.

FISCAL IMPACT

If approve, funding would be reallocated from CES rapid re-housing to CES housing navigation. There is no fiscal impact.