

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: June 22, 2017

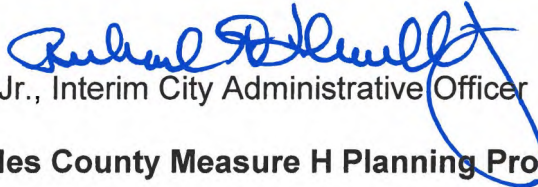
CAO File No. 0220-05378-0000

Council File No.

Council District: All

To: The Mayor
The City Council

From: Richard H. Llewellyn, Jr., Interim City Administrative Officer



Subject: **Results of Los Angeles County Measure H Planning Process**

RECOMMENDATION

That the Council receive and file this report inasmuch as no action is requested at this time.

SUMMARY

This report describes final Measure H funding allocations approved by the County Board of Supervisors on June 13, 2017 (Attachment 1). As discussed during the Fiscal Year (FY) 2017-18 budget hearings, Los Angeles Homeless Services Authority's (LAHSA's) Measure H funding requests included approximately \$71 million to continue and expand eligible programs that received one-time funding in the City's 2016-17 budget. The approved Measure H allocations included these funds.

Unfortunately, the City's share of one important funding allocation – Emergency Response Teams (ERTs) which currently serve the City's Homeless Outreach Partnership Endeavor (HOPE) Teams – may be reduced. The approved Measure H allocations provided for the expansion of this type of service beyond the City of Los Angeles to other jurisdictions, which may result in a reduction of the City's portion of this service. It is unclear at this time, at what level ERTs will continue to serve City HOPE Teams. LAHSA is reviewing the final Measure H allocations and expects to complete its analysis in July. We will report at that time if there is a funding shortfall for this critical service.

In addition to LAHSA's funding requests, the approved Measure H allocations included funds for other City programs and strategies, which are outlined on page three (3) of this report.

BACKGROUND

Measure H, approved by Los Angeles County voters on March 7, 2017 is expected to raise \$355 million annually for homeless services and housing assistance. There are twenty-one (21) County Homeless Initiative Strategies eligible for Measure H Funding. The County Board of Supervisors directed the Chief Executive Officer (CEO) to convene a 50-member Revenue Planning Work Group (Work Group) to develop funding recommendations for Measure H-eligible Strategies. The Mayor designated the Interim City Administrative Officer (CAO) and the General Manager of the Housing and Community Investment Department (HCID) to fill the two (2) seats allocated to the City of Los Angeles on the Work Group.

On May 10, 2017, the Work Group came to consensus on funding recommendations for the first year of Measure H implementation (FY 2017-18) and tentative recommendations for the second two years (FYs 2018-19 and 2019-20), summarized in Attachment 1. Subsequently, the California Board of Equalization notified the County that the Measure H tax will go into effect on October 1, 2017, rather than July 1, 2017, reducing estimated revenue in Fiscal Year 2017-18 to \$267 million. The CEO did not recommend changes to FY 2017-18 allocations, since estimated revenue is sufficient to fund the \$258 million recommended for the Fiscal Year.

The County Board of Supervisors approved the Work Group's funding recommendations on June 13, 2017.

DISCUSSION

\$201 million (78%) of FY 2017-18 Measure H funding is allocated to seven core County strategies described in Table 1 below. Strategies B3, E6, E7 and E8 include rapid rehousing, outreach, service coordination and crisis and bridge housing programs operated by LAHSA. In FY 2016-17, the City provided one-time funding to LAHSA in the amount of approximately \$29.8 million for programs included in these strategies. The County-approved LAHSA funding requests for these strategies included approximately \$71.2 million to continue or expand these programs.

Funding for Strategies B3, E6 and E14 will be distributed by Service Planning Area (SPA) according to need, based on the most recent homeless count data. Strategy E8 funds will support existing shelter capacity and fund an additional 1,000 shelter beds County-wide. Most of the existing shelter beds in the County are located in the City. Further, funding for Strategy D7 will provide funds for services in permanent supportive units, including those constructed with City Proposition HHH bond proceeds.

The Strategy E6 funding plan includes nine (9) LAHSA Emergency Response Teams (ERTs) to support local law enforcement county-wide. The City funded outreach teams in FY 2016-17, which were dedicated to HOPE Teams led by the Los Angeles Police Department (LAPD). Unfortunately, the funding request approved by the County broadened the focus of these teams to support local law enforcement, including, but not limited to LAPD. In mid-July 2017, LAHSA will finalize the implementation plan for E6, which will describe how these teams will be deployed and the impact this change will have on ERTs' participation in HOPE Teams.

Table 1: Measure H Funding for Core Strategies

Measure H-Eligible Strategy	Strategy Lead	FY 2017-18 Funding (Millions)	FY 2018-19 Funding (Millions)	FY 2019-20 Funding (Millions)
B3 – Partner with Cities to Expand Rapid-Rehousing	DHS, LAHSA	57.000	73.000	86.000
B7 – Interim/Bridge Housing for those Exiting Institutions	DHS, LAHSA, DPH	13.000	25.342	29.458
D7 – Provide Services and Rental Subsidies for Permanent Supportive Housing	DHS, DPH, DMH	25.100	49.300	72.100

Measure H-Eligible Strategy	Strategy Lead	FY 2017-18 Funding (Millions)	FY 2018-19 Funding (Millions)	FY 2019-20 Funding (Millions)
E6 – Countywide Outreach System	DHS, LAHSA, Sheriff	19.000	27.000	27.000
E7 – Strengthen the Coordinated Entry System (CES)	LAHSA	26.000	35.500	35.500
E8 – Enhance the Emergency Shelter System	DHS, LAHSA	56.000	69.885	82.693
E14 – Enhanced Services for Transition Aged Youth (TAY)	LAHSA	5.000	19.000	19.200
TOTAL		201.100	299.027	351.951

(DHS = Department of Health Services; DPH = Department of Public Health); DMH = Department of Mental Health)

Funding approved by the Board of Supervisors also allocated significant funding for City programs and strategies:

- County Strategy B4 – Facilitate Utilization of Federal Rental Subsidies
 - Corresponding City Strategy 7H Facilitate Utilization of Federal Rental Subsidies
 - Recommended Funding: FY 2017-18: \$6.28 million; FY 2018-19: \$7.19 million; FY 2019-20: \$7.12 million
 - Up to \$3,500 per voucher is budgeted for landlord incentives to assist as many as 1,200 homeless households provided with Section 8 vouchers through the Housing Authority of the City of Los Angeles

- County Strategy C2 – Increase Employment for Homeless Adults by Supporting Social Enterprise; and
 County Strategy C7 – Subsidized Employment for Homeless Adults
 - Corresponding City Strategy 9A – Employ Homeless Adults by Supporting Social Enterprise
 - Combined recommended funding for C2 and C7: FY 2017-18: \$5 million; FY 2018-19: \$7.15 million; FY 2019-20: \$7.3 million
 - Funding is recommended to expand the City Los Angeles Regional Initiative for Social Enterprise (LA:RISE) Countywide through contracts with local Workforce Development systems. Funding is also provided to support social enterprise agencies operating alternative staffing organizations that act as intermediaries between the workforce system, employers and job seekers

RHL:YC:MB

Attachment

MEASURE H FUNDING RECOMMENDATIONS

Adopted by the Measure H Revenue Planning Group on May 10, 2017

#	STRATEGY	FY 2017-18 Final (In Millions)	FY 2018-19 Tentative (In Millions)	FY 2019-20 Tentative (In Millions)
A PREVENT HOMELESSNESS				
A1	Homeless Prevention Program for Families	\$3.000	\$6.000	\$6.000
A5	Homeless Prevention Program for Individuals	\$5.500	\$11.000	\$11.000
B SUBSIDIZE HOUSING				
B1	Provide Subsidized Housing to Homeless Disabled Individuals Pursuing Supplemental Security Income	\$5.138	\$5.138	\$5.138
B3	Expand Rapid Rehousing	\$57.000	\$73.000	\$86.000
B4	Facilitate Utilization of Federal Housing Subsidies	\$6.280	\$7.190	\$7.120
B6	Family Reunification Housing Subsidies ¹	\$0.116	\$4.500	\$4.500
B7	Interim/Bridge Housing for those Exiting Institutions	\$13.000	\$25.342	\$29.458
C INCREASE INCOME				
C2	Increase Employment for Homeless Adults by Supporting Social Enterprise ²	\$0.000	\$2.000	\$2.000
C4	Countywide Supplemental Security/Social Security Disability Income and Veterans Benefits Advocacy	\$15.680	\$15.680	\$12.000
C5				
C6				
C7	Subsidized Employment for Homeless Adults ²	\$5.000	\$5.150	\$5.300
D PROVIDE CASE MANAGEMENT AND SERVICES				
D2	Jail In-Reach	\$0.000	\$1.120	\$2.230
D4	Regional Integrated Re-entry Network	\$0.000	\$0.000	\$1.360
D6	Criminal Record Clearing Project	\$0.623	\$1.130	\$1.490
D7	Provide Services and Rental Subsidies for Permanent Supportive Housing	\$25.100	\$49.300	\$72.100
E CREATE A COORDINATED SYSTEM				
E6	Expand Countywide Outreach System	\$19.000	\$27.000	\$27.000
E7	Strengthen the Coordinated Entry System	\$26.000	\$35.500	\$35.500
E8	Enhance the Emergency Shelter System	\$56.000	\$69.885	\$82.693
E14	Enhance Services for Transition Age Youth	\$5.000	\$19.000	\$19.200
F INCREASE AFFORDABLE/HOMELESS HOUSING				
F7	Preserve and Promote the Development of Affordable Housing for Homeless Families and Individuals	\$10.000	\$15.000	\$20.000
F7	Housing Innovation Fund (One-time) ³	\$5.000	\$0.000	\$0.000
MISC. CENTRAL MEASURE H ADMINISTRATION⁴		\$1.500	\$1.500	\$1.500
Total Funding Recommendations		\$258.937	\$374.435	\$431.589

¹ The Planning Group's funding recommendation for Strategy B6 is subject to \$2 million in DCFS funding previously approved for this strategy not being restricted to CalWORKs Welfare-to-Work participants, and DCFS has agreed to drop this restriction.

² The funding for Strategies C2 and C7 in FY 2018-19 and FY 2019-20 can be used interchangeably.

³ This funding will carry over into future years until it is fully utilized.

⁴ Cost includes additional staff for the CEO Office of Homelessness, annual evaluation, annual audit, and oversight committee.