

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

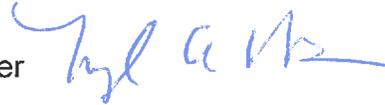
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Date: April 16, 2015

CAO File No. 15-0211  
Council File No. 0220-05151-0000  
Council District: All

To: The Council

From: Miguel A. Santana, City Administrative Officer



Reference: C.F. 15-0211 (Cedillo-Bonin); Various Requests and Actions from the Council and the Mayor Regarding Homelessness

Subject: **HOMELESSNESS AND THE CITY OF LOS ANGELES**

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### SUMMARY

According to the most recent homeless count from 2013, approximately 23,000 homeless individuals may be found in the City of Los Angeles at any given time. The homeless face serious challenges including the availability of shelter, access to mental health and medical care, exposure to violence and diseases, lack of security for personal property, frequent interaction with law enforcement, and other critical matters. The homeless do not live in isolation and, therefore, many of their issues impact businesses, residents and visitors to Los Angeles. In addition, the City of Los Angeles intersects with homelessness in the delivery of its services to the public.

Over the last year, elected representatives in the City have pressed for more thoughtful and tangible responses to homelessness. For example, C.F. 14-1057 (Bonin-Wesson) asks the City Attorney to find solutions to the issue of unregulated camping in residential neighborhoods by those living in their cars. Motions 14-1101 and 14-0655 (Huizar-Bonin) request the City to look more closely at how the Coordinated Entry System (CES) may be incorporated into the City's work regarding the homeless and to make recommendations about the appointment of a homeless coordinator for the City. In July 2014, the Mayor pledged to end veteran homelessness in Los Angeles by December 2015 and chronic homelessness by December 2016. The Mayor also incorporated a Priority Outcome to prevent and reduce homelessness in the 2015-16 Budget and Policy Goals.

At the request of the Housing Committee (C.F. 15-0211, Cedillo-Bonin), and as a result of the focus on homelessness by the Council and the Mayor, the Office of the City Administrative Officer (CAO) undertook a study to review the City's engagement with homelessness and the budgetary impact to the City. The study, which is presented in this report, documents instances where City departments interact with the homeless or with the impacts of homelessness, identifies costs arising from these interactions wherever possible, and identifies ways in which such interactions are currently being tracked or could be tracked in the future.

Based in interviews with City departments, the Los Angeles Homeless Services Authority (LAHSA) and the Housing Authority for the City of Los Angeles (HACLA), this Office found that 15 departments, agencies and one program interact with the homeless regularly and that the annual estimated cost of those interactions exceeds \$100 million.

The findings in this report are not comprehensive because the study time was short with limited resources. In addition, most of the departments included in the study were being asked for the first time about their interactions with homelessness. However, the size of the fiscal impact indicates that how homelessness affects the City is a topic that deserves further study and coordination.

## **BACKGROUND**

### **A Coordinated Approach**

The study found that many more departments across the City interact on a regular basis with the homeless or with the effects of homelessness than current budgetary allocations for this issue suggest. Nearly all of the departments in the study incur costs that have not been reflected in current planning processes for homelessness. Faced with challenges related to homelessness that may be outside of their core service area, some departments and individuals have come up with *ad hoc* responses, but the study found no consistent process across departments in interactions with homeless individuals, homeless encampments, or other issues related to homelessness, and no systematic efforts to connect the homeless with assessment and case management. The study also found that there was limited tracking of such interactions, resulting in an inability within the City to measure impacts or progress. Finally, the study found that many individuals, departments, and Council offices called LAHSA's Emergency Response Team regularly, but the ERT is not adequately funded to respond to all of these calls.

Based on these findings, this Office recommends that a more coordinated approach should be taken towards addressing homelessness in the City. This approach should leverage the efforts currently underway across the County with the CES to create a system within the City that connects the homeless systematically with services and monitors progress with data that is being updated regularly.

Such an approach will require a clear policy guideline that will enable departments to examine their own interactions with homelessness and will change processes to bring them in line with the City's policy. Currently, the City's processes in response to the homeless are focused on how departments manage property during cleanups. Additional steps could ask City employees who encounter the homeless to contact outreach workers who can assess homeless individuals and add them to the CES database where they can be prioritized for services and housing.

Such an approach will also require increased funding for outreach and case management that can work in partnership with City departments. Ideally, such funding could also support the creation of hubs across affected Council districts and neighborhoods that can use the CES to coordinate action across service providers, relevant departments, and communities, and monitor

progress on housing and providing services for individuals. Such hubs would enable Council Districts and neighborhoods to clearly identify obstacles to housing the homeless or getting them access to basic services.

Implementation of the policy on homelessness is likely to require support from a City department or office that can dedicate staff and resources to this issue. This designated office should also prepare a collaborative budget that can bring together spending across departments on homelessness. The budget should be supported by improvements in tracking within departments for activities and expenditures on homelessness. Such tracking should be put into place carefully to ensure that it does not become overly demanding on departments, and it should be focused only on measures that can give us insight into the City's progress on reducing homelessness and on meeting clear policy goals.

Additional information about the study including best practices and observations may be found in the Findings section of this report and in Attachment A.

## **RECOMMENDATIONS**

That the Council, subject to the approval of the Mayor:

1. Instruct the City Administrative Officer (CAO) and the Housing and Community Investment Department (HCID) to develop a policy that states the City's goals regarding homelessness. The policy should consider the following elements:
  - a. Treatment of the homeless with dignity, and clarity on their rights;
  - b. A commitment to end rather than manage homelessness, including measurable targets;
  - c. Strategies for achieving these goals;
  - d. Coordination among all departments that engage with the issue;
  - e. Eligibility criteria or possible priority populations (veterans, families, etc.);
  - f. Measures against which progress would be monitored, including identifying data sources from all relevant stakeholders;
  - g. Schedules for reporting to elected leadership on progress;
  - h. Adoption of the Coordinated Entry System (CES) as the tool to track and manage the data related to homelessness and as the process for the community to connect the homeless with appropriate and available resources;

2. Designate an office or department to monitor adherence to the policy, work in partnership with City departments and the Los Angeles Homeless Services Authority (LAHSA), liaise with the County and other service providers, develop tracking mechanisms to measure the City's actions and expenditures related to homelessness and regularly monitor this data, and report to the Mayor and Council on progress at least twice a year;
3. Instruct the CAO to work in collaboration with City departments to change responses across departments to homelessness to include systematic connections to outreach and services when appropriate and periodically report to the Mayor and Council;
4. Instruct departments to implement changes in processes for interacting with the homeless as they are developed by the designated office and periodically report to the Mayor and Council;
5. Instruct the designated office to prepare and manage an annual collaborative budget for homelessness that supports the implementation of the City's policy on homelessness and allows for regular monitoring. The office should consider the following to be included in the budget:
  - a. Salaries and expenses currently being spent on homelessness, including the City's allocation to LAHSA;
  - b. Recommendations for additional funding to meet goals identified in the policy;
  - c. Coordinate with the Housing Authority of the City of Los Angeles (HACLA) to ensure federal funding for vouchers and housing units is aligned with the City's goals and provide supplementary resources when required;
  - d. Explore the need for consulting services for tracking, facilitation, metrics for performance;
6. Instruct the designated office to work with LAHSA to:
  - a. Identify outcomes and results for the Emergency Response Team (ERT), especially how they may implement the City's policy regarding homelessness;
  - b. Determine where the need for ERT services is and how best to deploy the ERT;
  - c. Train City departments how and when to use the ERT;
  - d. Determine how the LAHSA ERT works with the County response teams to ensure collaboration and consistency;

7. Instruct the designated office to work with the City Attorney to address the City's responsibilities regarding privacy, the Health Insurance Portability and Accountability Act (HIPAA), and other legal requirements related to homelessness; and,
8. Instruct the designated office to work with the Department of Transportation, the City Attorney, the Los Angeles Fire Department, and other departments as needed to develop policies regarding write-offs of citations, fees and other fines for the homeless.

### **FISCAL IMPACT STATEMENT**

The impact to the General Fund is unknown at this time. Based on the findings in this report, the estimated annual costs related to homelessness for the City and other agencies exceed \$100 million in General Funds and Special Funds. If adopted, the recommendations in this report could potentially impact the General Fund and Special Funds.

## **FINDINGS**

### **1. Basis for Report**

On February 25, 2015, the Housing Committee instructed the City Administrative Officer (CAO) to conduct a review of and report on the resources being used by various departments on activities related to homelessness, and the budgetary impact on the City's General Fund, including an analysis of the Los Angeles Homeless Services Authority (LAHSA) budget and/or any other relevant outside entity (C.F. 15-0211). This report is in response to C.F. 15-0211.

### **2. Background for Report**

Between October 2014 and January 2015, this Office spoke with representatives from City departments, LAHSA, HACLA, and the offices of elected officials. The LAHSA and HACLA are local agencies that provide housing and services for the homeless. They are not part of the City organization, so for the purposes of this report, they will be referred to as agencies. In addition, through the interviews, it became apparent that the Operation Healthy Streets (OHS) program should be included as a separate entity since the program crosses departmental and agency boundaries. We asked the departments and agencies three questions:

- Where, if at all, did they interact with the homeless or with the effects of homelessness in their work, and what was the nature of these interactions?
- How did they track these interactions, if at all?
- How much did these interactions cost the departments?

Although departments were not all able to provide precise answers to these questions because of lack of tracking or appropriate data, we have collated their best available answers in Attachment A. The answers we received from departments suggested that the City has an opportunity to make significant improvements in its response to homelessness.

The study found at least 15 agencies and departments and the OHS program regularly interact with homelessness and do so across a wide range of activities including responding to constituent complaints, issuing library cards, reviewing cases filed against the homeless, cleaning homeless encampments, and much more. Where possible to estimate or track spending, our study found that some departments incur large costs related to these interactions. For example, the LAPD estimated that it spent anywhere from \$53.6 million to \$87.3 million in one year on interactions with the homeless, not including costs incurred from patrol officers' time.

In some departments, we were not able to estimate total costs, but were able to identify other measures that showed the intensity of their interactions with homelessness. For example, at least 6.6 percent of the Los Angeles Fire Department (LAFD) ambulance transports are for homeless patients, a number that is likely to be a significant underestimate of the actual number of

homeless patients. Moreover, 14.23 percent of those arrested by the Los Angeles Police Department (LAPD) are recorded as being “transients” or provided the address of a known homeless shelter when they were arrested.

The study also found that in many departments, responses to homelessness are *ad hoc*, designed to respond to a very specific challenge related to homelessness facing the department, rather than working toward ending homelessness as a whole. Most departments also do not track these interactions separately, so it is not possible to monitor the impacts of changes in homelessness over time on the City, nor is it possible now to get a full measure of the costs to the City from homelessness.

These findings have important implications for planning for homelessness in the City of Los Angeles. Thus far, the Housing and Community Investment Department (HCID) and HACLA are the only City departments or agencies that have significantly engaged with recent County-wide efforts to reduce homelessness; however, the findings in this study suggest that a much larger number of departments need to be involved in a coordinated response to the issue to maximize the City’s impact, ideally supported by a clear policy on homelessness for the City which sets out metrics for progress and success.

### **3. Departments, Agencies and Programs**

The following departments, agencies and programs were included in this study:

- Council
- Mayor
- City Attorney
- Economic and Workforce Development Department
- Housing Authority of the City of Los Angeles
- Housing and Community Investment Department
- Los Angeles Fire Department
- Los Angeles Homeless Services Authority
- Los Angeles Police Department
- Los Angeles Public Library
- Bureau of Street Services
- Bureau of Sanitation
- Operation Healthy Streets
- Recreation and Parks Department
- Department of Transportation
- City Administrative Officer

### **4. Best Practices Regarding Homelessness – Coordinated Entry System**

Best practices in responding to homelessness have undergone important changes in the last decade, changes that have been consequently implemented locally. One example of an important

change is the housing first approach, which means that those experiencing homelessness are provided permanent housing as quickly as possible, and then provided access to any services they may need without having to meet stringent sobriety or treatment requirements. Studies have shown that the housing first approach can both significantly reduce chronic homelessness and save money for governments. Programs such as Project 50, the Housing for Health program run by the Los Angeles County Department of Health Services, and the Permanent Supportive Housing Program run by HCID have all supported the implementation of housing first approaches locally.

In recent years, federal guidelines have also encouraged cities to adopt a systems-based approach to homelessness, including coordinated entry. Coordinated entry means that all those experiencing homelessness in a particular jurisdiction are assessed using the same tool and are provided referrals and services based on their need rather than on a first-come-first-served basis.

Through the Home for Good campaign anchored by the United Way, a group of public and private partners from throughout the County of Los Angeles have been working together to end homelessness. After a series of successful pilots, the campaign has built a Coordinated Entry System (CES) which will enable service providers to assess homeless individuals, add them to a shared database, and then match them with available housing that meets their needs, thereby ensuring that the most vulnerable are prioritized for permanent supportive housing. Within the City, both HCID and HACLA have supported the creation of the CES by attending regular convenings of the Home for Good campaign and providing input into the development of the tool, and by mandating that a percentage of vouchers and housing units for the homeless must be filled using referrals from the CES database. The CES is now being integrated with LAHSA's Homeless Management Information System (HMIS), meaning it will be much more widely used.

The CES marks an important change in homeless services in Los Angeles. Using a shared assessment tool means that jurisdictions can target the most vulnerable among the homeless, rather than setting numerical goals for service providers which usually result in housing only those who are easiest to house. A common assessment tool also provides a way to ensure that those facing homelessness are directed towards the appropriate support, and that resource intensive permanent supportive housing is reserved only for those who need it. By providing a shared data platform around which service providers can collaborate, the CES can also facilitate better coordination in the neighborhood, Council District, or Service Planning Area (SPA). For example, in twice monthly meetings, service providers who participated in the Hollywood 4WRD pilot of the CES were able to use it to ensure that different service providers were not approaching the same people on the streets and to ensure that individuals in the CES who resisted being housed were not forgotten and continued to be targets of outreach. The meetings also enabled the groups to share resources like transportation and access to mental health services and to strategize on how to house individuals in their area. Once it is widely used, the CES will also enable the City to better understand its own homeless population and to understand gaps in resources required to address homelessness.

The adoption of the CES is likely to result in reductions in the number of homeless on the streets and in the more efficient use of resources County-wide. It also provides an opportunity for the City to ensure that its responses to homelessness take advantage of these systemic improvements.

## 5. Report Observations

The following four observations or themes emerged from the study.

- Widespread Engagement with Homelessness

First, a much larger number of departments and agencies within the City regularly engage with homelessness than is reflected in current budgetary allocations for the issue. Although HCID, the Economic and Workforce Development Department (EWDD), HACLA, and LAHSA all have programs explicitly designated for homeless clients or for addressing homelessness, at least 15 departments and agencies regularly interact with the homeless or with issues related to homelessness, as do a number of Council offices and the Office of the Mayor. The information gathered in this study may not be comprehensive due to limited time and resources. Other jurisdictions have undertaken similar studies using consultants to identify all interactions and costs associated with homelessness. Therefore, to develop a complete picture of the budgetary impact of homelessness in Los Angeles, the City would need more time and dedicated resources such as an external consultant.

For example, the Los Angeles Public Libraries (LAPL) has a large number of homeless patrons who regularly use the libraries. A survey administered by LAHSA to librarians from across the 73 branches found that 92 percent of the branches had regular homeless patrons, and librarians estimated that there was an average of 680 to 780 homeless patrons every day across the branches. The LAPL leadership stated that they welcomed all library patrons, including the homeless, but had recently struggled with a perceived increase in violent or unruly incidents related to patrons who appeared to be both homeless and mentally ill, and an increase in complaints about homeless patrons from other library users. Unfortunately, the LAPL does not have documentation to show that there has been an increase in unruly incidents related to the homeless because library staff does not always file incident reports, especially after smaller disturbances. Even when an incident report is filed, librarians do not usually identify whether or not the patron involved in the incident is homeless, partly because they do not want to single out any one category of library patron.

In response to the incidents, the LAPL has taken a number of steps. In Central Library, which has the largest number of homeless patrons, librarians have been provided referral information for homeless services, put together by the Skid Row Homeless Healthcare Initiative, which they give to patrons who request information about resources for the homeless. However, no other branches use this information. The LAPL has also made it possible for service providers to do outreach to the homeless at the libraries. At ten branches, LAPL has provided space for the Weingart Center to staff resource desks for veterans. The Los Angeles County Department of Mental Health (DMH) also had a

permanent resource desk at Central Library, but no longer provides staff for this purpose. However, outreach teams from both DMH and LAHSA have visited the library for intensive periods of outreach in the last six months. At three branches, the LAPL has also arranged for security from the LAPD or private security teams, in part as a result of violent incidents related to patrons who were thought to be homeless.

In other words, while the LAPL does not currently have activities or expenditures explicitly delineated as relating to homelessness, the staff regularly deals with the issue at work. In their response to homelessness, the LAPL staff has attempted to preserve the rights of the homeless to use City facilities and public spaces while responding to complaints related to the homeless from other users and also maintaining public safety for all patrons. Our study found that LAPL's regular interactions with homelessness, like those of the LAPD, LAFD, Recreation and Parks, and the Bureau of Sanitation, are missed opportunities for better coordination with City-wide and County-wide efforts to end homelessness.

The CAO study also found that City responses to homelessness have costs that are not being considered in our current budgets on homelessness. For example, last year, the City Attorney's Office spent an estimated \$2.9 million on reviewing cases related to the homeless, on liabilities from cases related to the homeless, on neighborhood prosecutors' time on issues related to the homeless, and other activities. The Bureau of Sanitation spent at least \$547,000 on homeless encampment cleanups last year. The LAPL spent at least \$309,000 on increased security, cleanups and trainings to better respond to challenges posed by some patrons who may be both mentally ill and experiencing homelessness. Where costs could not be clearly identified, some departments provided other measures of the impact that homelessness had on their work. Of the total number of LAFD ambulance transports, 6.6 percent are clearly identified as being for homeless patients, a figure that the LAFD says is likely an under-estimate. The LAPD stated that 14.23 percent of people arrested identified with the code "1942 Transient," which means that they provided no address and are very likely to be homeless, a number that officers also stated was likely to be an underestimate. A listing of department and agency interactions and estimated costs are included as Attachment A to this report.

- Inconsistent Process to Address Homelessness

Second, there appears to be no consistent process across City departments for dealing with the homeless or with homeless encampments. For example, both the Recreation and Parks Department (RAP) and the Bureau of Sanitation undertake homeless encampment cleanups. Before a cleanup by the Bureau of Sanitation, the Bureau of Street Services inspects the site, requests LAHSA to do outreach, and receives an authorization to proceed with signatures from LAHSA, the Bureau of Street Services, and the Board of Public Works to do the cleanup. The RAP does not go through a similar authorization process. However, both departments do ensure that notices are clearly posted at encampments before cleanups take place and that abandoned property belonging to the homeless is bagged, tagged, and stored at a central location during a cleanup.

More importantly, responses to homelessness by City departments are not designed to end homelessness by systematically connecting the homeless to assessment, services, and housing. For example, RAP staff regularly interacts with homeless individuals living in parks. If they see violations of relevant City ordinances, Park Rangers can request people to leave, issue citations, and, in very rare instances, arrest those who refuse to leave a park. The Department can also organize cleanups of homeless encampments using RAP maintenance staff. Although Park Rangers do regularly refer people to LAHSA and to the Winter Shelter Program, Rangers and maintenance staff are not actually required or trained to connect the homeless to assessment and services. Similarly, the LAFD regularly treats and transports homeless users of emergency medical services, but LAFD staff are not trained or required to connect them to assessment, outreach, or services. A citywide homelessness policy would unify department actions and responses to homelessness.

Two experiments are currently underway at the LAPD to help City staff to connect the homeless with services. In the Safer Cities Initiative in Skid Row, two County probation officers have been assigned to work with LAPD officers to identify homeless individuals who are on probation, and to work with them to connect them to housing and services. Based on early successes, the LAPD plans to expand the program by four more officers in the coming months, pending additional funding. The Mental Evaluation Unit within the LAPD is also launching a three-month pilot with AB109 funds to enable a team of two officers and one DMH clinician to proactively provide “street transients” with information about services. Lessons from these experiments may be useful for the rest of the City in finding ways for outreach and social workers to work productively with City departments, and they should be studied closely as models.

- Various Approaches to Track Activities and Expenditures Related to Homelessness

Third, this study revealed that activities and expenditures related to homelessness are not currently being tracked well, although tracking seems to be improving in some departments. For example, according to the Bureau of Sanitation, any homeless encampments that were cleaned last year outside of Operation Healthy Streets were not tracked but will now be tracked under the Clean Streets program. Similarly, the LAPD’s Mental Evaluation Unit did not earlier capture information about homelessness but has stated that they will capture such information in the future. The RAP has also added a field in their timekeeping software for “encampment cleanups” which will be used from January 2015 onwards.

For some departments, tracking interactions with the homeless will be extremely difficult. For example, many homeless individuals who are treated and transported to emergency rooms by the LAFD may not self-report as homeless because they provide older addresses or because they are unconscious or under the influence of drugs or alcohol. The LAPL also stated that they were reluctant to collect information on homeless patrons, even in incident reports, because they did not want to target or penalize any one category of library patron.

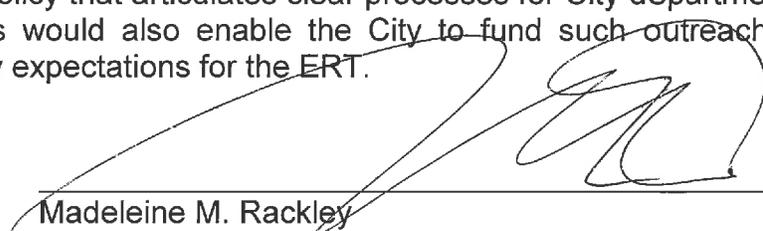
Tracking may also take some time to put into place. For example, Oklahoma City took nearly a year to compile costs across departments related to homelessness. Moreover, both in Oklahoma City and in Santa Monica, an external consultant worked closely with the cities to identify costs and appropriate measures.

- Reliance on Emergency Response Team

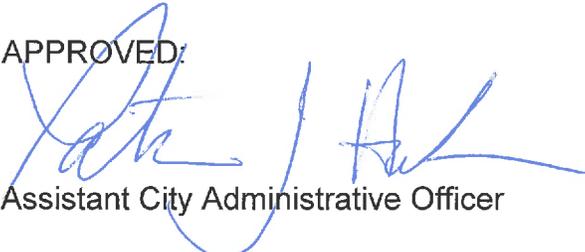
Fourth, this study found that many City departments currently rely on LAHSA's Emergency Response Team (ERT) for addressing issues related to homelessness. For example, Council offices faced with community complaints about homeless encampments report calling LAHSA's ERT regularly, as did staff from the LAPD, RAP, and LAPL. This same team is responsible for providing outreach before the Bureau of Street Services can authorize a homeless encampment cleanup, and the ERT reported that more than 660 such authorizations were required last year. The ERT is also responsible for outreach before every cleanup related to Operation Healthy Streets.

Unfortunately, the ERT does not currently have the resources to meet all of these demands on their time effectively. In 2014-15, the ERT was allocated \$330,000 from the City's General Fund, and the team has 19 people to service the needs of the entire County. In part, the problem stems from the fact that the ERT responsibilities are not clearly defined by the City. A policy that articulates clear processes for City departments to interact with outreach workers would also enable the City to fund such outreach staff appropriately and to define City expectations for the ERT.

by:

  
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Attachment