

MOTION

Since the start of the COVID-19 Pandemic, the City has committed tens of millions of dollars in funding from the general fund and loans from special funds in order to shelter vulnerable people in environments that make them less susceptible to COVID-19 infection. Among the strategies implemented by the City has been Project Roomkey, which operated at various hotel properties providing over 1200 rooms for unhoused people. During the Trump Administration, the Federal Emergency Management Agency guidance allowed for reimbursements to cities of only 75% of costs of Project Roomkey, creating tremendous budgetary pressure on the City's limited resources.

When the Biden administration announced a move from a 75% FEMA reimbursement program for the City's pandemic expenses to a 100% reimbursement, the expenses eligible for the expanded reimbursement included, among other things, "sheltering at risk populations."

Local governments and agencies, including the City of Los Angeles, are already owed hundreds of millions in FEMA reimbursements. As the pandemic continues, those reimbursement requests will increase. Providing immediate reimbursement on existing requests, or providing front fronting on new requests for the continuation and expansion of Project RoomKey will help provide critical immediate relief for those already experiencing homelessness. At current averages, the cost for 10,000 hotel units for 6 months would total approximately \$365M dollars.

To date, the city has only received a portion of the reimbursements for those eligible expenses from FEMA, and has had to sacrifice services and slow the expansion of other programs to shelter unhoused residents and support the pandemic recovery. The general fund deficit of over \$700 million means that there are no General Fund cash options to provide the initial funding necessary to engage hotels in contracts that would be reimbursable by FEMA, despite the more generous reimbursement opportunity.

Further, FEMA has instructed the Governor's office that the only unhoused persons eligible for shelter longer than a quarantine period are those over 65 years of age or with an underlying medical condition. Any other unhoused individuals would be eligible for a reimbursed room only if they test positive for COVID-19 or were exposed to someone who tested positive for COVID-19 and therefore require a limited quarantine period.

During major emergencies, the California Office of Emergency Services coordinates with local agencies to determine needs, and in turn requests assistance from the Federal Emergency Management Agency. For Los Angeles, the City's Emergency Operations Center

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plays a critical role in that process, and has effectively done so during earthquakes and other disasters. The pandemic has exposed critical vulnerability for homeless populations, and while increased reimbursement rates for efforts such as Project RoomKey would be a welcome relief, the City of Los Angeles needs immediate access to financial resources to front-fund those reimbursements. Recognizing we are waiting for significant reimbursements even prior to the announcement of increased reimbursement rates, we must call upon the state and federal government's immediate assistance to secure advanced funding to capitalize on this opportunity to provide emergency shelter to thousands of displaced Angelenos.

WE THEREFORE MOVE that the Council **INSTRUCT** the City Administrative Officer to do the following:

1. Report to Council on potential funding sources for a substantially increased utilization of Project Roomkey that would be FEMA-reimbursement eligible and not restricted from federal reimbursement like the Coronavirus Relief Funds, including but not limited to borrowing from special funds;
2. Seek immediate written guidance from FEMA on the timeline for when the city will receive reimbursements for these expenses; and
3. Seek revisions of FEMA's previously issued guidance to specify that all unhoused people are inherently more vulnerable to COVID-19 and therefore Project Roomkey expenses for sheltering any unhoused person are reimbursable.

WE FURTHER MOVE that the Council **REQUEST** a report from the City Attorney on whether the city can use federal funds, including FEMA reimbursements, for any activity that could be considered a taking, and whether requiring involuntary hotel participation in Project Roomkey could endanger the availability of FEMA reimbursement.

WE FURTHER MOVE that the Council **INSTRUCT** the CLA and CAO, in consultation with the City Attorney's office, to report on whether the pending American Recovery Plan legislation would allow the city to spend funds allocated to the city on FEMA-reimbursable expenses or whether the use of new federal aid funds would preclude the city from seeking FEMA reimbursements for otherwise eligible expenses financed out of new federal relief.

WE FURTHER MOVE that the City Council **REQUEST** the Emergency Operation Center, including the Emergency Management Department, the City Administrative Officer, and the Housing and Community Investment Department to formally request through the California Office of Emergency Services, an advance of \$150,000,000 from the Federal Emergency Management Agency, creating an opportunity to front fund 40% of an effort to provide 10,000 hotel rooms for the next 6 months.

WE FURTHER MOVE that the Housing and Community Investment Department and the Chief Administrative Officer request from FEMA and HUD additional vouchers for permanent housing placements to further implement permanent solutions for those housed through Project RoomKey and beyond.

Presented by: Paul Kerkorian
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Seconded by: [Signature]