



County of Los Angeles CHIEF EXECUTIVE OFFICE

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March 2, 2021

To: Supervisor Hilda L. Solis, Chair
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From: Fesia A. Davenport
Chief Executive Officer

PROJECT ROOMKEY EXTENSIONS AND EXPANSION WITH 100% FEMA REIMBURSEMENT (ITEM NO. 2, AGENDA OF FEBRUARY 9, 2021)

On February 9, 2021, the Board of Supervisors (Board) directed the Chief Executive Office (CEO) and the Los Angeles Homeless Services Authority (LAHSA) to report back in 15 days on opportunities for extending, renewing, and/or expanding county-contracted Project Roomkey (PRK) sites, with the goal of housing the most vulnerable people experiencing homelessness in Los Angeles County; including master leasing hotels and motels, and including those with fewer than 100 rooms. The Board indicated that the report back should include potential funding sources.

Current Status of County PRK Program

As of February 24, 2021, the County has 12 PRK sites under contract; these sites contain 1,350 rooms. At the peak of PRK operations, there were 38 PRK sites operating within Los Angeles County, with 31 of the sites under agreement with the County and the remaining sites under agreement with the Cities of Los Angeles and Long Beach.

As a result of uncertainty regarding the duration of FEMA funding and the need to ensure a safe transition for PRK clients into permanent housing or alternative interim housing, the CEO began to close PRK sites in August 2020. To date, the CEO has terminated agreements with 20 PRK sites, including two PRK sites that were acquired by the County and converted to Homekey sites and two County PRK sites that were acquired by the City of Los Angeles and converted into Homekey sites. In January 2021, the County took over the lease of one hotel previously under agreement with the City of Los Angeles; that site remains open.

In partnership with LAHSA and homeless service providers, the CEO has sought to ensure that all participants exiting PRK sites are connected to permanent housing, or when permanent housing is not immediately available, placed in temporary housing.

Fewer than 4 percent of participants exiting PRK sites in conjunction with site closures have exited without a housing plan.

Although the demobilization of PRK sites has successfully ensured that the overwhelming majority of exiting participants are not returned to homelessness, the need for non-congregate shelter (NCS), such as that provided in PRK, remains high. The pandemic continues to pose a serious threat to the health of all Los Angeles County residents, but particularly to those who are most vulnerable and eligible to participate in PRK: people experiencing homelessness who are age 65 and older and/or who have underlying health conditions that put them at risk of severe complications or death should they become infected. Moreover, to date, few people experiencing homelessness have received COVID-19 vaccines.

President Biden's Executive Order

On January 21, 2021, President Biden issued an executive order directing the Federal Emergency Management Agency (FEMA) to make assistance for Category B Emergency Protective Measures, including NCS, available at 100 percent Federal cost share (i.e. the amount of costs that FEMA would reimburse) until September 30, 2021. This represents a shift from FEMA's previous approach to funding NCS, which was to provide 75 percent Federal cost share, with no clear direction on the duration of such cost sharing. However, as described below, local governments must continue to advance a majority of the funds needed for PRK reimbursement and then seek future reimbursement from FEMA.

Plan for Extension of PRK Operations

In consideration of the continued need for NCS and the greater clarity regarding FEMA funding, unless otherwise directed by the Board, the CEO and LAHSA plan to extend the occupancy agreements for 11 of the County's 12 current sites. Site closures will be distributed from June – September 2021 to ensure that PRK residents are able to safely transition to permanent or alternative interim housing.

Given the funding constraints described below, it is not feasible to re-open any former PRK sites, nor contract with any new hotels/motels for PRK.

Funding Sources

Although the President's initiative to allow 100 percent Federal funding of eligible PRK costs through September 30, 2021 is positive, this increased reimbursement rate does not eliminate constraints on the County's ability to front fund PRK operations. Rather, the County must advance a majority of the funds needed for PRK operations and then seek federal reimbursement in the future. As a result, PRK will continue to place a significant burden on local County funds and cash flow, which are already constrained due to the economic impact of the pandemic. The plan to extend existing PRK sites reflects this

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limitation on available funding, while still being responsive to the continued need for this critical and lifesaving resource.

The County will seek expedited funding from FEMA for the cost of extending PRK sites. The maximum amount of this expedited funding is 45% of projected, future PRK costs. To the extent FEMA provides this expedited funding, the CEO will identify local funding to cover the remaining 55% of the costs until those costs are reimbursed by FEMA in the future. For any months where FEMA does not provide expedited funding, the County may need to re-direct CARES Act ESG funding (ESG-CV) currently allocated for recovery rehousing to cover the costs of PRK; in that scenario, the County would forego FEMA funding for those months, since ESG-CV funding is not eligible for FEMA reimbursement.

If you have any questions, please contact Phil Ansell, Homeless Initiative Director, at (213) 974-1752 or by email at pansell@ceo.lacounty.gov.

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c: Executive Office, Board of Supervisors
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