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Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

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BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

17 September 4, 2018

CELIA ZAVALA
ACTING EXECUTIVE OFFICER

September 04, 2018

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

CITIES' HOMELESSNESS PLAN FUNDING AND SOLICITATION PROCESS ALL SUPERVISORIAL DISTRICTS - 3 VOTES

SUBJECT

Approve funding and associated solicitation process to support the implementation of Cities' Homelessness Plans from January 1, 2019 through June 30, 2020.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve \$9.0 million of Measure H funding to support the successful implementation of Cities' Homelessness Plans from January 1, 2019 through June 30, 2020 (18 months).
2. Approve the Measure H Request For Proposals (RFP) Framework to support implementation of Cities' Homelessness Plans.
3. Authorize the Chief Executive Officer (CEO), or her designee, to: a) implement a solicitation process, in conjunction with United Way's Home for Good Funders Collaborative (Funders Collaborative), in accordance with the RFP Framework; and b) negotiate, execute, and, if necessary, amend, reduce, or terminate contracts with selected cities, following approval as to form by County Counsel.
4. Request the Los Angeles Homeless Services Authority to utilize \$3 million of the allocated State Homeless Emergency Aid Program funds to support the successful implementation of components from Cities' Homelessness Plans that enhance effectiveness of County service systems for those experiencing or at-risk of experiencing homelessness and are eligible for such funding under applicable State rules.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Background

Cities have an important role and a unique perspective on the solutions to homelessness, and the County values each city's distinct point of view, challenges, and resources. As such, on June 13, 2017, the Board directed the CEO to enhance the ability of cities to join the County in preventing and combating homelessness by allocating funding for homelessness planning grants for cities in the Los Angeles Continuum of Care.

All mayors and city managers from the Los Angeles Continuum of Care were invited to participate in a Web meeting on July 24, 2017, focused on the status of the County Homeless Initiative; opportunities for cities to address homelessness through various Homeless Initiative Strategies; and the RFP for Cities' Homelessness Planning Grants. On July 28, 2017, the CEO, in collaboration with the Funders Collaborative, released a RFP for the Cities' Homelessness Planning Grant, with grants ranging from \$30,000 to \$70,000 per city, depending on the 2017 homeless count in each city. On August 10, 2017, the CEO and Funders Collaborative also hosted an Information Session with the prospective applicants to brief them on the scope of the RFP and expected deliverables, and to provide an opportunity to ask questions regarding the RFP.

Due to overwhelming interest of cities in preparing Homelessness Plans, the Board provided additional funding on October 17, 2017, to fund the development of homelessness plans by all interested cities. The CEO also convened several technical assistance sessions to support the development of the plans. A total of 41 cities (39 grants) have submitted plans, as listed on Attachment I.

On May 15, 2018, the Board approved final funding recommendations for Fiscal Year (FY) 2018-19 Measure H-funded Homeless Initiative Strategies. The Board also directed the CEO to report back at the August 14, 2018 Board meeting with a funding recommendation and associated plan to support the implementation of Cities' Homelessness Plans that are aligned with the County's Homeless Initiative Strategies. At the July 26, 2018 Homeless Policy Board Deputies meeting, the Board deputies requested that this Board Letter be furthered discussed at their August 9, 2018 and August 23, 2018 meetings, thereby delaying submittal until the September 4, 2018 Board Agenda (August 21 and 28 Board meetings were cancelled).

Approval of Funding to Implement City Homelessness Plans

Approval of \$9.0 million of Measure H funds for the 18-month contract period will enable cities which secure funding through the RFP process to implement innovative solutions which are aligned with the County's Homeless Initiative strategies (Recommendation 1). This recommended amount was informed by a detailed review and analysis of the draft/final plans submitted by the 41 cities; the combined length of the plans is approximately 1,000 pages. Attachment II includes a sample list of goals and supporting actions, excerpted from the Cities' Homelessness Plans, which may be eligible to funding under the RFP.

Solicitation Process and Contracting

A RFP process is required to distribute limited funds to support implementation of Cities' Homeless Plan components that are aligned with the County's Homeless Initiative Strategies. The CEO is recommending that the Funders Collaborative manage the solicitation process. As noted above, the CEO previously partnered with the Funders Collaborative for the RFP for the Cities' Homelessness

Planning Grants. The Funders Collaborative has extensive experience in designing and managing grantmaking processes for both private and public-sector agencies and will provide the Homeless Initiative with high visibility through an open process. A draft of the Measure H RFP Framework to Support Implementation of City Homelessness Plans was presented to the Homeless Policy Board Deputies on July 12, 2018. The second recommendation seeks approval of the final Framework (Attachment III). It is anticipated that the Funders Collaborative will release the RFP for the City Homelessness Plan Implementation Grants in September 2018.

The third recommendation is required to provide the CEO with delegated authority to execute contracts with selected bidders from the solicitation process. This delegated authority will enable the CEO to execute contracts with selected bidders in an expeditious manner.

The last recommendation seeks to expand the opportunities for cities to implement components of their homelessness plans that enhance effectiveness of County service systems by requesting LAHSA to utilize \$3 million of its State Homeless Emergency Aid Program funds for this purpose.

Implementation of Strategic Plan Goals

The recommended actions are consistent with the following goals of the County's Strategic Plan: Goal I - Make Investments that Transform Lives and Goal II - Foster Vibrant and Resilient Communities.

FISCAL IMPACT/FINANCING

The total Measure H funding for the contracts, which will not exceed \$9 million, will be added to Strategy E7 (Strengthen the Coordinated Entry System). The grant term will be for January 1, 2019 through June 30, 2020; for a total of 18 months. One-third of this funding (\$3.0 million) is included in the CEO's FY 2018-19 Final Adopted Budget. The remaining funding (\$6.0 million) will be requested in the FY 2019-20 Budget.

The recommended solicitation process and authorization to amend contracts will have no fiscal impact on the Board-approved Measure H funding allocations beyond the increase to Strategy E7, and there is no net County cost impact.

On June 13, 2017, the Board approved final Measure H funding allocations for FY 2017-18 (\$259 million) and tentative funding allocations for FY 2018-19 (\$375 million) and FY 2019-20 (\$432 million). The funding recommendations were based on an estimated \$355 million per year from Measure H beginning on July 1, 2018. The tentative allocations for FYs 2018-19 and 2019-20 million were based on lower allocations for FY 2017-18 due to ramp-up.

However, the State did not commence Measure H revenue collection until October 1, 2018, reducing the projected revenue for FY 2017-18 from \$355 million to \$266 million. Although the projected revenue was adequate to cover the FY 2017-18 funding allocations, this 3-month delay resulted in \$89 million less projected revenue, which creates a substantial, potential gap in Measure H funding for FY 2019-20. In preparation for the submission of final FY 2019-20 Measure H funding recommendations to the Board, the CEO will explore various options for addressing this gap.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

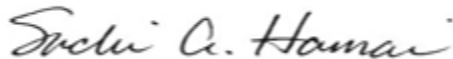
The recommended solicitation process is consistent with Board Policy related to Contracting and Purchasing. Though the Board delegated authority to the CEO, on February 9, 2016, to prepare and

execute contracts up to \$250,000 to implement the Homeless Initiative Strategies, some of the contracts to support implementation of the cities' homelessness plans may exceed \$250,000. Therefore, the CEO is asking the Board to delegate authority to the CEO to execute contracts with the bidders selected through the procurement process.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Recognizing that homelessness is a regional crisis, the County and the cities are partnering on solutions to broaden the collective impact and accelerate change in Los Angeles County. Approval of this action will enhance efforts to implement the Board-approved Homeless Initiative Strategies to prevent and combat homelessness.

Respectfully submitted,

A handwritten signature in cursive script that reads "Sachi A. Hamai".

SACHI A. HAMAI

Chief Executive Officer

SAH:JJ:FAD

PA:JR:RM:tv

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller

City Homelessness Plans 2018

San Gabriel Valley Council of Governments

Alhambra
Arcadia
Azusa
Baldwin Park
Claremont
Covina
Duarte/Irwindale
El Monte
Glendora
La Puente
La Verne
Monrovia
Montebello
Pomona
San Dimas
South El Monte
South Pasadena
West Covina

Gateway Cities Council of Governments

Artesia
Downey
Hawaiian Gardens
Norwalk
Paramount/Bellflower
Whittier

South Bay Cities Council of Governments

Carson
El Segundo
Hawthorne
Hermosa Beach
Inglewood
Manhattan Beach

Westside Cities Council of Governments

Culver City
West Hollywood
Santa Monica

San Fernando Valley Council of Governments

Burbank
Santa Clarita

Las Virgenes-Malibu Council of Governments

Malibu

North County

Lancaster
Palmdale

Multiple Councils of Governments

Los Angeles

Total Number of Plans: 39

Total Number of Cities: 41

**2018 Cities' Homelessness Plan Goals/ Actions
by RFP Priority Area and Homeless Initiative Strategy**

A total of 41 cities have submitted draft or final Homelessness Plans. Within the plans, there is a wide range of goals to prevent and combat homelessness and align with key Homeless Initiative strategies. The common themes include:

- Acknowledgement of homelessness as a complex societal challenge that requires cities' involvement;
- Need and desire to strengthen partnership and coordination at the local and regional levels based on increased knowledge of homelessness and relevant systems, as well as activation and sustained collaboration amongst the County, cities and other public agencies, and a wide array of community partners; and
- Realignment of existing city resources, investing in new city resources and securing new funding to enhance and expand housing, services and coordination.

The following items, excerpted from city homelessness plans, are examples of city goals/supporting actions that may be eligible for Measure H funding under the RFP.

Priority Area 1 – Increase the Supply of Interim and Permanent Housing for People Experiencing Homelessness

- B3 *Partner with Cities to Expand Rapid Re-Housing*
 - Secure additional rapid re-housing units.
- B7 *Interim/Bridge Housing for those Exiting Institutions*
 - Develop (build or convert) or financially contribute to expanding the supply of interim/bridge housing.
- E8 *Enhance the Emergency Shelter System*
 - Develop new shelters and/or financially contribute to shelter beds/motel vouchers.
 - Recruit motels and hotels to accept vouchers.
 - Consider creating a campground area where people experiencing homelessness can legally camp; co-locate services onsite.
 - Establish Safe Parking programs.
- E14 *Enhanced Services for Transition Age Youth*
 - Acquire properties for master leasing and implement shared housing models for youth.
- F1 *Promote Regional SB 2 Compliance and Implementation*
 - Achieve compliance with SB2 to reduce constraints on the development of interim and supportive housing.
 - Identify public or privately-owned land or assets, including those in non-residential zones, for development of a shelter. Include siting by-right shelters and a list of potential sites in the new Housing Element being prepared as part of the General Plan Update.
- F2 *Linkage Fee Nexus Study*
 - Conduct a nexus study, and if appropriate, establish Linkage Fee to fund affordable housing.

- *F3 Support Inclusionary Zoning for Affordable Housing Rental Units*
 - Establish a Mixed-Use Affordable Housing Incentive Program to create a density incentive to produce affordable and market-rate housing units in mixed use developments (e.g., reduction in minimum dwelling unit size, parking requirements, etc.).
 - Establish an inclusionary housing program that requires a percentage of new housing be designated for low- and moderate-income households in-lieu of fees.
 - Provide a multi-dwelling residential rehabilitation program and restrict 25% of the units for people at-risk of homelessness.
 - Conduct land use assessment and create a catalog of underutilized lots or buildings to determine where additional affordable units could be built.
- *F4 Development of Second Dwelling Units Pilot Program*
 - Establish or enhance the Accessory Dwelling Unit (ADU) Program by incentivizing property owners to build and maintain ADUs long term including fee waivers.
 - Provide an amnesty program to bring existing ADUs and converted garages into compliance.
 - Educate property owners about ADUs/granny flats in culturally competent terms to ensure that diverse populations understand what it is and its role in providing affordable housing.
- *F5 Incentive Zoning/Value Capture Strategies*
 - Strengthen the cities' Density Bonus by increasing affordability requirements.
 - Implement administrative approval of affordable housing units for developments of 20 residential units or less, in which 25% of the units qualify as affordable housing.
 - Streamline the development process by waiving permit fees for affordable units.
- *F6 Using Public Land for Homeless Housing*
 - Develop a list of public and private underutilized or blighted properties within the city that are potentially suitable for housing development.
 - Engage developers to discuss development opportunities.
 - Support interested developers/owners by identifying appropriate service providers for housing developments.
- *F7 Preserve and Promote the Development of Affordable Housing for Homeless Families and Individuals*
 - Conduct feasibility studies for creating a variety of alternative housing types (e.g., manufactured housing, motel reuse, shipping containers) to increase the number of new affordable units in the city. This may include tiny homes, shared housing, roommate matching, accessory dwelling units, motel conversions, rehabilitation of aging housing stock, inclusionary housing, public land use for homeless housing, and preserving current affordable housing.
 - Review the current affordable/supportive housing requirements under local code/ordinance to remove barriers to promote the development of affordable housing.
 - Study the potential for fee reductions, waivers and other policy changes that will encourage the development of affordable and/or supportive housing in the city.
 - Incentivize development of affordable and supportive housing by establishing Enhanced Infrastructure Financing District(s) to finance construction or rehabilitation of affordable housing units including conducting an Employer Affordable Housing Tax Credit study to explore creation of a tax credit incentive for large employers to finance affordable housing within the city.
 - Evaluate how to best utilize parcels of land and available funds resulting from the dissolution of the Redevelopment Agency for affordable/supportive housing.

- Acquire and/or rehabilitate blighted commercial properties, including hotels/motels, as permanent supportive housing, affordable housing and shared housing.
- Establish a universal “homeless preference” for use by private developers, owners, and operators of affordable housing.

Priority Area 2 – Enhance Effectiveness of County Service Systems for those Experiencing and/or At-Risk of Homelessness

- *A1/A5 Homeless Prevention Programs for Families and Individuals*
 - Establish or expand existing cities’ prevention programs and services including providing flexible funds for utility assistance, housing repairs, and security deposits, and/or case management.
- *B3 Partner with Cities to Expand Rapid Re-Housing*
 - Financially contribute to increasing rapid re-housing units.
 - Partner with the County to provide case management and supportive services as part of the rapid rehousing program.
 - Create a shallow-subsidy program for city residents.
- *B4 Facilitate Utilization of Federal Housing Subsidies*
 - Partner with HACoLA to implement Homeless Incentive Program and landlord recruitment
 - Fund landlord incentives and damage mitigation funds to encourage landlords to rent to formerly homeless.
- *B8 Housing Choice Vouchers for Permanent Supportive Housing*
 - Dedicate federal housing vouchers to chronically homeless individuals (for cities with public housing authorities).
- *C2 Increase Employment for Homeless Adults by Supporting Social Enterprise and C7 Subsidized Employment for Homeless Adults*
 - Partner with Workforce Development Boards, service providers, business and faith sectors to adopt social enterprise ordinances, and provide training and employment opportunities to at-risk and homeless residents.
 - Work with the Workforce Development Boards and social service providers to create a social enterprise, which will provide training and employment opportunities.
 - Establish a Business Improvement District to develop training and employment opportunities.
- *D5 Support for Homeless Case Managers*
 - Provide space in city facilities to co-locate service providers.
 - Train city employees who directly engage homeless residents to improve quality of engagement and referrals to CES providers.
- *E4 First Responders Training and E5 Decriminalization Policy*
 - Train law enforcement, other first responders and code enforcement departments to effectively engage homeless families and individuals.

- E7 *Strengthen the Coordinated Entry System*
 - Provide space in city facilities and/or fund Access Centers where homeless service providers may co-locate to provide diverse services in a central setting.
 - Retain a homeless staff/contractor to coordinate implementation of the city. Homelessness Plan. This may also be multi-jurisdictional effort where multi-cities share a Coordinator.
- E8 *Enhance the Emergency Shelter System*
 - Establish Safe Parking and/or Safe Storage programs.
 - Financially contribute to shelter beds/motel vouchers.
 - Provide access to shower/bathrooms in city facilities.
- E14 *Enhanced Services for Transition Age Youth*
 - Implement shared housing models for youth.
 - Fund and/or strengthen coordination to provide enhanced and expanded prevention and diversion services.

**Measure H Request for Proposals (RFP) Framework
to Support Implementation of City Homelessness Plans**

1. Purpose of Funding

Pursuant to the Board's direction on May 15, 2018, funding will directly support the successful implementation of cities' Homelessness Plans that are aligned with the County's Homeless Initiative Strategies to prevent and combat homelessness.

2. Duration of Funding and Associated Program Implementation

January 1, 2019 through June 30, 2020 (18 months)

3. Eligible Applicants

Cities that submitted Homelessness Plans funded by County planning grant. Eligible cities may also submit joint proposals for regional projects, in addition to their own applications.

4. Funding

A RFP will be administered in collaboration with the United Way Home for Good Funders Collaborative (Funders Collaborative). The County of Los Angeles will provide \$9 million in Measure H - Strategy E7 (Strengthen the Coordinated Entry System) funding over the term of the grants. The Funders Collaborative intends to supplement Measure H funding through the RFP; however, eligible cities and uses of this supplemental funding may not be the same as for the Measure H funding.

	Priority Area 1 - Increase the supply of interim and permanent housing for people experiencing homelessness	Priority Area 2 - Enhance effectiveness of County service systems for those experiencing and/or at-risk of homelessness
Total Measure H Funding (18 months)	At least \$6 million	Not more than \$3 million
City Match Requirement	None	<ul style="list-style-type: none"> • 1 (City): 2 (County) – Up to \$100,000 County matching funds. Newly-committed City resources (financial or in-kind). • 1 (City): 1 (County) – Above first \$100,000 County matching funds. Newly-committed City funding (financial only; no in-kind).
Funding Cap for Individual Cities	<ul style="list-style-type: none"> • \$300,000 (5% of Priority Area 1) • Funding cap exception: If the total award amount for all cities' meritorious proposals within the funding cap is less than \$6 million, cities with additional qualified proposals will be considered for funding beyond the cap. 	<ul style="list-style-type: none"> • \$300,000 (10% of maximum funding for Priority Area 2) • Funding cap exception: If the total award amount for all cities' meritorious proposals within the funding cap (plus any portion of the \$3 million for Priority Area 2 that is allocated to supplement the funding for Priority Area 1) is less than \$3 million, cities with additional qualified proposals will be considered for funding beyond the cap.
Funding cap for multi-city proposals	None	None