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CHIEF EXECUTIVE OFFICE
Office of Homelessness

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VIA U.S. MAIL AND EMAIL

June 30, 2022

Ms. Alison Hughes
Chief Consultant
California Senate Housing Committee
1021 O Street, Room 3330
Sacramento, CA 95814

Ms. Lisa Engel
Chief Consultant
California Assembly Housing and Community Development Committee
1020 N Street, Room 162
Sacramento, CA 95814

Dear Ms. Hughes and Ms. Engel:

**COUNTY OF LOS ANGELES' PLAN TO ADDRESS THE SHELTER CRISIS
(GOVERNMENT CODE SECTION 8698.4(a)(5))**

On October 19, 2021, the County of Los Angeles (County) declared a shelter crisis pursuant to the State of California's Government Code section 8698 *et seq.*¹ As required by Government Code section 8698.4(a), this document outlines the County's Plan (Plan) to "address the shelter crisis, including, but not limited to, the development of homeless shelters and permanent supportive housing, as well as on-site supportive services" and "to transition residents from homeless shelters to permanent housing." The Plan describes the County framework to end homelessness and the multi-pronged approach for the development of homeless shelters (interim housing), permanent supportive housing (PSH), and on-site supportive services, and efforts to transition residents from interim housing to permanent housing.

The County's Framework to End Homelessness in the County and the Homeless Initiative Strategies

On April 11, 2022, the County Chief Executive Office issued a report entitled "A New Framework to End Homelessness in Los Angeles County" (Framework), which included recommendations to improve and modify the County's strategies to address homelessness. On May 3, 2022, the County Board of Supervisors (Board) adopted the Framework, which focuses on three key system partners: (1) Rehousing System, (2) Mainstream County Government Systems, and (3)

¹ Los Angeles County Shelter Crisis Declaration, <http://file.lacounty.gov/SDSInter/bos/supdocs/162768.pdf>

Partnerships with Cities. For each partner, there are five categories of actions: Coordinate, Prevent, Connect, House, and Stabilize. The Framework embraces emerging practices to advance racial equity across policymaking, planning, funding, and implementation, and includes a commitment to ongoing advancement of equity through implementation practices.

- In the *Rehousing System*, exits to permanent housing are centered as the most critical strategy to address homelessness. Although permanent housing is the ultimate goal, the Framework also emphasizes investments in interim housing, outreach, housing navigation, and other programs, with the goal of maximizing throughput to increase permanent housing exits, including those to permanent supportive housing and to housing supported with time-limited housing subsidies (i.e., rapid rehousing).
- In the *Mainstream Government Systems*, the emphasis of the strategies is to establish a true no-wrong-door approach that advances equity, prioritizes at-risk households, and effectively prevents homelessness, especially first-time homelessness. All County mainstream systems (County departments and contractors) will be trained to serve people experiencing homelessness (PEH), including through problem-solving (an effort that is already underway); develop or enhance their capacity to respond quickly and effectively serve people experiencing a housing crisis or know how to refer appropriately; and be accountable for their role in addressing the County's homelessness crisis.
- For the *Participation of Cities* strategies, the focus is on creating opportunities for co-investment that lead to an increase in the cities' ability to respond at a local level to community members' greatest concerns while leveraging the cities' unique capabilities to increase access to housing.

The County is working to expeditiously implement the Framework and immediately activate strategies that will lead to more permanent housing exits from homelessness.

Prior to the adoption of the Framework, the Board launched the Homeless Initiative (HI) in August 2015 to combat the homelessness crisis in the County. The HI initially had 47 strategies that later expanded to 51 strategies to prevent and reduce homelessness. The strategies are divided into six areas: Prevent Homelessness, Subsidize Housing, Increase Income, Provide Case Management and Services, Create a Coordinated System, and Increase Affordable/Homeless Housing. Taken as a whole, HI strategies are designed to maximize the effectiveness of current efforts to prevent and combat homelessness, expand certain key efforts, and implement new actions where appropriate.

As the County moves to implement the Framework, it will build on the successes achieved over the past five years. Since the passage of Measure H in 2017, a locally generated sales tax dedicated to addressing homelessness, the County's homeless services system has placed nearly 81,000 people in permanent housing and 110,000 people in interim housing.²

² Homeless Initiative Impact Dashboard, <https://homeless.lacounty.gov/dashboard-2/>

Development of Homeless Shelters with On-Site Supportive Services and Pathways to Permanent Housing

The Plan aims to build a balanced homeless system, which provides sufficient permanent housing exit pathways to allow for throughput in interim housing and maximize the number of PEH served in the system, and ultimately housed. On March 11, 2021, the Los Angeles Homeless Services Authority (LAHSA), the lead agency in the Los Angeles Continuum of Care, issued a report stating that the Los Angeles region's shelter capacity on any given night was 24,616 beds, which is a 57 percent increase over the last three years. LAHSA also reported 33,592 permanent housing options, which is an increase of 16 percent over the same time period. The Plan takes an innovative and multi-pronged approach to homelessness to increase and sustain the homeless housing capacity and on-site supportive services. Below are County investments to further develop and strengthen interim housing and on-site supportive services and pathways to permanent housing to address the shelter crisis.

1. County Strategy to Strengthen the Emergency Shelter System

The Plan aims to position the emergency shelter system to serve as an effective point-of-access to and component of an integrated homeless services system. An adequate shelter system ensures that individuals, families, and youth have a safe place to stay in the short-term, with access to resources and services that will help them exit homelessness quickly. Pursuant to the Plan, the emergency shelter system has been enhanced as follows:

- Operate 24 hours a day/7 days a week, thus enabling the shelter system to serve as a staging ground to triage/assess clients for housing, health, mental health, substance use disorder, and social service needs, particularly for outreach and engagement teams.
- Transform emergency shelters and transitional housing into interim/bridge housing with enhanced services from which homeless families/individuals/youth could transition to the best suited form of permanent housing, such as rapid re-housing or permanent supportive housing. Housing location search assistance is provided at each shelter since such assistance is key to ensuring that the shelter system operates as effectively as possible with enough "throughput" to move people out of the shelter system, thereby creating shelter capacity for additional homeless families/individuals/youth, including individuals and families fleeing domestic violence.
- Established a low-barrier common criteria for shelter eligibility across the county so that homeless families/individuals/youth can easily enter and remain in shelters without restrictive requirements that either preempt entry into the shelter system or force people to leave before they can transition to permanent housing.
- Fully utilize the shelter bed assignment system in LAHSA's Homeless Management Information System so that any service provider seeking a shelter bed could readily identify any available beds.
- Implement the Air Traffic Control program where County departments and LAHSA coordinate referrals into interim housing beds with the end goal of ensuring clients receive the appropriate level of care and that the entire interim housing system is maximized with as few vacant beds as possible.

Since the adoption of the County Homeless Initiative strategies in 2016, the County has invested approximately \$724 million (between Fiscal Year (FY) 2015-16 and FY 2022-23) to implement the shelter strategy by braiding state and local funding sources. The majority of funding has been Measure H.

2. Interim Housing Capital Funding Pool Program

In 2018, the County established the Interim Housing Capital Funding Program (IHCFP), consisting of \$50 million that augmented existing funding for capital investments to develop more interim housing opportunities and/or to rehabilitate existing interim housing facilities in need of improvements.

The goal of the IHCFP was to greatly increase the number of new interim housing beds added countywide. To date, 13 interim housing projects (1,108 beds) have been funded for capital construction and are in operation, and there are three additional projects (459 beds) that are in the pipeline to be opened and operable during FY 2022-23.

3. Project Roomkey and Recovery Re-Housing Plan

In response to the global coronavirus pandemic, the County implemented the State of California's Project Roomkey, an emergency interim housing project, which aimed to safely shelter unhoused high-risk individuals by moving them into non-congregate motel or hotel units with on-site services. Since the program's inception in April 2020, the County has leased more than 30 Project Roomkey sites and has sheltered more than 5,500 people.

Furthermore, the County partnered with LAHSA to fund and launch the Recovery Re-Housing Plan to aggressively lease-up and quickly house COVID-vulnerable Project Roomkey clients or high-acuity PEH. The Recovery Re-Housing Plan consists of two overarching service pathways to permanent housing for the target population:

- **Recovery Bridge Subsidy:** This pathway would assist the target high acuity PEH population, through a full rental subsidy and case management support that would serve as a bridge to longer-term assistance through a shallow subsidy or PSH. A portion of these participants may be placed directly into PSH when available, rather than being first housed through a bridge subsidy.
- **COVID Re-Housing:** This pathway would provide one-time or time-limited rental assistance and case management support to the target lower acuity PEH population, with the goal of facilitating successful permanent housing exits without ongoing assistance. A small portion of these participants is anticipated to require ongoing support through a shallow subsidy, and others would be connected to additional support as needed, based on continuous assessment.

The Recovery Re-Housing Plan also includes housing interventions over a full three-year period (through FY 2022-23) to sustain the appropriate level of housing and services for those who continue to need assistance, and facilitate successful program exits for those who no longer need assistance.

To date, the County has invested \$256 million leveraging federal, state, and local funding to support implementation of the Recovery Re-Housing Plan. Seven hundred eighty-six clients are enrolled in the Recovery Bridge Subsidy program, and 584 are active and housed. Two thousand eight hundred forty-one clients are currently enrolled in the COVID Re-Housing program, and 1,831 clients are active and have successfully transitioned to permanent housing and no longer require ongoing assistance. In addition, 773 participants have been housed and have exited the program and are no longer receiving services.

4. Time-Limited Subsidy

In FY 2022-23, the County is partnering with and investing in LAHSA's rehousing efforts to create a pathway for shelter clients to transition to permanent housing. Three changes will be made in LAHSA's rehousing efforts to move people from shelter to a permanent home faster than the current process:

- Updating the matching policy – Implement a new matching policy to allow other factors, such as document readiness, in addition to acuity to determine eligibility for matching an unhoused person to a permanent supportive housing unit. This change will make more people eligible for permanent supportive housing.
- Prioritizing the use of time-limited subsidies – Use temporary rental assistance and services that help people sustain stable housing as the core program to connect people to permanent housing faster.
- Redesigning housing navigation – Focus on helping people living in interim housing secure critical documents such as identification and Social Security cards to move people into a permanent home more expeditiously.

5. Co-Investment with Cities and Councils of Governments

Recognizing municipalities' unique role in addressing homelessness, the Plan includes strategic partnerships focusing on land use and housing policies, including development of interim housing. These partnerships have included: citing of interim housing; technical assistance on ordinances and ways to expedite development processes; pre-development/design; construction; and funding to pay for capital and operating costs.

In April 2022, the County released a Notice of Funding Availability (NOFA) for the Cities and Councils of Governments' Interim Housing Services Fund (\$10 million funded with the State Homeless Housing, and Assistance Program Round 3 funds) to support services at interim housing projects located in local jurisdictions that create a pathway for PEH to transition to permanent housing.

The outcome goals of the NOFA include the following:

- Reducing the number of PEH.
- Increasing the number of people exiting homelessness into permanent housing (exit a minimum of 40 percent of program participants to permanent housing at time of program exit).

- Reducing the number of persons who return to homelessness after exiting homelessness to permanent housing.
- Using the Homeless Management Information System to track performance outcomes as they apply to underserved populations and populations disproportionately impacted by homelessness.

6. 6,700 Bed Agreement

On June 18, 2020, the Court approved a binding term sheet between the County and the City of Los Angeles (City), wherein the City will provide 6,700 beds to house or shelter PEH within 500 feet of freeway overpasses, underpasses, and ramps within the City, and prioritize those who are 65 years and older and other vulnerable populations and the County will contribute up to \$60 million per year for five (5) years to assist in funding services for the beds. To date, the County has paid the City \$113 million and will continue to contribute up to \$60 million a year until FY 2024-25, depending on the number of new beds in operation. As of March 31, 2022, the City has reported 7,276 new beds that are open and occupiable.

Development of Permanent Supportive Housing with On-Site Supportive Services

The Plan aims to expand permanent housing in order to achieve a balanced rehousing system. The Plan also acknowledges that PSH, which combines long-term rental subsidies with intensive case management services, is proven to be a highly effective intervention for PEH with disabilities and/or who have experienced chronic homelessness. Below are County's investments to further develop and strengthen permanent housing with on-site supportive services to address the shelter crisis:

1. Homekey Projects and the American Rescue Plan Act (ARPA)

In 2020, the County leveraged the State's Homekey Round One Program to acquire properties to be used as interim and permanent supportive housing for individuals and families experiencing homelessness. Through Homekey Round One, the County received over \$100 million from the State to acquire 10 properties (847 units) for use as housing for PEH. Nine of the 10 properties are currently operating as interim housing and will be converted to PSH beginning in 2023, and one property is already operating as PSH. To date, nearly 1,500 PEH have been served at the County's Homekey sites. Furthermore, approximately 675 Project Based Vouchers have been allocated to Homekey. The conversion of the sites to PSH will maximize the impact of the Homekey on the County's overarching goal of combatting homelessness.

In July 2021, the Board approved a \$975 million spending plan for the County allocation of ARPA Coronavirus State and Local Fiscal Recovery Funds. As part of this spending plan, \$115 million was allocated for the second round of Project Homekey. Additional ARPA funds (\$113.2 million) and Coronavirus Relief funds (\$1.5 million) have been allocated to convert existing County-owned units into permanent housing units, including Homekey Round One, to address the countywide permanent housing shortfall. In total, the Board allocated \$400.0 million in ARPA funds to address the County's urgent homelessness crisis by creating

or sustaining thousands of units of interim and permanent supportive housing and offering essential on-site supportive services for PEH.³

In October 2021, the State released a NOFA for \$1.45 billion in additional Homekey Round Two funding. The County applied to the State for funding to support the acquisition and development of 18 additional permanent and interim housing projects. The County and its co-applicants (affordable housing developers) have been awarded funding for 12 Homekey Round Two projects, which equate to more than 600 units of interim and permanent housing and nearly \$200 million in State Homekey funds.

2. Intensive Case Management Services and Rental Subsidies

In 2014, the County created the Flexible Housing Subsidy Pool (FHSP) to house highly vulnerable and complex residents of Los Angeles County who are experiencing homelessness and provide comprehensive integrated and wrap around services. The FHSP combines rent subsidies, unit acquisitions support, and ongoing tenancy support to participants of the FHSP. These supports are combined with intensive case management services (ICMS) to create much needed PSH units across the County. Both FHSP subsidies and federal vouchers are leveraged with ICMS to create PSH.

The County Department of Health Services currently has about 18,000 participants enrolled in ICMS, and 14,750 individuals and families permanently housed. On average, the Department of Health Services moves about 175 people out of homelessness and into permanent homes each month using a variety of funding sources to house some of the County's most vulnerable residents.

3. Affordable Housing Programs Budget

In 2015, the Board established the Affordable Housing Programs Budget to provide funding for production and preservation of affordable rental housing as well as other support, including rental subsidies. At least 75 percent of these funds are directed to production and preservation of affordable housing and are leveraged with federal Low Income Housing Tax Credits, tax-exempt bonds, and other sources of public and private financing. The Affordable Housing Programs Budget provides gap financing through a competitive NOFA process administered by the Los Angeles Community Development Agency (LACDA). The Board has committed \$300 million in Affordable Housing Programs Budget funds to the LACDA NOFA over the previous six fiscal years starting in FY 2016-2017, with a dedicated \$75 million in FY 2021-22. In 2021, the LACDA NOFA invested more than \$122 million in the production and preservation of 1,523 affordable rental homes, leveraging an additional \$710 million. Since 2016, the LACDA NOFA has funded more than 9,725 units. Of these funded units, approximately 6,975 are PSH, with approximately 2,750 general affordable and manager's units.

³ Los Angeles County American Rescue Plan Fiscal Recovery Funds Spending Plan, <http://file.lacounty.gov/SDSInter/bos/supdocs/160391.pdf>

4. 10,000 Permanent Supportive Housing Memorandum of Understanding

In 2017, the County and the City entered into a Memorandum of Understanding, wherein during the 10-year term of the Memorandum of Understanding, the City will facilitate 10,000 new PSH units, and the County will provide the supportive services including ICMS, linkage to health and behavioral health services, benefits advocacy services, etc. The County has also committed to providing ICMS to other cities that create new PSH units.

Zoning Ordinances – County Land Use Regulations to Promote Development of Interim, Permanent Supportive and Affordable Housing

The County has adopted innovative zoning ordinances to promote development of interim housing, PSH and affordable housing. The County’s goal is to increase housing choice, affordability, and livability in the unincorporated areas of Los Angeles County.

1. Interim and Supportive Housing Ordinance (Adopted on April 6, 2021)

The Interim and Supportive Housing Ordinance encourages the development of housing for PEH by streamlining the approval of such development through a ministerial review process and supports temporary vehicle living, where appropriate, in the unincorporated areas of the County.⁴ Key components include:

- Housing for PEH – For shelters (including domestic violence shelters, emergency shelters, and accessory emergency shelters), transitional housing, and PSH, the Ordinance waives or modifies development standards, expedites application reviews, and waives or reduces planning fees for certain qualified projects.
- Temporary vehicle living – The Ordinance enables temporary occupancy of recreational vehicles in very limited circumstances in order to provide a safe living situation for PEH during a County-declared shelter crisis. The intent is for a homeowner to be able to let a friend or family member who is experiencing housing insecurity occupy one recreational vehicle on their property if the property meets certain requirements. Furthermore, to ensure a safe environment for vehicle occupants, the Ordinance allows accessory overnight safe parking on existing parking lots in certain zones with planning fees waived.

2. Affordable Housing Preservation Ordinance (Adopted on April 6, 2021)

The Affordable Housing Preservation Ordinance aims to preserve existing affordable housing by requiring the replacement of affordable rental housing that is demolished, vacated or converted from rental to for-sale; requiring notification of planned condominium conversions to organizations qualified to preserve affordable rental housing; and facilitates the ongoing operation of existing mobile home parks in the unincorporated areas of the County by simplifying the permitting process for repair and maintenance.⁵

⁴ Interim and Supportive Housing Ordinance, <http://file.lacounty.gov/SDSInter/bos/supdocs/154929.pdf>

⁵ Affordable Housing Preservation Ordinance, <http://file.lacounty.gov/SDSInter/bos/supdocs/154957.pdf>

3. By-Right Housing Ordinance (Adopted on March 9, 2021)

The By-Right Housing Ordinance streamlines multi-family residential developments by allowing them by-right in certain zones.⁶ The By-Right Housing Ordinance also includes additional policies to further incentivize and streamline multifamily residential developments. “By-right” development is exempt from the California Environmental Quality Act, and no public hearing is required. Allowing multi-family residential developments “by-right” in areas where appropriate and streamlining the review process can help property owners and developers save time and money, which in turn helps increase housing production.

4. Inclusionary Housing Ordinance (Adopted on November 10, 2020)

The Inclusionary Housing Ordinance aims to ensure the production of affordable units in new development by establishing affordable housing set-aside requirements on residential projects that meet certain criteria.⁷ These requirements are set at a level that can be supported on a financially feasible basis, as determined through an economic feasibility study. For rental housing developments, the required affordability duration is in perpetuity or 55 years if the developer elects to utilize the density bonus program. For-sale housing developments, the initial sale of the affordable units is restricted to eligible buyers and requires an equity-sharing agreement with the County.

5. Accessory Dwelling Unit Ordinance Update (Adopted on October 13, 2020)

The Accessory Dwelling Unit Ordinance amended Title 22 (Planning and Zoning) of the County Code to establish development standards and case processing procedures for Accessory Dwelling Units (ADU) and Junior ADUs in the unincorporated areas of the County.⁸ ADUs are an important source of affordable rental housing stock in the County’s unincorporated areas and serves as a homeless prevention strategy. The County’s single-family zoned areas provide a significant opportunity to build new and preserve existing affordable housing.

6. Compact Lot Subdivision Ordinance (Adopted on June 9, 2020)

The Compact Lot Subdivision Ordinance promotes affordable home ownership through the allowance of smaller, fee-simple lots in areas zoned for two-family and multi-family housing where infill development is encouraged.⁹

7. Density Bonus Ordinance Update (Adopted on October 15, 2019)

The Density Bonus Ordinance Update implements the State Density Bonus Law and creates local incentives that go above and beyond the state mandates to promote affordable and senior citizen housing by offering larger density bonuses and planning fee exemption or reduction for certain qualified projects.¹⁰

⁶ By-Rights Housing Ordinance, <http://file.lacounty.gov/SDSInter/bos/supdocs/154632.pdf>

⁷ Inclusionary Housing Ordinance, https://planning.lacounty.gov/assets/upl/project/iho_certified.pdf

⁸ Accessory Dwelling Unit Ordinance Update, https://planning.lacounty.gov/assets/upl/project/adu_certified.pdf

⁹ Compact Lot Subdivision Ordinance, <http://file.lacounty.gov/SDSInter/bos/supdocs/146514.pdf>

¹⁰ Density Bonus Ordinance Update, <https://planning.lacounty.gov/assets/upl/project/density-bonus-ordinance-20191025.pdf>

Alison Hughes and Lisa Engel
June 30, 2022
Page 10

In response to the homelessness crisis that has affected the County for many years, and in response to the COVID-19 pandemic, the County and its governmental and non-governmental partners have taken critical steps toward combatting and preventing homelessness. The County will continue to implement and enhance the Plan with the goal to address the shelter crisis by developing homeless shelters, PSH, and on-site supportive services to transition residents from interim housing to permanent housing.

Sincerely,

FESIA A. DAVENPORT
Chief Executive Officer



Cheri Todoroff
Executive Director
Office of Homelessness

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