

CITY OF LOS ANGELES

CALIFORNIA

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FISCAL YEAR 2016-17 PROPOSED HOMELESS BUDGET

For the first time in the City of Los Angeles' history, the Mayor's FY 2016-17 Proposed Budget includes a \$138 million Homeless Budget and is located in the pages ahead. This budgetary proposal represents an increase of \$120 million from the current fiscal year allocation to homeless services of \$18 million. Included in the budget are a number of City-owned properties that are being assessed for either development or sale. In either case, the land or proceeds from the sale will create new permanent supportive housing units. This budget demonstrates the City's commitment to address homelessness. Also for the first time, the City Council adopted a Comprehensive Homeless Strategy (CHS) on February 9, 2016. This document was developed in collaboration with the County of Los Angeles, the Los Angeles Homeless Services Authority (LAHSA) and the United Way of Greater Los Angeles and can be found [here](#).

The CHS has served as a guiding document for the proposed investments for the 2016-17 fiscal year. Of the \$138 million, \$88 million is one-time funding. The CAO is working with the Mayor and Council to identify future revenue sources to guarantee the City's long-term commitment to this issue. One such source, a Linkage Fee, is included in the budget and is estimated to generate \$20 million in the first year for the development of affordable housing.

The \$138 million will provide:

- More than 2,500 Rapid Re-housing rental vouchers
- Approximately 1,500 annual shelter beds
- 190 additional winter shelter beds
- 32 sobering beds
- Enhanced Coordinated Entry System (CES) regional infrastructure
- Three outreach coordination sites
- Up to six Open Door Resource Centers providing storage, showers, and services
- More than 500 annual domestic violence shelter beds
- At least 40 low-income and/or homeless seniors provided job training and placement
- 4,000 spay/neuter certificates for low-income/homeless pet owners
- Workforce development training and job placement for more than 400 low-income/homeless individuals
- Enhanced cleaning and expanded access at 35 park restroom facilities for sites serving homeless individuals
- 600+ units of accessible affordable and permanent supportive housing constructed
- Outreach to 2,200 encampments prior to Sanitation clean ups
- Six comprehensive and twelve spot cleanings as part of Operation Healthy Streets

HOMELESS BUDGET

BASIS FOR THE PROPOSED BUDGET

The 2016-17 Proposed Budget for homeless-related expenditures relates to current year funding as follows:

	General Fund*	Special Funds**	Total
2015-16 Adopted Budget	\$ 18,116,349	\$ -	\$ 18,116,349
2016-17 Proposed Budget	\$ 64,785,050	\$ 73,392,139	\$ 138,177,189
Change from 2015-16 Budget	\$ 46,668,701	\$ 73,392,139	\$ 120,060,840
% Change	257.6%		662.7%

* The 2015-16 Adopted General Fund amount does not include interim appropriations of \$15.85 million made during 2015-16 to address immediate shelter and storage needs. The 2016-17 Proposed General Fund amount includes the reappropriation of unspent 2015-16 interim approved funds.

** The 2016-17 Special Fund amount includes assumed increased revenue to the Affordable Housing Trust Fund from the partial year implementation of an Affordable Housing Linkage Fee (\$20 million) as well as additional funding from leveraging City surplus properties through property sales or land availability for affordable housing projects (\$47 million). Receipts from these items would be used for the development of accessible affordable and permanent supportive housing.

Pursuant to Mayor and Council instructions (Council File 15-1138-S1), this spending plan to reduce homelessness in the City has been developed using multiple funding sources with the goal of committing up to, but not limited to, \$100 million of City funds. The spending plan prioritizes providing permanent supportive housing, shelters, and services to individuals experiencing homelessness. The plan also seeks to leverage the City's investment by partnering with the philanthropic community.

Increased Funding Commitment for Homelessness

2015-16 Adopted Budget \$ 18,116,349

Funding Increases:

General Fund:

Los Angeles Homeless Services Authority	\$ 35,889,624
City Departments	7,119,077
Unappropriated Balance	3,660,000
Subtotal General Fund	<u>\$ 46,668,701</u>

Special Funds:

City Departments	\$ 6,392,139
Affordable Housing Linkage Fee	20,000,000
Sale of Surplus Properties	47,000,000
Subtotal Special Fund	<u>\$ 73,392,139</u>

Total Increased Funding \$ 120,060,840

Total 2016-17 Proposed Homeless Budget \$ 138,177,189

Homeless Budget

In addition to the proposed Affordable Housing Linkage Fee (\$20 million) and the Sale of Surplus Properties (\$47,000,000), both of which will be deposited into the Affordable Housing Trust Fund and used to finance the development of accessible affordable and permanent supportive housing, items funded as part of the Homeless Budget are included within the budget for the Los Angeles Homeless Services Authority (LAHSA), City Departments, and the Unappropriated Balance:

Los Angeles Homeless Services Authority (LAHSA):	Adopted Budget 2015-16	Proposed Budget 2016-17
<ul style="list-style-type: none"> • LAHSA Administration and Operations - In addition to managing and administering the programs noted below, the proposed funding will support LAHSA's capacity to manage over \$23 million in Housing and Urban Development (HUD) McKinney-Vento program funding for the City's Continuum of Care. The 2016-17 amount includes the reappropriation of \$550,000 in unspent 2015-16 interim approved funds for Coordinated Entry System technology needs. 	\$ 1,756,712	\$ 4,640,536
<ul style="list-style-type: none"> • Downtown Drop-In Center/Transition to Downtown Sobering Center – The Downtown Drop-In Center currently functions as a day program for homeless individuals in Skid Row. It provides assessments, case management, and service linkages for homeless individuals and families and connections to crisis, interim, and long-term housing programs. The Downtown Drop-In Center is transitioning into a sobering center to better address its clients' substance abuse issues. 	450,000	450,000
<ul style="list-style-type: none"> • Homeless Management Information System (HMIS) Cash Match - To receive approximately \$110 million annually in McKinney-Vento Homeless Act funds through HUD, the City is required to implement and operate a Homeless Management Information System (HMIS) that tracks homeless population demographics, services, and outcomes for all homeless service providers in the Los Angeles Continuum of Care (CoC). 	131,158	131,158
<ul style="list-style-type: none"> • Continuum of Care (CoC) Planning Program Grant Match – To receive \$1,250,000 in HUD grant funds, the City and County must collectively make a match of at least 25 percent (\$312,500). The City portion is \$156,250. 	31,250	156,250
<ul style="list-style-type: none"> • CoC Coordinated Assessment Match – To receive \$2.6 million in HUD grant funds, the City must make a match of \$59,883. 	59,883	59,883
<ul style="list-style-type: none"> • Operation Healthy Streets (OHS) – Operation Healthy Streets (OHS) provides outreach services, such as restroom and bathing facilities, temporary storage, and mandatory 90-day storage for homeless individuals, to meet public health requirements for clean streets. The increase of \$134,330 above the 2015-16 Budget is to meet the City's increased minimum wage requirement. 	1,979,476	2,113,806
<ul style="list-style-type: none"> • Homeless Families Solutions System (HFSS) Rapid Re-Housing and Crisis Housing for Family System – HFSS funding leverages \$3.0 million of Community Development Block Grant (CDBG) and Emergency Solutions Grant (ESG) funds to support the implementation of a City and County program covering all eight Service Planning Areas (SPA). The implementation is focused on rapid and permanent housing solutions for homeless families in the City. During the initial year of the program, over 700 families were housed. 	556,625	556,625

Homeless Budget

LAHSA, continued:	Adopted Budget 2015-16	Proposed Budget 2016-17
<ul style="list-style-type: none"> • Coordinated Entry System (CES) Crisis and Bridge Housing for Singles and Youth System – This program funds basic emergency shelter and case management to offer a safe and secure shelter to men, women, and transition-age youth (18-24) who need shelter and access to showers and meals for a brief period (usually less than 30 days) before resolving the issues that created the homeless episode. CES identifies the most appropriate intervention and prescribes pathways to those interventions across all components of the homeless CoC. Over 1,000 beds in 15 City locations are expected to provide over 400,000 annual bed nights to homeless individuals. 	\$ 7,257,186	\$ 15,217,336
<ul style="list-style-type: none"> • CES Regional Coordination – The CES process streamlines access to the most appropriate housing intervention for those experiencing homelessness. CES lead providers oversee and coordinate the CES process through engagement, assessment, and interim support of the homeless individual. 	700,000	700,000
<ul style="list-style-type: none"> • Annual Homeless Count – HUD requires an annual census of persons experiencing homelessness during the last ten days of January for local jurisdictions to receive McKinney-Vento Homeless Assistance Grant funding. The census is a community-wide effort, funded with a split between the City and County, and made possible with the support of over 5,000 volunteers. The request adds \$200,000 to the base funding to maintain the count program annually. 	350,000	550,000
<ul style="list-style-type: none"> • Winter Shelter Program (WSP) – The WSP leverages \$297,349 in City General funds with \$1.7 million in HUD ESG dollars to increase emergency shelter bed capacity in the City by 882 additional emergency shelter beds from December 1 through March 15 of each year. The WSP is a safety net program that typically assists unsheltered homeless individuals during cold winter months. During a typical period of operation, an additional 80,262 emergency shelter bed nights are provided within the city limits of Los Angeles. The 2016-17 amount includes the reappropriation of \$99,683 in unspent 2015-16 interim approved funds for the WSP. 	297,349	397,032
<ul style="list-style-type: none"> • CES Rapid Re-Housing (RRH) for Singles and Youth System – This program funds rental subsidy payments that taper off over time as the homeless individual becomes more able to take over his or her rental payments. Also, RRH pays for a variety of supportive services that help improve housing retention. The 2016-17 amount includes the reappropriation of \$5,032,290 in unspent 2015-16 interim approved funds for RRH. 	--	13,250,027
<ul style="list-style-type: none"> • Rapid Re-Housing Vouchers – Funding is provided for additional housing vouchers contingent upon receipt of funds from an agreement with short-term rental providers. 	--	5,000,000
<ul style="list-style-type: none"> • Data-Driven Challenge – This funding will be used to establish a public challenge to generate data and evidence-based strategies for providing homeless services. 	--	500,000
<ul style="list-style-type: none"> • Safe Parking and Mobile Showers – These services were identified as a top priority of the Mayor and Council during the adoption of the Comprehensive Homeless Strategy (C.F. 15-1138-S1). 	--	770,198

Homeless Budget

LAHSA, continued:	Adopted Budget 2015-16	Proposed Budget 2016-17
<ul style="list-style-type: none"> • Domestic Violence (DV) Program for Singles and Families – Funding in the amount of \$613,200 is required to prevent the loss of domestic violence programs, for which funding was reallocated in the 2016-17 CoC Program Notice of Funding Availability (NOFA) submission for the Los Angeles CoC. This funding fulfills the requirement of C.F. 15-1357 relative to DV Shelters funding. Resources for this purpose are also provided in the Housing and Community Investment Department budget. 	\$ --	\$ 613,200
<ul style="list-style-type: none"> • Access Centers – HUD instructed CoCs to re-allocate funds to expand transitional housing programs to include supportive services such as showers, laundry, bathrooms, potential storage options, and optional safe parking. Supportive services programs were reallocated to protect \$13 million at risk to the Los Angeles CoC. 	--	898,212
<ul style="list-style-type: none"> • Navigation/Open Door Centers – These centers will provide a safe location where individuals experiencing homelessness can use sanitation facilities, toilets, and showers and access other vital services. This request includes administration of the CES Assessment, short-term storage of personal belongings, and, in some cases, safe parking for those living in cars. The program focuses on single adults living on the streets, in cars, or other places not meant for habitation. 	--	2,100,000
<ul style="list-style-type: none"> • Emergency Response Teams (ERTs) – LAHSA ERTs conduct direct outreach to homeless individuals who typically do not seek shelter or service programs of their own initiative. This outreach facilitates better access to City and County homeless resources, including the CES. 	1,379,435	1,639,435
<ul style="list-style-type: none"> • HFSS Crisis Housing for Families – To prevent the loss of homeless bed capacity within the City, funding is provided to convert existing transitional housing beds to 24-hour crisis housing. 	--	1,095,000
LAHSA Subtotal	<u>\$ 14,949,074</u>	<u>\$ 50,838,698</u>

City Departments:

Aging

- **Expand the Senior Community Service Employment Program (SCSEP)** – Provides part-time, work-based training opportunities at local community service agencies for older unemployed Californians who have poor employment prospects. SCSEP providers also educate employers about the benefits of hiring older workers and will focus their efforts on homeless individuals where possible.

Animal Services

- **Homeless Services Support** – One Animal Control Officer I position will provide departmental liaison services to the homeless community.
- **Expansion of Free Spay/Neuter Certificate Program** – Funding in the amount of \$500,000 will be provided off-budget by the Animal Sterilization Trust Fund for an additional 4,000 spay/neuter surgeries for pets of homeless and low-income individuals. The Department is working with the City Attorney's Office to change the low-income verification procedure to determine eligibility for the Free Spay/Neuter Certificate Program to be more inclusive of homeless and undocumented pet owners.

Homeless Budget

Animal Services, continued:	Adopted Budget 2015-16	Proposed Budget 2016-17
<ul style="list-style-type: none"> Emergency Housing for Homeless Community Pets – Covers the purchase of three large commercial tents (\$45,000) and portable kennels (\$10,000) to provide temporary housing for companion animals of the homeless community during the event of an emergency. This would prevent homeless individuals from having to relinquish or abandon their pets during emergencies. Funding is provided by the Animal Welfare Trust Fund 	\$ --	\$ 55,000
City Administrative Officer		
<ul style="list-style-type: none"> Homeless Initiative Coordinator – One Senior Administrative Analyst II position and one Administrative Analyst II position will support and expedite efforts to implement and monitor the Comprehensive Strategic Plan to address and manage homelessness issues, as directed in the Council-adopted Comprehensive Homeless Strategy (C.F. 15-1138-S1). 	--	122,741
City Planning		
<ul style="list-style-type: none"> Housing Unit – Provide case management services for entitlement cases with housing development activities. Positions will provide expertise in housing development and coordinate with other City agencies to help resolve issues related to affordable housing/permanent supportive housing development throughout the project entitlement and permitting process. The total amount is comprised of General (\$192,302) and special (\$207,699) funds. 	--	400,001
Economic and Workforce Development Department		
<ul style="list-style-type: none"> Expand LA Rise – Expand the Los Angeles Regional Initiative for Social Enterprise (LA RISE) to include job development activities for homeless individuals. Services include subsidized employment for over 200 individuals with a history of homelessness, supportive case management designed to help prepare participants for continued employment, and training in both hard and soft skills. The program services are implemented through EWDD's existing network of 17 WorkSource Centers throughout the City. Funding of \$4.5 million is comprised of a \$2 million General Fund commitment and \$2.5 million from a Workforce Innovation Fund grant from the United States Department of Labor Employment and Training Administration for LA RISE (C.F. 14-1639). 	--	4,500,000
Housing and Community Investment		
<ul style="list-style-type: none"> Domestic Violence Shelter Program – Continue funding in the amount of \$1.1 million and add funding in the amount of \$122,000 for the Domestic Violence Shelter Program to maintain the current level of services. 	1,100,000	1,222,000
Library Department		
<ul style="list-style-type: none"> Homelessness Engagement Enhancement – Purchase, supply, and service one Tech-Mobile and two Bookmobiles to serve homeless shelters, encampments, and low-income housing areas; computers for use by social work staff and non-profits who engage homeless patrons in the libraries and to provide outreach materials to inform homeless patrons of available library services; and, provide contract security guards at libraries in communities with higher concentrations of homeless individuals to provide a safer environment for patrons and staff. 	--	1,500,000

Homeless Budget

	Adopted Budget 2015-16	Proposed Budget 2016-17
Mayor		
<ul style="list-style-type: none"> • Homelessness Policy and Implementation Support – This item is funded in the General City Purposes budget. 	\$ --	\$ 300,000
Police Department		
<ul style="list-style-type: none"> • Support for Public Right-of-Way Clean Up – Redeploy resources to support the implementation of expanded public right-of-way clean up and related outreach services by LAHSA and the Bureau of Sanitation. 		4,585,876
Public Works, Bureau of Sanitation		
<ul style="list-style-type: none"> • Operation Healthy Streets (OHS) – As part of the Operation Healthy Streets program Bureau of Sanitation workers provide comprehensive cleanups and hazardous waste removal from the downtown Skid Row and Venice areas. In 2015-16, funding was provided as a General City Purposes appropriation which included reimbursement for related costs. 2016-17 funding is provided within the Bureau of Sanitation's operating budget and excludes related costs. 	2,067,275	1,380,886
Recreation and Parks Department		
<ul style="list-style-type: none"> • Gladys Park Maintenance – Provide ground maintenance and security services at Gladys Park located in Skid Row. 	--	158,000
<ul style="list-style-type: none"> • Park Restroom Enhancement Program – Increase the frequency of restroom cleaning by one additional time per day at 15 heavily-used park locations. The Department will also expand bathroom operating hours at various park locations to meet the needs of park patrons. This is in addition to the \$1.04 million in funding provided in 2015-16 to increase the restroom cleaning at 35 heavily-used park locations. 	--	1,131,440
<ul style="list-style-type: none"> • Park Restroom Infrastructure Improvements – Funding is provided by the Park and Recreational Sites and Facilities Fund for park restroom capital improvements. 	--	340,000
City Departments Subtotal	\$ 3,167,275	\$ 16,678,491
Non-Departmental Appropriations:		
Unappropriated Balance		
<ul style="list-style-type: none"> • Implementation of Public Right-of-Way Clean-Up – Funding is set aside to pay salaries and expenses related to the implementation of the Citywide Public Right-of-Way Clean-up program. 	--	3,660,000
Non-Departmental Appropriations Subtotal	\$ --	\$ 3,660,000
Total LAHSA, City Departments, and Unappropriated Balance	\$ 18,116,349	\$ 71,177,189

Homeless Services and Housing Program

Estimated 2015-16		Budget 2016-17
\$ --	SOURCE OF FUNDS	
\$ --	Cash Balance, July 1.....	\$ 7,781,973
--	Less:	
--	Prior Year's Unexpended Appropriations.....	--
--	Balance Available, July 1.....	7,781,973
33,966,349	¹ General Fund.....	57,003,077
--	² Departmental Special Funds.....	26,392,139
--	Sale of Surplus City Properties.....	47,000,000
\$ 33,966,349	Total Revenue.....	\$ 138,177,189
	APPROPRIATIONS	
	General Fund:	
--	Aging.....	450,000
--	Animal Services.....	32,547
--	City Administrative Officer.....	122,741
--	City Planning.....	192,302
--	Economic and Workforce Development.....	2,000,000
1,100,000	Housing and Community Investment.....	1,222,000
23,017,101	Los Angeles Homeless Services Authority.....	50,838,698
--	Mayor.....	300,000
--	Police.....	4,585,876
2,067,275	Bureau of Sanitation.....	1,380,886
--	Unappropriated Balance.....	3,660,000
26,184,376	General Fund Subtotal.....	64,785,050
	Special Funds:	
--	Animal Services.....	555,000
--	City Planning.....	207,699
--	Economic and Workforce Development.....	2,500,000
--	³ Housing and Community Investment.....	20,000,000
--	Library.....	1,500,000
--	Recreation and Parks.....	1,629,440
--	Special Funds Subtotal.....	26,392,139
	Sale of Surplus City Properties:	
--	⁴ Construction of Permanent Supportive Housing.....	47,000,000
\$ 26,184,376	Total Appropriations.....	\$ 138,177,189
\$ 7,781,973	Ending Balance, June 30.....	\$ --

¹General Fund receipts include \$5 million in Transient Occupancy Tax revenues. Upon receipt of funds from an agreement with short-term rental websites this amount will be transferred to the Los Angeles Homeless Services Authority to finance rental voucher programs for the homeless.

² Special Funds include Affordable Housing Linkage Fee receipts deposited to the Affordable Housing Trust Fund, LA Regional Initiative for Social Enterprise Program Fund, Animal Welfare Trust Fund, Animal Sterilization Trust Fund, Planning Case Processing Fund, Library Revenue Fund, and the Recreation and Parks Revenue Fund.

³Upon approval of the proposed Affordable Housing Linkage Fee by the Mayor and Council, fee revenues will be deposited in the Affordable Housing Trust Fund to finance the development of accessible affordable and permanent supportive housing.

⁴Upon the sale of surplus properties for this purpose, sales receipts will be deposited to the Affordable Housing Trust Fund to be used for the development of accessible affordable and permanent supportive housing.