DEVELOPING A COVID-19 RECOVERY PLAN RELATED TO PEOPLE EXPERIENCING HOMELESSNESS (ITEM NO. 4, AGENDA OF MAY 12, 2020)

On May 12, 2020, the Board of Supervisors (Board) directed the Los Angeles Homeless Services Authority (LAHSA), in collaboration with the Chief Executive Office (CEO), the Department of Health Services, Housing for Health Division and Office of Diversion and Re-entry, and the Departments of Public Health and Mental Health, in coordination with the City of Los Angeles, philanthropy, and other key partners, to develop a Homelessness COVID-19 Recovery Plan. The Board further directed the CEO to identify existing resources, including the CARES Act (H.R. 748) Coronavirus Relief Fund, to support the plan and to report back with a funding plan in 45 days.

COVID-19 RECOVERY PLAN

On June 23, 2020, LAHSA submitted the COVID-19 Recovery Plan based on the framework submitted to the Board by LAHSA on May 27, 2020. The framework focused on five key goals for the recovery plan, as follows:

1) No returns from COVID-19 response to the street;
2) Rapidly house 15,000 of the most vulnerable people;
3) Reduce inflow into homelessness;
4) Prepare systems for future crises; and
5) Ensure racial equity throughout.

A key component of the Recovery Plan is the re-housing recovery strategy, which proposes to utilize an infusion of one-time resources to launch an initial lease-up period to quickly house the target population. Other components of the Recovery Plan include: 1) a three-year period to facilitate successful exits or transfers to more appropriate programs; and 2) a significant
Each Supervisor  
July 2, 2020  
Page 2

increase of homelessness prevention efforts, including advocacy to strengthen tenant protections to keep people in their homes.

PROJECTED FUNDING NEEDED

LAHSA has projected that the entirety of the COVID-19 Recovery Plan is expected to cost $806,595,604 over the next three fiscal years; however, this includes some costs that are already funded through the existing homeless services system. LAHSA calculates that, of the total cost, $609,178,112 represents new costs over the next three years.

FUNDING PLAN TO SUPPORT LAHSA’S COVID-19 RECOVERY PLAN

The attached report highlights the potential County-administered funding resources to support implementation of the Recovery Plan. The plan also includes the three-year cost breakdown for each of the priority sub-populations that comprise the 15,000 people experiencing homelessness identified by LAHSA in the re-housing goal. Funding streams considered include the Emergency Solutions Grant (Federal CARES Act), Coronavirus Relief Funds (Federal CARES Act), Measure H, and Medicaid (Federal Reimbursement).

The CEO will collaborate with LAHSA and the City of Los Angeles to:

• Determine the funding administered by LAHSA and the City of Los Angeles which will be available to support implementation of the Recovery Plan, in conjunction with funding from the County, for all five sub-populations;
• Identify the most appropriate and strategic ways to deploy the various available funding streams, including specific services by population, timeline, and geography; and
• Develop and implement State and federal advocacy strategies to secure: (1) the Medicaid funding identified in the attached funding plan; and (2) additional state and federal funding to fill whatever gaps in funding exist once all locally-available funding for the plan has been identified.

The CEO will submit a status report to the Board by July 31, 2020. If you have any questions, please contact Phil Ansell, Homeless Initiative Director, at (213) 974-1752 or by email at pansell@ceo.lacounty.gov.

SAH:FAD:TJM  
PA:JR:LC:tv

Attachment

c: Executive Office, Board of Supervisors  
County Counsel  
Health Services  
Mental Health  
Public Health  
Los Angeles Homeless Services Authority
Report to the Los Angeles County Board of Supervisors

Funding Plan to Support LAHSA’s COVID-19 Recovery Plan Related to People Experiencing Homelessness

Chief Executive Office

July 2, 2020
Development of a COVID-19 Recovery Plan Related to People Experiencing Homelessness

On May 12, 2020, the Board approved a motion (Item #4, May 12, 2020 Agenda) authored by Supervisors Kuehl and Ridley-Thomas directing LAHSA to develop a COVID-19 Recovery Plan for homelessness in collaboration with key stakeholders and partner agencies.

On May 27, 2020, LAHSA submitted a framework to the Board that described the goals and objectives the Recovery Plan would be designed to achieve.

On June 23, 2020, LAHSA submitted a detailed COVID-19 Recovery Plan Related to People Experiencing Homelessness (PEH), proposing a re-housing strategy that would utilize an infusion of one-time funding to launch an aggressive one-year initial lease-up period to quickly house 15,000 COVID-vulnerable and high-acuity PEH. The Recovery Plan also includes housing interventions over a full three-year period (through Fiscal Year 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.

Proposed Recovery Plan Housing Pathways

On page 9 of the COVID-19 PEH Recovery Plan, LAHSA proposes two overarching service pathways to permanent housing for the 15,000 individuals in the target population:

- **Recovery Bridge Subsidy**: This pathway would assist an estimated 47% (7,050) of the target population (those with acuity scores of 12 and above), through a full rental subsidy and case management support that would serve as a bridge to longer-term assistance through a shallow subsidy or Permanent Supportive Housing (PSH). A portion of these participants may be placed directly into PSH when available, rather than being first housed through the bridge subsidy.

- **COVID Re-Housing**: This pathway would provide one-time or time-limited rental assistance and case management support to an estimated 53% (7,950) of the target population (those with scores below 12), 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 figure at the top of the next page is excerpted from LAHSA’s Recovery Plan (page 10) and illustrates the flow of 15,000 PEH through various housing pathways based on their COVID-vulnerability and level of acuity.
Re-Housing Recovery Strategy: Service Pathways

Proposed LAHSA Recovery Plan Costs

In LAHSA’s June 23, 2020 Recovery Plan, Table 5 (page 21) identifies the total cost of the Recovery Plan as $806,595,605, which includes both existing system resources and net new costs identified by LAHSA.

Table 4 (page 21) in the Recovery Plan provides a high-level breakdown of the net new costs of $609,178,112 identified by LAHSA, across the following categories:

- **Project Roomkey (PRK) Ramp-Down Costs**— includes the costs of maintaining PRK residents in hotel/motels through November 2020 while the PRK population gradually transitions to appropriate bridge or permanent housing and services between July and November 2020.

- **Recovery Bridge and Re-housing Costs**— includes the costs of full rental assistance, case management, and continuous assessment to determine the most appropriate long-term intervention to ensure housing stability.

- **Long Term Shallow Subsidy and PSH Costs** — includes both the costs of sustaining housing for those PEH initially housed with a bridge subsidy, as well as those PEH transitioning to PSH with more intensive case management.

- **Prevention Scale Up Costs** — includes the costs of providing problem-solving flexible financial assistance funds, which can be deployed across a range of uses, including but not limited to short-term rental assistance, rental or utility arrears, or car repair.
These total net new costs identified by LAHSA do not include $197,417,492 in existing system resources estimated in LAHSA’s Recovery Plan to consist of:

- PSH Costs of $176,259,775 (funded through PSH turnover slots and new PSH currently in the pipeline which already has committed funding); and
- Prevention Costs of $21,157,717.

The following table is a condensed version of Table 4 (page 21) in LAHSA’s Recovery Plan, which displays only the net new costs identified by LAHSA. (The only difference between the below table and Table 4 in LAHSA’s Recovery Plan is that the FY 2020-21 four-quarter breakdown in LAHSA’s Table 4 is instead displayed below as two six-month time periods.)

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<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Project Roomkey Ramp-Down Costs</td>
<td>$44,835,000</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$44,835,000</td>
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<tr>
<td>Recovery Bridge and Re-Housing Costs</td>
<td>$118,167,188</td>
<td>$165,767,233</td>
<td>$134,560,310</td>
<td>$7,697,985</td>
<td>$426,192,717</td>
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<tr>
<td>Long Term Shallow Subsidy and PSH Costs</td>
<td>$0</td>
<td>$5,071,175</td>
<td>$48,801,615</td>
<td>$69,017,983</td>
<td>$122,890,772</td>
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<tr>
<td>Prevention Scale Up</td>
<td>7,629,812</td>
<td>7,629,812</td>
<td>$0</td>
<td>$0</td>
<td>$15,259,623</td>
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<tr>
<td><strong>Total Costs</strong></td>
<td><strong>$170,632,000</strong></td>
<td><strong>$178,468,220</strong></td>
<td><strong>$183,361,925</strong></td>
<td><strong>$76,715,968</strong></td>
<td><strong>$609,178,112</strong></td>
</tr>
</tbody>
</table>

**Proposed Funding Plan to Support the LAHSA Recovery Plan**

**Total Funding Needed**

Table A, above, summarizes the net new funding needed (as identified by LAHSA) to implement the three-year Recovery Plan to house or rehouse 15,000 COVID-vulnerable and/or high-acuity PEH. This section breaks down the net new costs identified by LAHSA across five unduplicated PEH priority sub-populations.

The following is a brief description of each of the five PEH priority sub-populations that comprise LAHSA’s 15,000 Recovery Plan goal:

**Priority Populations 1a and 1b**: includes current PRK residents, age 65+ (1a) and under age 65 (1b). Costs reflect the PRK costs of gradually transitioning all PRK residents to appropriate bridge or permanent housing and services, as well as the costs of sustaining a decreasing number of PRK residents in hotels/motels through November 2020.

**Priority Population 2**: includes all remaining residents living in LA City’s Recreation and Park congregate shelter sites or non-congregate travel trailers. There are no PEH age 65+ remaining in this population.
Priority Population 3: includes the remaining PEH age 65+ not in PRK, per the June 23, 2020 CEO report, *What It Will Cost to Ensure Housing for Vulnerable Older Adults: Year One Estimates for Los Angeles County’s Older Adult Housing Pilot*, submitted in response to the Board’s April 14, 2020 Comprehensive Crisis Response motion (item #8).

Priority Population 4: includes non-PRK PEH under age 65 who are COVID-19 vulnerable based on their underlying health condition; including, but not limited to individuals in the PRK queue.

Priority Population 5: includes other high-acuity PEH under age 65.

The following table displays the three-year breakdown of LAHSA’s estimated net new costs to house each of the above five PEH priority sub-populations:

<table>
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<tbody>
<tr>
<td>Project Roomkey</td>
<td></td>
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<td></td>
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<tr>
<td>1a. age 65+</td>
<td>730</td>
<td>$22,924,231</td>
<td>$8,174,576</td>
<td>$3,316,408</td>
<td>$34,415,215</td>
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<tr>
<td>1b. &lt; age 65</td>
<td>3,270</td>
<td>$103,850,687</td>
<td>$37,988,035</td>
<td>$16,068,594</td>
<td>$157,907,316</td>
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<tr>
<td>2. RAP/Trailers</td>
<td>313</td>
<td>$6,043,850</td>
<td>$3,743,339</td>
<td>$616,853</td>
<td>$10,404,042</td>
</tr>
<tr>
<td>(all &lt; age 65)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4,070</td>
<td>$76,864,712</td>
<td>$50,898,516</td>
<td>$20,719,053</td>
<td>$148,482,281</td>
</tr>
<tr>
<td>3. Remaining age 65+</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(not in 1a above)</td>
<td>4,070</td>
<td>$76,864,712</td>
<td>$50,898,516</td>
<td>$20,719,053</td>
<td>$148,482,281</td>
</tr>
<tr>
<td>4. &lt; age 65</td>
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<tr>
<td>(Non-PRK, but PRK-eligible; includes PRK queue)</td>
<td>5,817</td>
<td>$109,544,423</td>
<td>$72,097,511</td>
<td>$28,791,452</td>
<td>$210,433,386</td>
</tr>
<tr>
<td>5. Other &lt; age 65</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(High-Acuity)</td>
<td>800</td>
<td>$14,613,047</td>
<td>$10,459,594</td>
<td>$7,203,607</td>
<td>$32,276,248</td>
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<tr>
<td>Total</td>
<td>15,000</td>
<td>$319,227,903</td>
<td>$183,361,571</td>
<td>$76,715,967</td>
<td>$593,918,488</td>
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</table>

Proposed County- Administered Funding to Support the Recovery Plan

The following is a brief description of each of four sources of County-administered funding that could be allocated to pay for a portion of the net new costs identified by LAHSA:

Emergency Solutions Grant (ESG) CARES Act (ESG-CV) Funding: The County’s ESG-CV allocation is an estimated $106.59 million and is intended to be used in the unincorporated areas and the 82 cities which do not receive their own ESG allocations. The total ESG-CV allocation to all seven jurisdictions in LA County (the County + six cities) is $325.64 million. CARES Act ESG funding must be expended by mid-2022.
**Coronavirus Relief Funding (CRF):** Los Angeles County’s allocation from the federal government is $1.057 billion and Los Angeles City’s allocation is $694.4 million. CRF funding must be expended by December 31, 2020.

**Measure H:** A modest portion of the Measure H Rapid Re-Housing allocation (Strategy B3) for each of the next three fiscal years could be used for the Recovery Plan target population.

**Medicaid:** Federal Medicaid reimbursement is proposed primarily for Intensive Case Management Services (ICMS), as part of a Demonstration Pilot described in the June 23, 2020 CEO report, *What It Will Cost to Ensure Housing for Vulnerable Older Adults: Year One Estimates for Los Angeles County’s Older Adult Housing Pilot*, submitted in response to the Board’s April 14, 2020 Comprehensive Crisis Response motion (item #8).

Table C, below, includes the proposed allocation from each of the four County-administered funding sources that could be used for the Recovery Plan.

<table>
<thead>
<tr>
<th>Funding Administered by Los Angeles County</th>
<th>Geographic Areas to Be Served</th>
<th>Expenditure Deadlines</th>
<th>Total Proposed Allocation for Recovery Plan</th>
</tr>
</thead>
</table>
| Emergency Solutions Grant (Federal CARES Act) | Unincorporated Areas and 82 Cities  
(Excludes the following six cities, which directly receive ESG allocations: Los Angeles, Long Beach, Pomona, Pasadena, Glendale, El Monte) | Mid-2022 | $80.0 million |
| Coronavirus Relief Funds (Federal CARES Act) | Countywide | December 2020 | $111.0 million |
| Measure H—Rapid Rehousing (Strategy B3)² | Countywide | Allocations are fiscal year specific | $65.0 million comprised of the following:  
• $15.0 M in FY 2020-21  
• $25.0 M in FY 2021-22  
• $25.0 M in FY 2022-23 |
| Medicaid³ (Federal Reimbursement) | Countywide | January-December 2021  
(Additional years are to be determined) | $52.6 million (estimated and dependent on State/federal approval) |
| **Total** | | | **$308.6 million** |
Next Steps

Among the priority populations identified by LAHSA and set forth in Table B, the County's top priorities are:

- Residents in County-contracted Project Roomkey sites (Population 1)
- Individuals age 65+ who are not in Project Roomkey sites (Population 3)

Within the context of these priorities, the CEO will collaborate with LAHSA and the City of Los Angeles to:

- Determine the funding administered by LAHSA and the City of Los Angeles which will be available, in conjunction with funding from the County, to support implementation of the Recovery Plan for all five sub-populations;
- Identify the most appropriate and strategic ways to deploy the various available funding streams, including specific services by population, timeline, and geography; and
- Develop and implement state and federal advocacy strategies to secure: (1) the Medicaid funding identified in this plan; and (2) additional state and federal funding to fill any gaps in funding that may exist once all locally-available funding for the plan has been identified.

The CEO will submit a status report to the Board by July 31, 2020.

1 This total is not the same as the total in Table A because it does not include the $15,259,623 in net new Prevention Scale Up costs identified by LAHSA in Table A. These Prevention Scale Up costs are not reflected here because they would fund services targeted to people not included in the 15,000 PEH Recovery Plan target population.

2 LAHSA believes that no Measure H funding currently allocated for Rapid Rehousing should count as funding for the Recovery Plan; however, the CEO believes that a modest portion of this funding can be considered as a funding source for the Recovery Plan, given the overlap between the Recovery Plan priority populations and the populations that would otherwise be served through Measure H-funded Rapid Rehousing (Strategy B3). For FY 2020-21, the draft Measure H funding recommendation for Strategy B3 is $81.15 million; the $15.0 million identified for the Recovery Plan in FY 20-21 represents 18.5% of this amount.

3 Federal Medicaid reimbursement is proposed as part of a Demonstration Pilot described in the June 23, 2020 CEO report, *What It Will Cost to Ensure Housing for Vulnerable Older Adults: Year One Estimates for Los Angeles County’s Older Adult Housing Pilot*, submitted in response to the Board’s April 14, 2020 Comprehensive Crisis Response motion (item #8). The proposed one-year $100.5 million demonstration pilot would house 4,800 PEH age 65+; $52.6 million (52.3%) of that total is estimated to be eligible for federal Medicaid reimbursement. This federally-reimbursable portion of the total estimated pilot cost would cover the costs of Intensive Case Management Services, as well as some of the PSH, voucher, and shallow subsidy costs built into the pilot.