

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES – GENERAL

Case No: LA CV 20-02291-DOC-(KESx)

Date: March 7, 2024

Title: LA ALLIANCE FOR HUMAN RIGHTS, et al. v. CITY OF LOS ANGELES, et al.

PRESENT: THE HONORABLE DAVID O. CARTER, UNITED STATES DISTRICT JUDGE

Karlen Dubon
Courtroom Clerk

Court Smart & Suzanne McKennon
Court Reporter

**ATTORNEYS PRESENT FOR
PLAINTIFF:**

Elizabeth Mitchell
Matthew Umhofer
Proposed Intervenor: Stephen Yagman

**ATTORNEYS PRESENT FOR
DEFENDANT:**

Jennifer Mira Hashmall
Scott Marcus
Shayla Myers, Intervenor
Carol Sobel, Intervenor

**PROCEEDINGS: MOTION TO ENFORCE THE SETTLEMENT
AGREEMENT AND FOR SANCTIONS [668]
(Evidentiary): Held at Los Angeles First Street**

The case is called. The Court and counsel confer.

The Court receives exhibits (attached herein) and hears testimony from witness.

The motion is continued to March 8, 2024 at 9:00 AM.

The Controller is requested to appear and present his view regarding whether the Controller's Office can audit programs conducted by the Mayor's Office.

The Court orders the transcript of the hearing held March 7, 2024, be immediately produced at the government's expense and billed at the daily rate.

The transcript shall be prepared forthwith and filed on the docket with immediate release to the public.

The transcript will also be available to download on the Court's Cases of Interest webpage, located here: <http://www.cacd.uscourts.gov/newsworthy/cases-of-interest>

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Initials of Deputy Clerk: kdu

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA - WESTERN DIVISION
HONORABLE DAVID O. CARTER, U.S. DISTRICT JUDGE

L.A. ALLIANCE FOR HUMAN)	
RIGHTS, et al.,)	
)	
PLAINTIFFS,)	Case No.
)	
vs.)	CV 20-02291-DOC
)	
CITY OF LOS ANGELES,)	
et al.,)	
)	PAGES 1 TO 61
DEFENDANTS.)	
)	

REPORTER'S TRANSCRIPT OF
STATUS CONFERENCE
WEDNESDAY, MAY 26, 2021
10:01 A.M.
LOS ANGELES, CALIFORNIA

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APPEARANCES OF COUNSEL CONTINUED:

FOR THE INTERVENOR LOS ANGELES CATHOLIC WORKER:

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BY: SHAYLA RENEE MYERS
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Also Present:

Honorable Andre Birotte
Special Master Michele Martinez

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LOS ANGELES, CALIFORNIA; WEDNESDAY, MAY 26, 2021

10:01 A.M.

THE COURT: First, good morning. Let's get started. Judge Birotte is going to join us in a few moments. He's in his chambers at the present time.

We will call the court to order in First Alliance -- or L.A. Alliance for Human Rights versus City of Los Angeles and the County of Los Angeles, 20-2291. Then, counsel, sometimes I will refer to you by your first name. No disrespect is intended, but I know you so well that I am in a habit of doing that. Let's begin with the City and appearance by the City, please.

MR. MARCUS: Good morning, Your Honor.

Scott Marcus on behalf of the City of Los Angeles.

THE COURT: All right. And on behalf of the County?

MR. MILLER: Good morning, Your Honor.

Skip Miller and my partner Mira Hashmall on behalf of the County.

THE COURT: Thank you. And on behalf of the intervenors?

MS. MYERS: Good morning, Your Honor.

1 Shayla Myers on behalf of Los Angeles Catholic
2 Worker and L.A. Community Action Network.

3 MS. SOBEL: Good morning, Your Honor.

4 Carol Sobel on behalf of the Orange County
5 Catholic Worker, the Los Angeles County Catholic Worker, and --

6 THE COURT: Just remain seated. Have a seat.
7 Pull the microphone closer. Please don't stand. It's not
8 necessary.

9 MS. SOBEL: Carol Sobel on behalf of the
10 Orange County Catholic Worker, the Los Angeles County Catholic
11 Worker.

12 THE COURT: And on behalf of the plaintiffs?

13 MS. MITCHELL: Good morning, Your Honor.

14 Elizabeth Mitchell on behalf of plaintiffs along
15 with Matthew Umhofer.

16 THE COURT: I want to take a few moments and
17 retrace by using the projection, the beginning of this
18 opportunity for all of us with the May 22nd, 2020, preliminary
19 injunction, which is docket 123 for your records. And if you
20 would be so kind to project that document up and then turn to
21 page 11, please.

22 Under the provisions of the preliminary
23 injunction, the Court had stated an order that individuals
24 experiencing homelessness encamped within 500 feet of an
25 overpass, underpass, or ramp must be offered housing as

1 described below and subsequently and humanely relocated at
2 least 500 feet away from such areas by no later than
3 September 1st, 2020, which was footnote 6.

4 As a part of this humane relocation effort and to
5 promote the underlying public health and safety goals, the City
6 of Los Angeles and the County of Los Angeles must provide
7 shelter or alternative housing options such as government
8 encampments following the existing Veterans Affairs model, safe
9 parking sites, or hotel and motel rooms contracted following
10 the Project Roomkey model to individuals experiencing
11 homelessness.

12 In addition to the foregoing examples, the Court
13 is open to receiving any suggestions from the parties for
14 reasonable alternative housing options.

15 Footnote 6, to remind all of the parties, because
16 many of you literally are not reading the Court's orders
17 apparently, stated that the requirements of 500 feet is taken
18 from the City of Los Angeles Department of City Planning which
19 reports that, quote, "Air pollution studies indicate a strong
20 link between chronic exposure to vehicle exhaust and
21 particulate matter from roads and freeways and elevated risk of
22 adverse health impacts. Areas located within 500 feet of a
23 freeway are known to experience the greatest concentration of
24 fine and ultrafine particulate matter, PM, and a pollutant
25 implicated in asthma and other health conditions," end of

1 quote, the City of Los Angeles Department of City Planning
2 Freeway Adjacent Advisory Notice Zoning Information, file
3 No. 2427@1, 2018.

4 Then the Court set out a series of criteria.
5 Now, you have to remember, in those days my law clerks and I
6 were working trying to set out what we thought were a series of
7 humane criteria. And I had been told repeatedly, starting
8 clear back with the matters three years before, that the life
9 of a homeless person was decreased an average of 23 years.
10 Sometimes that information varied coming from Ms. Sobel at the
11 time and Ms. Weitzman at the time to 20 years to 25 years, but
12 that was a rough estimate. And although it supposedly caught
13 many of you by surprise, the Court disagrees with that.

14 I had indicated on the record, if you look back
15 in March and April, that, if you brought a matter to the
16 federal court stating that there was a decrease significantly
17 in life expectancy, how could you expect a federal court not to
18 act? Number two, the City, nor County, never provided permits.
19 So I will say to each of you as counsel, show me the permit or
20 give the Court the permit that states that it is safe for
21 people to live under or adjacent to a freeway against your own
22 ordinances, and the Court would be happy to consider that, and
23 we can bring all sorts of things to bear in terms of housing
24 under freeways. I have never seen that.

25 So now I am respectfully asking you are you

1 willing to bring such a permit to me, Mr. Marcus? Is the City
2 willing to bring the Court a permit to allow people to inhabit
3 underneath the freeway system? And remember, I grew up in
4 Oakland with the 880 Freeway collapse that killed hundreds of
5 people. So please tell me that the City is prepared to bring
6 the Court a permit. You can remain seated. And that just
7 requires a yes or no.

8 MR. MARCUS: Your Honor, I can't answer that
9 "yes" or "no." I apologize.

10 THE COURT: Why?

11 MR. MARCUS: Well, a few things, Your Honor.
12 First of all, as I believe the City has indicated in prior
13 pleadings to this Court, the 500-foot requirement is not a
14 prohibition against occupancy. It requires additional
15 maintenance to be done, additional types of filters to
16 be installed.

17 THE COURT: Well, let's assume that can be
18 accomplished because you're accomplishing that on 16th and
19 Maple because I have driven by it. Are you saying that it is
20 acceptable to the City that people live underneath freeways?

21 MR. MARCUS: No, Your Honor. No.

22 THE COURT: Are you acceptable -- are you stating
23 to the Court that it is acceptable that they live on
24 overpasses?

25 MR. MARCUS: No.

1 THE COURT: Is it acceptable that they live on
2 underpasses?

3 MR. MARCUS: No.

4 THE COURT: Then with the decrease of 23 years on
5 the average, why would the Court condone this?

6 MR. MARCUS: Your Honor, the City isn't condoning
7 this either. The City --

8 THE COURT: No. Just a moment. Yes, you are.
9 Why would the Court condone it? In other words, if you bring
10 me statistics or the intervenors bring me statistics about
11 decreased life expectancy -- and, by the way, the third leading
12 cause of death versus heart attack. Second is overdose of
13 narcotics or use and consumption of alcoholism. The third
14 leading cause of death is getting hit by a car. The Court
15 can't control narcotics, and I can't control heart attacks.
16 Now, concerning the third leading cause of death, why would the
17 Court condone this?

18 MR. MARCUS: Your Honor, I want to make a
19 distinction between living under a freeway, under an overpass,
20 on top of an overpass versus living near a freeway because I
21 think that is an important distinction.

22 THE COURT: How about your access and egress?
23 Let's include those also because your homeless are encamped
24 along those as well.

25 MR. MARCUS: Yes. I understand that and the City

1 agrees with that, Your Honor.

2 Again, the requirement, the state law allows for
3 residences within 20 feet of a freeway. That is the state law.
4 I'm not aware of a city ordinance that requires anything
5 different. So state law allows living quarters within 20 feet
6 of a freeway. That's state law.

7 THE COURT: Look at footnote 6 on page 11,
8 please. And put that up for -- Alexa, would you put that up?
9 You can step over to the screen and read your own ordinance if
10 you would like to.

11 MR. MARCUS: As I indicated, Your Honor, the
12 500-foot restriction that I believe is from Building and Safety
13 requires additional things to be put into that residence to
14 prevent against this particular matter. It doesn't prevent the
15 building of residences within 500 feet.

16 THE COURT: We understand that.

17 MR. MARCUS: It allows the residences to be built
18 within 500 feet with additional requirements. State law
19 prohibits living within 20 feet. That is my understanding.

20 THE COURT: All right. The first thing that I
21 required in this initial injunction was that all shelters and
22 alternate housing options must be configured with adequate
23 physical space to allow the sheltered individuals to maintain
24 the minimum recommended social distance of six feet to mitigate
25 the transmission of SARS or COVID. Later on the CDC

1 implemented 12 feet.

2 The second was all shelters and alternative
3 housing options must have adequate hygiene facilities such as
4 handwashing stations and showers.

5 The third was all shelters and alternate housing
6 options must have qualified staff where upon intake test each
7 homeless individual for communicable diseases and other health
8 conditions. And I stated that the Court may consider revising
9 this aspect of the preliminary injunction in the future
10 depending upon the state of COVID-19 pandemic.

11 The fourth was, if any individual experiencing
12 homelessness tests positive for COVID-19, that the individual
13 must be sheltered in the facility in which they can be
14 individually isolated until they recover.

15 The fifth was that all shelters and alternative
16 housing options must be staffed by security as necessary to
17 ensure the safety of the homeless person sheltered therein.

18 Judge Birotte is joining us.

19 And the sixth was, before beginning the process
20 of clearing overpasses, underpasses, and ramps, all homeless
21 individuals living in the vicinity must be given advance notice
22 of at least ten days. Such notice shall include information
23 about available shelters and alternative housing options in
24 that council district or supervisorial district.

25 Now, in the past in the 17 clearances that the

1 Court has been personally involved with, that has always been
2 at least two weeks, 14 days. I think it looks like 21 days
3 would be fine. 30 days. There is no magic to that number,
4 quite frankly. The goal in the past has been to flood that
5 area with mental health, detox, and offer those in a
6 concentrated form rather than the year-long process that seems
7 to be going on in Los Angeles and, therefore, flooding that
8 with the necessary services which seems to have worked fairly
9 well.

10 At a minimum, the interim period between notice
11 and relocation, social workers -- and this is No. 7. So we all
12 read it together because most of you aren't reading these
13 orders, frankly. At a minimum, in the interim period between
14 notice and relocation, social workers, mental health workers,
15 and LAHSA authorities shall reach out -- that is not may. That
16 is not might. That is shall. That is an order -- shall reach
17 out to noticed individuals experiencing homelessness to provide
18 services and to facilitate the transition to shelter. The
19 Court also encourages such outreach to occur as early as
20 possible even before notice is given.

21 The eighth was the City and County of Los Angeles
22 may not relocate individuals experiencing homelessness in the
23 given council district or supervisorial district until such
24 notice is given and after the City of Los Angeles and/or County
25 of Los Angeles provides adequate alternative shelter for all

1 individuals experiencing homelessness in that council district
2 or supervisorial district. After these conditions are met, the
3 City of Los Angeles and County of Los Angeles will be allowed
4 to enforce anti-camping laws in that council district or
5 supervisorial district within 500 feet of overpasses,
6 underpasses, and ramps located. This process helps to ensure
7 that these individuals are being moved to safer locations. To
8 be clear, while an individual experiencing homelessness cannot
9 be ordered to enter a shelter facility, they must be given that
10 option and, if they decline, can then be ordered to relocate at
11 least 500 feet away from an overpass, underpass, or ramp. If
12 during the humane relocation process a social worker, mental
13 health worker, law enforcement officer, or other qualified
14 person that encounters an individual experiencing COVID-19
15 symptoms, such individual should be referred to an individual
16 testing and quarantine process such as, but not limited to,
17 Project Roomkey. If all of the above requirements are met,
18 then relocation in these limited areas would be fully compliant
19 with *Martin versus Boise*.

20 As they begin efforts to comply with this
21 preliminary injunction, the City of Los Angeles and County of
22 Los Angeles are responsible for disentangling which entity has
23 the authority over the subject locations and the relevant
24 funding mechanisms.

25 Let me stop for a moment and state to you at that

1 point CalTrans was called to the Court's attention and they
2 have never been voluntarily or involuntarily enjoined in this
3 lawsuit although every one of your council members and three of
4 your members of the board have complained about CalTrans's
5 response up to this point and their interaction with both the
6 City and the County.

7 The Court is hopeful that this initial limited
8 action will assist the parties moving forward as they work to
9 overcome years of bureaucratic inertia and develop humane
10 solutions in the best interests of both individuals
11 experiencing homelessness and the general public. Indeed, the
12 parties' efforts to provide emergency shelter and services
13 since the onset of COVID-19 crisis present a stark contrast to
14 the characteristic inaction that has persisted for years with
15 respect to homelessness in the greater Los Angeles area.

16 The Court is concerned, however, that, as the
17 COVID-19 pandemic subsides, the present momentum will be lost
18 to longstanding disputes over funding and jurisdictional
19 authority. The most recent filings by the City and County of
20 Los Angeles, quoted at length above, already demonstrate a
21 resurgence of the quarreling and deadlock surrounding the
22 issues of homelessness.

23 I'm reading from page 12 of docket 123 filed on
24 May 22nd, 2020.

25 And, finally, the Court concluded,

1 notwithstanding the failure of the parties to reach an
2 agreement on the terms and conditions of a settlement, the
3 Court, based on input from both the City and County, elected
4 officials, as well as plaintiffs and intervenors, finds the
5 decision makers are fully aware of the crisis created by
6 homelessness in our communities and are dedicated to
7 formulating solutions that will not only improve the living
8 conditions of our homeless population but also enhance the
9 opportunities for the general public to enjoy the benefits that
10 will result from enlightened approach to addressing these
11 issues. All parties have the same goal in mind. Their
12 differences lie in the route to be followed in achieving that
13 goal. The Court is confident a global solution to the
14 homelessness crisis will be found while the parties take the
15 initial step of remedying the emergency health hazards targeted
16 by this injunction.

17 A short time after that, the parties approached
18 the Court and entered into settlement discussions which led to
19 a request by the Court to withdraw this preliminary injunction,
20 and I did that in good faith. So historically let's walk
21 through this for a moment and see where we were.

22 Without those confidential communications coming
23 in, many of those calls came into my home, others in private
24 conversations. Judge Birotte was involved imminently and was
25 the architect I think of this with my compliments.

1 So if you would put up the seven pages or the
2 seven paragraphs.

3 Now, in deciding to work with you, the Court took
4 a risk. And that is, when Courts say something, we should
5 usually mean it, and we should follow through with it. We're
6 not politicians. What we mean should have some weight, and not
7 that politicians shouldn't have weight, but occasionally things
8 change.

9 In good faith, you entered into a binding
10 agreement and term sheet, and it's dated June 16th, and you
11 will find it at docket 136. Now, let me remind you, when you
12 entered into this binding term sheet, you represented to -- and
13 I will name the names if you want to -- members of the board
14 and council that you will have an MOU within two weeks. Let me
15 repeat that. Two weeks.

16 Mr. Marcus, how long did that take to get an MOU?

17 MR. MARCUS: I believe the MOU was signed in
18 October.

19 THE COURT: Four months?

20 MR. MARCUS: Roughly, yes.

21 THE COURT: Mr. Miller, how long did that take?

22 MR. MILLER: Sounds right, Your Honor.

23 THE COURT: About four months?

24 MR. MILLER: Yes.

25 THE COURT: So you can understand the Court being

1 a little concerned about the representation of two weeks and
2 four months.

3 So let's go through your binding term sheet.
4 First, you agreed that the City agrees to provide 6,700 beds
5 within 18 months to house or shelter PEH living within 500 feet
6 of freeway overpasses, underpasses, and ramps within the City
7 of Los Angeles and then to give priority to providing housing
8 or shelter to PEH 65 plus within the City of Los Angeles and
9 other vulnerable PEH within the City of Los Angeles.

10 The schedule will be as follows: New beds, not
11 existing agreements, 6,000; 5,300 within ten months; a bonus of
12 \$8 million if ten-month target date met; 700 within 18 months.
13 And then you agreed to the beds in the existing agreements of
14 700 beds within ten months. In other words, those projects
15 that were already in progress.

16 Now, at that time we then moved to a total of
17 6,700 beds established within 18 months. 5,300 of the 6,700
18 beds will be new beds -- circle that for a moment in red -- and
19 will be created within ten months and 700 additional new beds
20 created within 18 months. Must be beds not previously
21 captured.

22 Circle that for a moment.

23 In any agreement or plan between the City and
24 County, 700 of the 6,000 beds created within ten months may be
25 beds previously captured in an agreement or planned between the

1 City and County;

2 Paragraph 2, to assist in funding services for
3 the 6,000 new beds, County shall pay City up to \$60 million per
4 year for five years. In the first year, the County shall pay
5 the City \$53 million; 17 million -- or 17.66 million on
6 September 1st, 2020; 17.67 million on January 1st, 2021; and
7 17.67 million on April 1st, 2021. In the second through fifth
8 years, the County shall pay the City \$60 million on July 1st.
9 However, if 6,000 new beds have not been created by the
10 July 1st payment date, the County can prorate payment equal to
11 \$10,000 per new bed that exists or will open within 60 days of
12 the payment date.

13 The funding under this agreement is exclusive,
14 and the County will continue to allocate Measure H funding by
15 public -- by Service Planning Area, SPA, based on LAHSA's
16 homeless count and, where applicable, to homeless population
17 estimate consistent with the board policy;

18 Third, the County will pay to the City a one-time
19 bonus of \$8 million if the 5,300 new-bed target is reached
20 within ten months from the execution of the agreement; and,

21 Fourth, the County will take action to provide a
22 package of mainstream services for PEH residing in facilities
23 established by the City pursuant to this agreement;

24 Fifth, the agreement is subject to the court
25 approval, monitoring, and enforcement; and,

1 Sixth, the agreement is subject to the City and
2 County approval;

3 Finally, paragraph 7. If the parties will -- the
4 parties will submit this term sheet to the Court upon approval
5 of this term sheet by the City and County. The parties will
6 respectfully request the Court to entertain an oral motion
7 coupled with a joint stipulation from the City and County that
8 the preliminary injunction dated May 27, 2020, will be vacated
9 without prejudice subject to the Court's later consideration of
10 reinstatement of the preliminary injunction should the parties
11 fail to comply with the terms identified above.

12 It's apparent to the Court that many of you have
13 forgotten the original provisions by the Court in my initial
14 injunctive relief, and it's apparent to the Court that there
15 has been no permit forthcoming from the City or the County
16 concerning having people sleep under the freeway system.

17 So now I want to turn to the last part of some
18 slides I had compiled for a moment. I want to go to the
19 Academy Awards for a moment. 51. I want to show you
20 apparently what you're capable of doing.

21 And I invite Heidi to come up for a moment or any
22 representative of LAHSA. And just be comfortable, Heidi. Have
23 a seat in the chair if you would like to or the lectern. You
24 can sit in the extra chair if you want to or go to the lectern.

25 I want to show you your overpasses and

1 underpasses -- strike that -- your overpasses leading up to the
2 Academy Awards for a moment.

3 So if I can see 52. This is on the way to the
4 Academy Awards, and I represent to you that this was clogged
5 with homeless tents a short time before the Academy Awards. If
6 you don't know that, then you don't know Los Angeles, and
7 you're not walking around your own community. This was cleared
8 somehow.

9 53, another photograph taking a look down the
10 101. You can see the overpasses, and this is near the old
11 federal court.

12 54, been cleared.

13 55, looking down also at the clearances. I'm
14 sorry. Looking up now, up the 101. The overpass is not
15 cleared which is just a short distance from the access and the
16 egress to the Academy Awards.

17 56, this is kind of a panoramic view. This shows
18 your old federal courthouse. It shows the pristine clean
19 sidewalks.

20 Now go to 57 for a moment. Just walk up two
21 overpasses. Those two overpasses being the cleared overpasses
22 for the Academy Awards, and this is what you will find on the
23 other overpasses.

24 58 is the next overpass up.

25 59, 60, 61, 62. We will stop there for a moment.

1 So on behalf of LAHSA, I'm curious and, quite
2 frankly, interested in how you were able to accomplish this.
3 What was offered, how you humanely did this because these are
4 cleared overpasses without one single tent. And this is what
5 we would hope to see because I didn't see or hear of any
6 arrests. So in a sense you got compliments from the Court.
7 How did you accomplish this?

8 MS. MARSTON: Your Honor, for the Academy Awards,
9 the area -- the surrounding areas were actually closed prior to
10 the Academy Awards. So leading up to the event itself, LAHSA
11 conducted outreach, told the clients in the area that at a
12 particular date the area would be closed off for the
13 Academy Awards. There were offers of shelter made for those
14 who wanted it. But the alternative was that folks left and
15 went to other areas.

16 THE COURT: Pete, come on in and have a seat.

17 Let me ask you something. You said it was closed
18 off and that was a lot to absorb. Who made that decision?

19 MS. MARSTON: I believe the City of L.A. and the
20 Academy Awards make those decisions.

21 THE COURT: Who? Give me a name.

22 MS. MARSTON: I'm not clear on who made --

23 THE COURT: Well, see, I'm used to dealing with
24 that. The mystical Wizard of Oz. Who? Martinez?
25 Mayor Garcetti? A bureaucrat? Who?

1 MS. MARSTON: I'm not clear who closes the
2 streets. My understanding on -- in situations like this where
3 we have big events --

4 THE COURT: I'm sorry. You don't know, do you?

5 MS. MARSTON: No. I don't know who makes the
6 decisions.

7 THE COURT: But somebody had to make that
8 decision above your pay grade.

9 MS. MARSTON: Correct. We were just conducting
10 the outreach and providing notification.

11 THE COURT: So I want to get this straight. You
12 actually started outreach before this area was closed, in good
13 faith offering things to the homeless folks along these
14 overpasses and this area leading to the Academy Awards;
15 correct?

16 MS. MARSTON: Correct.

17 THE COURT: What did you offer?

18 MS. MARSTON: There were options. So there were
19 shelter options provided to folks, but there was also just the
20 expectation setting that on this particular date at this
21 particular time you're not going to be able to be here. So you
22 can take these options or you can go somewhere else.

23 THE COURT: So somebody basically said to these
24 folks, look, we're offering you something, but if you don't get
25 off these overpasses -- basically you're going to have to get

1 off of the overpasses. Who made that decision?

2 MS. MARSTON: I'm not clear who makes the
3 decision. My understanding, it's a collaborative effort
4 between LAPD, the Academy Awards. But that is a City function.

5 THE COURT: I'm going to joke with you. It
6 sounds like the Wizard of Oz again. Pull back the curtain. We
7 don't know. But somebody had to make that over and above your
8 position; correct?

9 MS. MARSTON: Correct.

10 THE COURT: So in summary then, why did we cover
11 up this humanity and inhumanity to the very people in Hollywood
12 who have a heart who might, seeing this, be the most capable
13 and able public figures, whether they're basketball players or
14 football players or Academy Awards, why do we cover this over?
15 And who made that decision?

16 MS. MARSTON: LAHSA does not make that decision.

17 THE COURT: I know that.

18 MS. MARSTON: I'm not clear. I believe that it
19 is a combination of the City of L.A. and the Academy Awards.

20 THE COURT: Watch me. See that? I got it.

21 LAHSA is not responsible.

22 MS. MARSTON: No.

23 THE COURT: Who?

24 Let me turn to the city attorney. Who made that
25 decision? Who wanted to take this inhumanity and pretend that

1 it wasn't there when we probably have one of the most caring
2 industries in the world with really good people in Hollywood
3 who might want to do something about this? Did you make that
4 decision?

5 MR. MARCUS: Your Honor, I do not know who made
6 the decision.

7 THE COURT: Mr. Miller, who made that decision?

8 MR. MILLER: I don't know, Your Honor.

9 THE COURT: Is there any way we can find out?

10 MR. MARCUS: Yes, Your Honor. I can find out for
11 you who made that decision to temporarily close those streets
12 at that time. I can find out for you.

13 THE COURT: Okay. Now, if we can do that and you
14 have entered into an agreement which we will discuss in a few
15 moments, why can't that humanely be done on these overpasses,
16 underpasses and along the freeway? Why can't those resources
17 be devoted if we have the third leading cause of death caused
18 by automobiles?

19 Now I'm going to show you some pictures of your
20 overpasses and underpasses. In fact, we went by them this
21 morning about 7:00 o'clock. If we can do this for Hollywood,
22 why can't we do this for Curren Price's district or
23 Kevin DeLeon's district? And who is making these decisions?

24 Mr. Marcus?

25 MR. MARCUS: Your Honor, the City can and is

1 making efforts to relocate people away from freeways pursuant
2 to the MOU that was going to be discussed today.

3 THE COURT: We're going to discuss that in just a
4 moment. We might have a disagreement about that.

5 MR. MARCUS: Understood.

6 THE COURT: Okay. But we were certainly able to
7 bat what I call 100 percent for the Academy Awards, weren't we?
8 Completely clear. Mr. Marcus, agreed?

9 MR. MARCUS: Yes, Your Honor. For the temporary
10 closure it does appear that we were able to relocate every
11 individual that was there.

12 THE COURT: And you did this even during
13 COVID-19; is that correct?

14 MR. MARCUS: If it was during this year's
15 Academy Awards, then yes.

16 THE COURT: Well, when was it?

17 MR. MARCUS: I didn't take the pictures,
18 Your Honor. I'm taking your words that that was from this
19 year's. So, yes, that was during COVID.

20 THE COURT: Just a moment. You don't agree --
21 you don't know that these overpasses were cleared? Is that
22 what you're saying to me?

23 MR. MARCUS: Your Honor, I was not there at that
24 time at that location. I'm not saying it's incorrect. Yes,
25 obviously that's what the pictures show, Your Honor. I can't

1 speak to something that I didn't personally observe. But, yes,
2 if it was during this year's Academy Awards, then, yes, this
3 was done during COVID.

4 THE COURT: Heidi, were these cleared? Are these
5 accurate pictures so we can help Mr. Marcus?

6 MS. MARSTON: There was temporary closure of
7 these locations during the Academy Awards which was during
8 COVID.

9 THE COURT: Okay. Would you be kind enough,
10 Ellie -- I'm going to switch for a moment, and I'm going to
11 take Curren Price's letter to the court next which I had
12 docketed, and it would be on slide 33.

13 You know, up until the time that the County
14 informed the Court that it was going to unilaterally bring a
15 Motion to Dismiss, you had given me permission to talk to
16 folks. I immediately ceased talking to people after that. I
17 think my last engagement was two days later with Miguel Santana
18 and Fred Ali to keep that, and after that I have not
19 communicated with any of you.

20 This is a letter dated March 22nd, 2021, that is
21 on the docket.

22 "Dear Judge Carter. Thank you for taking the
23 time to meet with my staff so many times over the last year.
24 We appreciate your hands-on approach to this case and your
25 willingness to come to our district to see firsthand the

1 struggles and challenges facing our community. Our homeless
2 neighbors are suffering, and while we are doing our best to
3 build as many beds as possible as quickly as possible, we still
4 have much work ahead of us. To solve this crisis, we need not
5 only the City but the County, LAHSA, and other service
6 providers in the state to play their part.

7 "I am writing this letter in particular to the
8 State's role, specifically CalTrans" -- and we will get to the
9 \$12 million by Governor Newsom in just a moment -- or 12
10 billion. I'm sorry. And the 1.5 billion from CalTrans along
11 with another 13 billion that has already been expended in the
12 last three years tomorrow. "There's a large population of
13 homeless individuals living near the freeways, and as is
14 sometimes the case in my district on the freeways, I am
15 attaching some photos to illustrate my concern. These
16 individuals are facing an immediate threat to their health and
17 safety as well as the safety of those around them. We need the
18 cooperation of CalTrans to assure we can make contact with
19 these individuals and move them to a safe location.

20 "It would be helpful for the City to have an
21 agreement with CalTrans in regards to how we can coordinate our
22 outreach efforts and provide cleaning to an area once an
23 individual has been moved into a housing solution.

24 "I welcome your feedback and assistance in this
25 matter. Curren Price."

1 Okay. 34. 35. 36. 37. 38. Now, this lady,
2 by the way, is on your egress, and she worries about being
3 raped. So she maintains this as cars whiz by because she
4 believes it will be safe there because of the volume of traffic
5 getting on the freeway. So she's consciously chosen this as
6 safe haven for herself, and that is the egress for the 110.

7 Next. Next one. Next one. Next one. Next one.
8 Next one.

9 Now, this is a lady you will meet in the
10 residential area -- and Shayla Myers knows this area well, as
11 well as I do, Shayla. But this is a lady who is a private
12 citizen who comes out every morning to clean up in front of her
13 house. And these are residential areas right across the street
14 in Curren Price's district. This is a poor neighborhood.
15 These folks are suffering just as much as the west side of
16 Los Angeles is suffering. In fact, more so.

17 Next. Next. Fires are breaking out. Next.
18 Next. Next. Next. More fires. This area was cleaned and
19 finally fenced.

20 And I am going to challenge all of you to get out
21 of your offices and start walking around your own community and
22 take a look at this firsthand instead of being lawyers coming
23 into my court who haven't seen this. Next. Okay.

24 Back to you, LAHSA. Heidi, why can't these
25 freeway overpasses and underpasses and these areas be cleared

1 with humanity -- humanely?

2 MS. MARSTON: Your Honor, they certainly can be.
3 The efforts that we have been focusing on are just the priority
4 locations that --

5 THE COURT: The Academy Awards. I'm joking with
6 you.

7 MS. MARSTON: So the Academy Awards, the
8 communication that LAHSA received was that the areas needed to
9 be temporarily closed off for security reasons.

10 THE COURT: From who?

11 MS. MARSTON: From the City of L.A.

12 THE COURT: Who?

13 MS. MARSTON: Our communication was from the
14 mayor's office, I believe.

15 THE COURT: Who?

16 MS. MARSTON: Who at the mayor's office?

17 THE COURT: Yes.

18 MS. MARSTON: I believe --

19 THE COURT: I sound like an owl. Who?

20 MS. MARSTON: I believe it was the
21 Deputy Mayor Che as well as the Unified Homeless Response
22 Center.

23 THE COURT: The name?

24 MS. MARSTON: Che. But Brian Buchner is the lead
25 of the Unified Homeless Response Center and coordinates that.

1 THE COURT: I want to compliment you. That took
2 five minutes to get a name. I'm just joking with you. We have
3 a name.

4 All right. Now we're going to go back for just a
5 moment, and I'm going to be calling upon Mr. Miller in just a
6 moment.

7 Would you go to slide 19, and I think I have got
8 this memorized. Go to docket -- all of you can pull this up,
9 docket 267-1. It's page 205 for our record. It's City of
10 Los Angeles Quarterly Status Report pursuant to the MOU
11 docket 267. Let's all read this together because in a moment
12 it's going to require higher math.

13 So, Mr. Miller, get your pen out. I'm going to
14 walk you through this.

15 On the first page you're going to see interim
16 housing. If you go from No. 1 all the way through to
17 page 20 -- if you put that up, Alexa, next page, page 20 -- you
18 will see 2,200 personally added by this Court numerous times.
19 So interim housing you can put down 2,200 up to this report by
20 the City. Then go from line 34 down to line 39, and if you add
21 up those lines, you will see 451 permanent supportive housing.

22 Now go back down one more line, and you will see
23 Homekey starting at line 40 all the way down to line 48 -- and
24 turn the page one more time, Alexa, to 21 -- if you look at
25 line 49, if you add up 40 through 49, you will come out with

1 1,464 Roomkey.

2 Now, Mr. Miller, go down to line 59. All rapid
3 rehousing shared housing, 644. For a moment I want you to pay
4 particular attention to that rapid rehousing 644 because
5 Ms. Sobel got very excited when all of you were in front of the
6 Court and represented there would be up to 3,000 rapid
7 rehousing. I've got that on the record. I didn't capture her
8 excitement, but she was very excited about that.

9 Now go down to safe parking from lines 60 through
10 70, and you will find 258. Turn the page, and then we go back
11 to interim again. We have 428 from line 70 to 75, and from
12 line 76 to 81 we have 300 of permanent supportive housing.

13 Now, to make that easy, if you turn over to 23,
14 we start to combine these on two sheets for you, Mr. Miller.
15 And in a moment -- just flash 24 to him also, Alexa, so he can
16 see that. I'm going to walk you through this very slowly.

17 I want you to look for a moment at line 28. So
18 if you go back, Alexa and Ellie, to slide 28, I want you to see
19 on line 28 CD-14, which is interim housing, 1060 North Vignes
20 Street.

21 Mr. Miller, what is that location?

22 MR. MILLER: Interim housing on Vignes.

23 THE COURT: Right. But what is it?

24 MR. MILLER: I don't know. I haven't been there.

25 THE COURT: I know. Well, Hilda Solis was kind

1 enough to personally take the Court there.

2 MR. MILLER: Right.

3 THE COURT: This was boarded by the Board of
4 Supervisors in October, and this is the site of 232 that I
5 especially paid a compliment to the Board of Supervisors about
6 because they constructed this by December 28 of last year. In
7 my last order, if you read it, I particularly noted and
8 complimented the board in accomplishing this. This is all
9 county land, all county funding.

10 And, Mr. Marcus, why is this being listed as a
11 credit to the City when the County has paid for the 232?

12 MR. MARCUS: Your Honor, the City and the County
13 actually worked collaboratively on the bit --

14 THE COURT: No. No. You may work together, but
15 this was represented to me by the chairman of the board who was
16 then not the chair that this was all county funding, all county
17 property, and the only way that they were able to get it
18 through was because of the County's efforts. I see the City
19 though counting this in your statistics.

20 MR. MARCUS: With agreement from the County,
21 Your Honor, because the City is actually providing the funding
22 for the services at these locations. It was built on county
23 property with county funds, but it is actually the City paying
24 for all the services at these beds. And the City and County
25 worked out an agreement that it would count towards the 5,300.

1 That has all been part of their collaboration between the City
2 and the County that has been going on since the term sheet has
3 been signed.

4 THE COURT: Okay. Let's go along the way. I
5 want to make sure that the County is -- Mr. Miller, do you
6 agree to that?

7 MR. MILLER: Yes. I think that is correct,
8 Your Honor.

9 THE COURT: Okay. We will count that then as a
10 credit.

11 MR. MILLER: Yes.

12 THE COURT: Excellent. In fact, I'm glad.

13 Now I want you to go to 644 rehousing on
14 slide 24. Now I want you to go to line 59. Do you see that?

15 I want to make sure, Mr. Miller, you are tracking
16 it. If not, don't worry. We will slow down.

17 MR. MILLER: I've got it, Your Honor.

18 THE COURT: Now, I want you to turn with the help
19 of my law clerks to the next slide, 25. I want you to go to
20 item No. 1. I'm going to read that. The verse says, CD all.
21 Project type rapid rehousing shared housing which is what had
22 all of us excited. 3,000 rapid rehousing. Scattered sites and
23 then number of beds.

24 Do you see the 3,000? Yes or no.

25 MR. MILLER: Yes.

1 THE COURT: Now, trace over and tell me how many
2 individuals have been served.

3 MR. MILLER: Let me look at it. Looks like 385.

4 THE COURT: Out of 3,000. Is that right,
5 Mr. Miller?

6 MR. MILLER: It's not clear. It looks like
7 there's a number of other --

8 THE COURT: We will get to those individually. I
9 just want to see if you agree that --

10 MR. MILLER: That's what it says, 385.

11 THE COURT: Well, who made up these numbers?
12 This is what the Court is receiving; so I am going to rely upon
13 it. I see 385. Don't you?

14 MR. MILLER: Yeah.

15 THE COURT: Okay. Now turn back to slide 24 for
16 a moment. Go back to line 59. It says, rapid rehousing,
17 doesn't it? Mr. Miller, look at that screen.

18 MR. MILLER: Yes. I see it, Your Honor.

19 THE COURT: How many does it say?

20 MR. MILLER: 644.

21 THE COURT: Okay. What does it say after that?
22 In process?

23 MR. MILLER: Yes.

24 THE COURT: What does that mean?

25 MR. MILLER: It must mean it's in the works.

1 THE COURT: Why would the Court then count 644 in
2 the total represented to it by the City?

3 MR. MILLER: Good question.

4 THE COURT: Why don't you step over and talk to
5 Mr. Marcus. He probably has the answer.

6 MR. MILLER: I would like to know when it's done.

7 THE COURT: I would too.

8 MR. MARCUS: Your Honor, if I can try to explain.
9 And I do have Meg Barkley who is the homeless coordinator here
10 from the CAO's office who can correct me if I'm wrong.

11 These two numbers represent slightly different
12 things as the title of the documents represent. So the 3,000
13 rapid rehousing beds is what is in the plan for the entire term
14 of the MOU which, as you know, we have until December.

15 THE COURT: You only have 700 more beds. You're
16 supposed to complete about -- 5,300 plus 700 by today's date.
17 Look at your agreement again.

18 MR. MARCUS: We did.

19 THE COURT: You have 700 more -- no, you haven't.
20 You have 700 more beds that you have latitude for 18 months.
21 Now, before you say you did, be very, very careful.

22 MR. MARCUS: I am, Your Honor. We have been
23 submitting quarterly reports from the very beginning. The City
24 has been 100 percent transparent --

25 THE COURT: No. No. No. No. I'm not listening

1 to lawyers now. I'm going to do this again. Why are you
2 counting 644?

3 MR. MARCUS: The 644 beds, Your Honor, as I
4 understand it, represents rapid rehousing beds that were open
5 and occupiable as of April 16, 2021. That is a different
6 number than the 3,000 that we were hoping to have all in total,
7 and it's also a different number than the 385 individuals who
8 have been served by the 644 beds that were open and occupiable
9 as of that date.

10 THE COURT: Would you go to slide 28 for just a
11 moment.

12 Now, Mr. Miller, this is going to take a lot of
13 concentration.

14 MR. MILLER: I will do my best, Your Honor.

15 THE COURT: When you go back to the original
16 agreement between you and the City, what was the first
17 priority? It's in paragraph one.

18 MR. MILLER: 6,000 new beds.

19 THE COURT: Excellent. By what date? If you add
20 the two together, although it's convoluted, 6,000 new beds
21 within ten months. 700 additional within 18 months. But I
22 will let you figure that out, and you make the statement for
23 the record so I don't have to.

24 MR. MILLER: What is the question, Your Honor?

25 THE COURT: I want your statement, not mine,

1 although I think I have this memorized now, that within ten
2 months, however you equate this, there's supposed to be 6,000
3 new beds within ten months and 700 additional within 18 months.

4 MR. MILLER: Right.

5 THE COURT: Is that correct?

6 MR. MILLER: That is what it says.

7 THE COURT: Okay. And now go back to your
8 agreement with the City, and tell me the priority, and see if
9 you agree that the first priority are to be freeway overpasses
10 and underpasses. The second priority is to be 65 plus.

11 MR. MILLER: Right.

12 THE COURT: And we both agree, because of CDC,
13 the Court is not going to have any movement. In fact, we want
14 those beds filled. So I'm not going to quibble over whether we
15 put 65-year-olds in or whether we put freeway overpasses in. I
16 don't really care at that point. I just want those beds
17 filled.

18 MR. MILLER: Right.

19 THE COURT: Now look down at line 103, and tell
20 me how many PEH within 500 feet -- how many individuals on your
21 overpasses, underpasses have been served within 500 feet.

22 MR. MILLER: According to this document, within
23 500 feet of freeways, 396 people.

24 THE COURT: Okay. 396 people out of the
25 representation by Heidi and LAHSA that we had about 3,000 to

1 3,100 people living under or over overpasses and within 500
2 feet.

3 Now I want you to look at the second priority.
4 And, by the way, this was in negotiations with Martinez and
5 MRT. The next one is 65 years and older; right?

6 MR. MILLER: Right.

7 THE COURT: What is the number?

8 MR. MILLER: 601.

9 THE COURT: Now I want you to go over to other
10 PEH not prioritized in the agreement, 1,343. Could you please
11 explain to me, when you're the ones who reached the agreement
12 of 65-year-old overpasses and underpasses and ask me to
13 withdraw my preliminary injunction, how we're coming up with
14 1,343 other people when we seem to be with rather low numbers
15 for our 65-year-olds and our overpasses and underpasses and if
16 that's the agreement that all of you reached.

17 MR. MILLER: You know, Your Honor, I can't
18 explain that column. I didn't prepare this document.

19 THE COURT: Let me turn to Mr. Marcus then. Will
20 you explain this to me?

21 MR. MARCUS: Yes, Your Honor. The City has
22 created the 5,300 new beds and the 700 existing beds by that
23 deadline, and we have conducted outreach at hundreds of
24 encampments including 77 encampments by freeways. The outreach
25 to the encampment, however and unfortunately, doesn't always

1 result in that person taking that offer of shelter on that day.
2 And so rather than leave beds empty, LAHSA service providers
3 make sure that as many beds as can be filled are filled.

4 THE COURT: Well, if we have 3,000 people over
5 and under freeways and we have always been concerned with the
6 65-year-olds and over, because of course we get 100 percent now
7 of FEMA money back, why do we only have 396? We do it for the
8 Academy Awards. Why do we only have 396?

9 MR. MARCUS: It's not an equal comparison,
10 Your Honor. As I was saying, the service providers work with
11 the individual council offices to target outreach at the
12 encampments that are a target that have been part of the City's
13 list the entire time to fill the beds that the City has been
14 creating which has also been on the council plans which we have
15 been submitting to the Court on a quarterly basis. However, as
16 we know, an offer of shelter doesn't always necessarily mean
17 the person will take the shelter.

18 THE COURT: Turn to slide 30, would you, so
19 Mr. Marcus will have his memory refreshed.

20 If you go down to this docket which is your
21 filing document, docket 123, would you be kind enough, because
22 I'm getting tired of reading, to read line 20 through 23.

23 MR. MARCUS: "Identify and activate exits for the
24 approximately 3,000 people brought into emergency city shelter
25 settings," open parenthesis, "recreation centers and

1 city-funded Project Roomkey hotels," close parenthesis, "over
2 the course of 120 days."

3 THE COURT: And then the second paragraph.

4 MR. MARCUS: "Create additional shelter beds and
5 locations for the relocation of approximately 3,100 people who
6 live under freeway overpasses and underpasses in the City of
7 Los Angeles in the subsequent 180 days while ensuring that the
8 sheltering or housing of any such person does not supersede the
9 placement of someone who is assessed by the public."

10 THE COURT: All right. Now, I want you to go
11 back to the Roomkey hotels for just a moment. I'm going to
12 represent to you that on slide 23 and 24, so you can see them,
13 there's 1,464 Roomkey hotel rooms.

14 Do you see that?

15 MR. MARCUS: Yes.

16 THE COURT: Okay. Now, we know that the Biden
17 Administration has moved from 75 percent reimbursement to
18 100 percent with FEMA; is that correct?

19 MR. MARCUS: That is my understanding, yes.

20 THE COURT: Is that correct or not?

21 MR. MARCUS: That is my understanding that that
22 announcement was made, yes.

23 THE COURT: I used to teach police officers how
24 to testify, and I'm going to joke with you a little bit. To
25 the best of my recollection, see, that never gets you accused

1 of perjury. To the best of my understanding.

2 Are you getting reimbursed 100 percent from the
3 Biden Administration?

4 MR. MARCUS: We have applied for reimbursement.
5 We have not received the money back yet.

6 THE COURT: You haven't gotten it applied yet.
7 It's 100 percent, though, if you get it back; right?

8 MR. MARCUS: Yes. And the application has been
9 made for approximately 54 million so far for Project Roomkey,
10 and additional applications are pending.

11 THE COURT: Just a moment. If you don't know it,
12 you're over 100 million. Go check your records. When I wrote
13 my opinion, you were at 61 million and climbing. You're over
14 100 million right now. Do you know that?

15 MR. MARCUS: Yes. I'm talking about the
16 applications that have actually been put in and submitted to
17 FEMA.

18 THE COURT: I understand that, but I'm not going
19 to let you do that for a moment. I'm going to tell you that
20 you're over 100 million, and I want you to disagree with me.
21 In other words, regardless of what you have applied for, you
22 have got well over \$100 million right now out there that you
23 could request.

24 Am I wrong?

25 MR. MARCUS: I don't believe, Your Honor -- I do

1 not believe you are wrong, and I believe those subsequent
2 applications are in the process.

3 THE COURT: And I understand the fine line you
4 are drawing so we don't quibble. Judge, we have only applied
5 for 51 million, so what we'd like to tell you on the record is
6 51 million. And I'm saying to you, Mr. Marcus, that, whether
7 you have applied or not, you've got well over 100 million at
8 the present time and climbing.

9 MR. MARCUS: And our intention is to apply for
10 all of it, Your Honor.

11 THE COURT: I'm saying you have well over
12 \$100 million you can apply for, can't you?

13 MR. MARCUS: Yes. And I believe we are applying
14 for it. Yes. That's my point.

15 THE COURT: I'm absolutely clear. I know that
16 you say you are applying for it. I'm going to say it again.
17 You have well over 100 million, don't you? I know you want to
18 get into the record, and you will. Golly gosh, we are applying
19 for it. I understand that. But you have well over
20 \$100 million out there, don't you?

21 MR. MARCUS: I believe that is yes.

22 THE COURT: Okay. Now, in First Alliance's
23 document that they filed with the Court, they raised an
24 interesting issue. If you are applying -- Mr. Miller, pay
25 attention.

1 MR. MILLER: Yes, Your Honor.

2 THE COURT: If you're applying for \$100 million,
3 should that be returned to the County?

4 MR. MARCUS: No, Your Honor.

5 THE COURT: Why?

6 MR. MARCUS: Well, first, Your Honor, we don't
7 have the money back.

8 THE COURT: Just a moment. Let's just assume
9 that the Biden Administration is in good faith and you get
10 50 million back, if you want to quibble, or \$100 million back.
11 Is this what you intended in the agreement?

12 MR. MARCUS: Your Honor, the agreement always
13 envisioned both the City and the County leveraging whatever
14 money we can get from whatever funds. There's city, county,
15 state, and federal money going into both the construction and
16 the services for the beds that are being created. The City has
17 put up front all the money for -- almost all the money for the
18 building, and any money that we get reimbursed is going to go
19 right back into addressing homelessness in some way.

20 But the plaintiffs weren't part of the
21 negotiation of the MOU and aren't parties to it, and they don't
22 understand the negotiations and discussions that did go on and
23 are continuing to go on between the City and the County to
24 effectuate the MOU.

25 THE COURT: Well, your negotiations have broken

1 down. You don't have negotiations, from my understanding,
2 concerning an agreement. Remember, you're only here because
3 you haven't been able in good faith to reach an agreement
4 between the County and the City holistically for an omnibus
5 agreement. That's why you're here, and that is why the Court
6 is so involved.

7 So let's go back to this. Mr. Miller.

8 MR. MILLER: Yes?

9 THE COURT: Do you agree? Have you gotten your
10 money out of this bargain? Is this what you bargained for?
11 Because this is going to go on for four years.

12 MR. MILLER: Your Honor, we are conducting an
13 audit. We are looking at all these issues now. I don't have a
14 definitive answer from the audit. I think we will have the
15 results in -- I think I'm told in July. I mean, we're --

16 THE COURT: We're going to raise that tomorrow.
17 Tomorrow you can expect to see Elaine Howle stating that
18 there's been \$13 billion extended in the last three years
19 throughout the state in which Los Angeles has received an
20 incredible amount of money. You're going to see some charge
21 that we'll put up so that you're forewarned about tomorrow
22 about the governor pledging \$12 billion plus another 1.5
23 billion for CalTrans. You're going to see some projections,
24 just in this Court's humble effort, of Proposition J between
25 300 million and 900 million depending upon what the offsets

1 are. There's some discussion going on. You're going to see
2 2.6 billion expended just in the last 24 months.

3 So tomorrow we are going to be talking a lot
4 about money and audits. We won't get into it today, but
5 tomorrow is going to be quite a day.

6 My question is very simple. As of March 2021,
7 the City had failed to request in excess of 100 million from
8 FEMA, and today the representation by Mr. Marcus is -- you
9 requested how much money?

10 MR. MARCUS: I believe 54 million for
11 Project Roomkey, and there are additional sums that were
12 requested in additional programs. There's a report that was
13 filed by the CAO's office I believe last week publicly. I can
14 make it available to the Court.

15 THE COURT: That's between the two of you.
16 Remember, you're only here because you can't reach an
17 agreement.

18 And then the Court well knows and you well know
19 that, in total though of the 54 million that you finally filed
20 for, that you're well in excess of 100 million right now total
21 figure. You just haven't applied for the other 60 million
22 approximately. And even though the Federal Government has
23 increased the percentage to 100 percent through September of
24 2021, it's interesting to the Court that the County is in the
25 position of financing this in a sense. And if this was

1 intended by the County, the Court is going to remain silent.

2 Mr. Miller?

3 MR. MILLER: What is the question? I'm sorry,
4 Your Honor.

5 THE COURT: Well, is this your intent, to finance
6 the City in this way? It has been argued this is double
7 recovery.

8 MR. MILLER: Roomkey is a County --

9 THE COURT: Is this your intent? Is this the
10 agreement you entered into, and if so, I am going to remain
11 silent. You will spend your money this way.

12 MR. MILLER: No.

13 THE COURT: Okay. I really appreciate this, and
14 I want to put that on the record. This is the first
15 nonconvoluted answer I think I have gotten today.

16 MR. MILLER: Roomkey is a County --

17 THE COURT: Hold on. The answer is no, and we
18 both know it.

19 MR. MILLER: All right.

20 THE COURT: We both know it, so let's quit
21 dancing now.

22 MR. MILLER: All right.

23 THE COURT: All right. I'm going to say to you
24 that, instead of being critical, you have a wonderful
25 opportunity -- and I want to compliment Supervisor Barger for

1 being here. Your presence is always appreciated. You have a
2 wonderful opportunity.

3 Our whole goal is to increase housing or shelter.
4 And the way that this money is used is it's obvious -- and
5 Mr. Miller answered the question succinctly -- that this was
6 never intended for a double recovery. Why aren't we taking
7 this money that you're getting back -- and the Court has no
8 concern whether you put it into shelter or supportive housing.
9 But why aren't we taking this hundred million dollars in
10 addition to it and putting it right back into something that
11 benefits the homeless in the community? Because right now it
12 could be argued that you're pocketing this regardless of your
13 representation.

14 What are you going to do with that hundred
15 million, Mr. Marcus? What is your plan?

16 MR. MARCUS: Your Honor, again, we disagree that
17 it is double recovery. We have fronted the costs for a lot of
18 the Roomkey and other interventions that we have funded through
19 this MOU, and that money is coming back to the City to
20 reimburse it for that and to then be put back into homeless
21 interventions.

22 There's been no issue or concern of going forward
23 in this MOU so far. We have created the interventions,
24 actually exceeded the number of interventions that were
25 required in April. We hope to do the same in December. We

1 have provided all information to the Court and to the public
2 and to the County. The County's auditor-controller is working
3 with our CAO's office to do an audit. If they come up with any
4 issues, we will work through them.

5 THE COURT: I have already ordered an audit. It
6 is appreciated, but if you look at my order, I have already
7 ordered an audit. That is due within, I think, 90 days.

8 Okay. I'm going to turn this over to the
9 parties. If everybody is happy with this agreement, I have
10 nothing further to say. But this is going to go on for four
11 more years, Mr. Miller. It's your county money. So if you
12 want to talk, make some phone calls or whatever because now you
13 represent the county. When you speak to me, you speak on
14 behalf of each member of the Board of Supervisors.

15 MR. MILLER: Correct.

16 THE COURT: Why don't you take a few moments to
17 look at this and talk to whomever. This isn't just this year.
18 It goes on for four more years.

19 MR. MILLER: It's a lot of money, and obviously
20 we are very committed -- the County is very committed --

21 THE COURT: That is a political speech now. Are
22 you in favor of this agreement? Is this the way you envision
23 it being implemented? Is the County getting their money out of
24 this?

25 MR. MILLER: I think so now. I'm waiting for the

1 audit in July, but I think so.

2 THE COURT: Okay. Then, counsel, this may be a
3 very short hearing today. Tomorrow will be much longer. Trust
4 me. So I will go to the intervenors or First Alliance or any
5 member of the public who wants to comment.

6 MS. MITCHELL: We would like to, Your Honor.

7 THE COURT: Please. And just have a seat so all
8 the parties can hear you.

9 MS. MITCHELL: The concern in recognizing that
10 plaintiffs were not part of this agreement, it was between the
11 County and the City and the Court --

12 THE COURT: For the public benefit.

13 MS. MITCHELL: For the public benefit.

14 THE COURT: I withdrew the preliminary injunction
15 for the public benefit to let the parties work together. So
16 this isn't just an agreement between the City and the County.
17 I have got provision 7 that says I can withdraw this at any
18 time if I don't think the public is benefiting.

19 MS. MITCHELL: Thank you, Your Honor. And we
20 would agree. And I want to reiterate what we said originally
21 in our brief in that the tremendous cooperation that was
22 required to establish the beds that were established is
23 commendable, and we're not quibbling with that.

24 But there are some concerns that we raised in our
25 brief that still remain, and that is the double counting of the

1 Roomkey beds. That is a concern I think for public interest.
2 There is the lack of accountability on the rapid rehousing
3 beds, and, frankly, the fact that only 396 people near freeways
4 were served by this agreement is a huge concern.

5 The entire purpose behind the preliminary
6 injunction originally was to address the danger and the health
7 risks of individuals near the freeway. So the fact we only
8 have 396 individuals served and nobody humanely relocated does
9 not serve the original intent of both the -- the agreement
10 between the parties as well as the original preliminary
11 injunction.

12 When you have -- I was kind of going back and
13 looking at the prior hearings in this case, and I pulled up the
14 November 2020 hearing where this was discussed quite a bit.
15 And we specifically had a conversation myself, Mr. Miller, I
16 think Ms. Marston, Mr. Marcus, and the Court, Ms. Martinez, we
17 were all talking about what is the purpose behind the beds? We
18 all agreed that the sort of 3,000 were for folks in and around
19 freeways and that the remaining, my question was, is that going
20 to be used for the rec center exits and Project Roomkey exits
21 because the big concern is we didn't want people exiting these
22 institutions without getting housing. Everybody agreed that
23 was the intent with this 6,700 beds was, one, 3,000 for the
24 individuals near freeways and then 3,000 for Project Roomkey
25 and rec center exits.

1 Now, we recognize that Roomkey was extended, and
2 that's wonderful, and we're not suggesting that it shouldn't
3 have been certainly. But the fact that we still only have
4 396 people in and near freeways to me not only seems like a
5 material breach of the agreement between the parties and the
6 Court but also is not within the public interest because, as
7 the Court noted, you do still have significant danger to those
8 individuals.

9 So as a member may be speaking for the public
10 interests, it's still a significant concern for the plaintiffs.
11 All three of these issues we raised. Not just the freeway
12 issue but also the lack of accountability in rapid rehousing
13 and these 1,500 Roomkey beds which still appeared to us to be
14 double counted. It's our position that those 1,500 Roomkey
15 beds should be in addition to but not part of this MOU.

16 THE COURT: Okay. I'm sorry. Shayla Myer or
17 Carol Sobel -- and pardon me for referring to you by first
18 name, but if you have any thoughts, I'm throwing it open to
19 you.

20 MS. MYERS: We have nothing to add at this point,
21 Your Honor.

22 THE COURT: Thank you.

23 SPECIAL MASTER MARTINEZ: Thank you,
24 Judge Carter. Michele Martinez, special master.

25 Out of the 6,195 beds, it seems that 5,895

1 beds -- if you can clarify because it says only 300 are
2 permanent. So 5,895, are any of those beds permanent, or are
3 they just temporary in nature which means that, when
4 Project Roomkey ends, the rapid rehousing or safe, where would
5 these people go?

6 MR. MARCUS: So yes. Some of --

7 SPECIAL MASTER MARTINEZ: You have a five-year
8 agreement. So currently only 300 will go into permanent
9 housing.

10 MR. MARCUS: As of April 16, that is correct.
11 There are some beds that are being used for this MOU such as
12 Project Roomkey which are expected to end at some point. Those
13 beds will be replaced with other beds so that there will be a
14 constant 6,000 beds open and occupiable for every year of the
15 agreement. That is part of the ongoing auditing process that
16 we are engaged in with the auditing-controller.

17 But, yes, every bed that might disappear for
18 whatever reason, whether it's a Roomkey or whatever, will be
19 replaced by a one-to-one bed, yes.

20 SPECIAL MASTER MARTINEZ: Fantastic. Thank you.

21 THE COURT: Can you put up May 27th for just one
22 moment? I want to jump to Elaine Howle for just a minute.
23 This will pave the way tomorrow for discussion because,
24 remember, I'm not an auditor. I think I know the difference
25 between a forensic audit and a placement audit. But, frankly,

1 your questions to my special master have been, let's say, less
2 than helpful in terms of your understanding.

3 So I just want to take Elaine Howle for just a
4 moment to give you a preview for tomorrow and put up a little
5 chart for a second. I'm not accurate. This is just a judge
6 and law clerks working off of public documents that you filed,
7 et cetera.

8 MR. MILLER: Judge, when you get a chance, I
9 wanted to ask you about tomorrow and what we're going to do.

10 THE COURT: I'm asking you in just a moment to
11 take a look at this, and then I will engage you, Skip, and we
12 will have a conversation. You have quite a day for you
13 tomorrow.

14 This comes from your auditor-controller. This is
15 just the beginning of what we're going to show you tomorrow
16 when you tell me, Heidi, that you can't take on 65-year-olds
17 and the freeway at the same time, you don't have enough
18 resources. Or a year ago you told me that, to be fair.

19 MS. MARSTON: At the time, yes.

20 THE COURT: Let's just take -- California has
21 spent \$13 billion in just the last three years on the massive
22 homelessness problem. This is a quote from her. 13 billion.
23 The auditors have said the approach to dealing with
24 homelessness is so fragmented and incomplete it actually
25 hinders efforts at getting people into the stable housing.

1 Now, tomorrow I'm going to show you that you have
2 spent over \$2.6 billion in the last 24 months and ask you what
3 the results of that is. I'm going to show you 662 million just
4 from HUD alone. I will talk to you about Proposition J
5 tomorrow. Then I will talk to you about Governor Newsom's
6 promise about 12 billion plus 1.5 additional, and I'm going to
7 tell you you're working on \$30 billion. And I'm asking you,
8 hey, where is the permanent housing if we're going there? I'm
9 going to ask you tomorrow what you have to show for this.

10 And by the way, there may be a tremendous amount.
11 Don't get me wrong. Services out there may be super. These
12 young people out there are working very hard. By the same
13 token, this is your state auditor.

14 And I'm asking you why you think that the Court
15 is going to let you conduct your own audit and change my order
16 of an independent audit. So when we're talking about
17 modifications tomorrow, I think it's going to be a very, very
18 interesting day because I'm going to say that you've got all
19 the money at your disposal. You don't have much
20 accountability.

21 And that's what I'm going to be asking you about
22 tomorrow and taking you through some really concise -- now,
23 some of your committee members may decide not to be present
24 tomorrow. So be it. I'm going to be asking where they are
25 because, otherwise, my records stand in terms of my opinion

1 because, by their nonappearance, you have validated structural
2 racism.

3 SPECIAL MASTER MARTINEZ: Just one more
4 clarifying question for the County specifically. I just want
5 to make sure that the County is satisfied with the current
6 agreement and progress thus far. I know you have an audit that
7 should be done by July, but just to state for the record, we
8 want to make sure that the County is satisfied with the current
9 agreement and progress.

10 MR. MILLER: Yes.

11 THE COURT: Okay. If I disagreed with you and
12 found that you had not met this agreement, I think there would
13 be two concerns that this Court has. One, I don't want any
14 possibility of shelter or housing not being provided in terms
15 of any potential movement, especially with CDC because I think
16 that is inhumane.

17 Number two, I'm really wondering why these
18 additional amounts that you're going to receive back for the
19 1,464 aren't put into additional housing because in a sense it
20 could be argued it is double counting. Not only did you get
21 the County's money, but that money should have been used for
22 additional housing. Therefore, I may have a strong
23 disagreement with your position, Mr. Marcus, that there should
24 be an additional 1,464 constructed and that this money was
25 always intended for new beds.

1 So do I act under paragraph 7 today? I don't
2 think so. I think I wait a little while, but I don't know that
3 I'm waiting for 18 months. So I would suggest that, since the
4 audit that I ordered is due in -- Ellie, would you look that up
5 for me? We have the date.

6 THE LAW CLERK: This will take a minute.

7 THE COURT: Yeah. There is an administrative
8 stay until June 15th. I wrote down the specific date.
9 July 19th.

10 Now, I can't help but feel that, before the Court
11 issued this order, that there wasn't an audit in place. I
12 can't help speculate that this audit is only occurring because
13 the Court's ordered you into an audit situation. So,
14 therefore, you're trying to control your own future through
15 some audit. And I'm not certain that is independent or not.

16 And in conversing with my special master, you
17 have been very obtuse about that. Why would I trust your
18 internal audit over my order?

19 MR. MILLER: Your Honor, the auditor-controller
20 is a separate department, independent department with -- within
21 the County. I dealt with them over the years. They are
22 independent. They're not self-serving. They know what they're
23 doing. They are very experienced, and I have great confidence
24 in them, quite frankly.

25 THE COURT: What happens if the Court partially

1 did -- no disagreement. But why wouldn't Elaine Howle be
2 taking a look at this from the state level and seeing where the
3 State's money is going? In other words, there the State has a
4 really strong interest in ferreting out accountability.

5 MR. MILLER: Good question.

6 THE COURT: Well, answer it then.

7 MR. MILLER: I can't answer for her. If she
8 wanted to do an audit, if the State wanted to do an audit --

9 THE COURT: No. Not the State. In other words,
10 the Court, depending upon the administrative stay or not, I
11 could be requesting this of the state. I could go outside to
12 an independent auditor if I wanted to. But if I wanted to
13 save money and I really believed in that independence,
14 Elaine Howle stood up -- and she's been very critical of the
15 State. I have no doubt that she might be very precise in her
16 audit. It is in the State's interest to find where this money
17 is going.

18 MR. MILLER: Yeah. That's a possibility.

19 THE COURT: Something to think about is why are
20 we even discussing this? Why isn't there a complete
21 willingness on the County's part for a completely transparent
22 audit by somebody you're not choosing but by somebody that the
23 Court also has confidence in that's outside your daily work?
24 Why wouldn't you be accepting to that and we can take that
25 issue off the 9th Circuit's plate?

1 MR. MILLER: I'm not saying no to that as a
2 general proposition.

3 THE COURT: Are you saying yes?

4 MR. MILLER: No. I'm not saying yes. I don't
5 have that authority either.

6 THE COURT: Just a moment. You speak for the
7 board. You told me that.

8 MR. MILLER: Pardon me?

9 THE COURT: You speak for the board. You told me
10 that.

11 MR. MILLER: Yes. The board is our client.

12 THE COURT: Are you agreeing to an independent
13 audit and agreeing to Elaine Howle to take a look at this
14 money?

15 MR. MILLER: I don't have that authority, and the
16 answer is, no, I'm not agreeing to that at this point in time.
17 I do not have that authority. All I'm saying is the
18 auditor-controller of the County is independent. I think it
19 would be reinventing the wheel to go outside. I don't think
20 it's necessary. They are --

21 THE COURT: I'm going to show you some -- let's
22 leave this until tomorrow. It's going to be an interesting day
23 I think.

24 MR. MILLER: That's fine.

25 THE COURT: Yeah.

1 SPECIAL MASTER MARTINEZ: Special Master
2 Martinez. One more clarifying point, Mr. Miller.

3 MR. MILLER: Sure.

4 SPECIAL MASTER MARTINEZ: The current audit that
5 you're speaking about is specifically for the freeway agreement
6 that is currently being done by your auditor-controller
7 whomever that person is from the County. Is that a true
8 statement? Yes or no.

9 MR. MILLER: Yes.

10 SPECIAL MASTER MARTINEZ: Great. Thank you.

11 THE COURT: It will be much more expansive
12 tomorrow then, Mr. Miller. Trust me.

13 MR. MILLER: What is tomorrow going to look like?

14 THE COURT: I don't know. I'm going to be here
15 at 9:00 o'clock.

16 MR. MILLER: Okay.

17 THE COURT: We'll see who shows up.

18 MR. MILLER: We will be here.

19 THE COURT: All right. Then, back to any of you.
20 If not, let's make this a short day because tomorrow is going
21 to be a long day.

22 Mr. Miller?

23 MR. MILLER: No. I'm good, Your Honor.

24 THE COURT: Mr. Marcus?

25 MR. MARCUS: Nothing further, thank you.

1 THE COURT: Shayla or Carol?

2 MS. MYERS: No, Your Honor.

3 THE COURT: First Alliance?

4 Thank you very much. We are in recess. We will
5 see you tomorrow.

6 MR. MILLER: Thank you, Your Honor.

7 (Proceedings concluded at 11:24 a.m.)

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CERTIFICATE OF OFFICIAL REPORTER

I, MIRANDA ALGORRI, FEDERAL OFFICIAL REALTIME COURT REPORTER, IN AND FOR THE UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA, DO HEREBY CERTIFY THAT PURSUANT TO SECTION 753, TITLE 28, UNITED STATES CODE THAT THE FOREGOING IS A TRUE AND CORRECT TRANSCRIPT OF THE STENOGRAPHICALLY REPORTED PROCEEDINGS HELD IN THE ABOVE-ENTITLED MATTER AND THAT THE TRANSCRIPT PAGE FORMAT IS IN CONFORMANCE WITH THE REGULATIONS OF THE JUDICIAL CONFERENCE OF THE UNITED STATES.

DATED THIS 27TH DAY OF MAY, 2021.

/S/ MIRANDA ALGORRI

MIRANDA ALGORRI, CSR NO. 12743, CRR
FEDERAL OFFICIAL COURT REPORTER

Funding for Homeless Initiatives

SOURCE	AMOUNT
STATE FUNDING EXPENDED IN LAST 3 YEARS (per State Auditor Elaine Howle)	\$13 billion
LA CITY PROPOSTION HHH FUNDING	\$1.2 billion
LA COUNTY MEASURE H FUNDING	\$3.5 billion
PROPOSITION J FUNDING	Up to \$900 million per year
GOVERNOR NEWSOM'S PLEDGED BUDGET	\$12 billion over five years
ADDITIONAL CALTRANS BUDGET	\$1.5 billion
LA HOMELESS REVENUE, 2019-20	\$2.6 billion expended
PROJECT ROOMKEY	100% FEMA Reimbursement available, not yet applied for
AMERICAN RESCUE PLAN	\$1.3 billion
LAHSA	?
2020 BUDGET ROLLOVER	\$160 million

State Auditor Releases Scathing Audit of the Failure to Mitigate Homelessness in California

'CA has the largest homeless population in the nation, but its approach to addressing homelessness is disjointed'

By Katy Grimes, February 18, 2021 12:43 pm

California State Auditor Elaine Howle recently released a **rather scathing audit** of the management or mismanagement of Homelessness in California. She said that the state continues to have the largest homeless population in the nation "likely in part because its approach to addressing homelessness has been disjointed."

In her **cover letter** to the Governor, President pro Tempore of the Senate, and Speaker of the Assembly, Howle said "At least nine state agencies administer and oversee 41 different programs that provide funding to mitigate homelessness, yet no single entity oversees the State's efforts or is responsible for developing a statewide strategic plan."

The state's plan to mitigate homelessness is not designed to achieve this, as the audit shows. Because if the 9 agencies and 41 different programs were, they would no longer be needed, the federal and state funding would dry up, and public employee union jobs would be lost. In California, no program ever sunsets.

"The State continues to lack a comprehensive understanding of its spending to address homelessness, the specific services the programs provide, or the individuals who receive those services."

"Our audit found three additional factors that make state guidance to coordinate efforts to address homelessness especially necessary:

- CoCs do not always employ best practices related to identifying, planning for, and providing services for those experiencing homelessness.
- None of the five CoCs we reviewed has adequately determined whether it has enough service providers to meet the needs of those experiencing homelessness.
- Two of the five CoCs we assessed do not have current comprehensive plans."

Just the year before in 2018, a United Nations expert on housing singled out Oakland and San Francisco in a report as the only two U.S. cities which are part of a “global scandal,” saying the homeless encampments are “cruel and inhumane,” after visiting the Bay Area in January, KTVU Fox reported. In the same report the Special Rapporteur says “residents of informal settlements affirm humanity in the most inhumane circumstances. The Special Rapporteur has visited many informal settlements in the global North and South. She has found the severity of the living conditions and the failure of States to respond to them profoundly disturbing.”

California has spent \$13 billion in just the last three years on the massive homelessness problem. The auditor said the approach to dealing with homelessness is so fragmented and incomplete it actually hinders efforts at getting people into stable housing.

“Last year, Newsom vetoed a bill that would have created a uniform data-collection system on homelessness spending, saying the measure was duplicative and would create additional and unnecessary data collection costs,” KCRA Channel 3 reported. However, the auditor found a lack of coordination between agencies, and largely, no accountability by any agency or the task force.

- In recent years, the number of individuals experiencing homelessness in California has soared. More than 151,000 Californians were homeless in 2019, an increase of 15 percent from 2017.
- Unlike in some other states, no single state entity in California oversees efforts to address homelessness or is responsible for developing a statewide strategic plan. Instead, at least nine state agencies administer and oversee 41 different programs that provide funding for purposes related to homelessness.
- Despite creating the Homeless Coordinating and Financing Council in 2017, homeless council staff stated that the council has not set priorities or timelines for achieving all 18 statutory goals (below). Further, the homeless council still has not finalized an action plan that homeless council staff believe will serve as the council's strategic plan, and has yet to fulfill some of its most critical goals.
- Council staff said they can request information from state agencies, but it does not currently have the authority to require this information from other state agencies and has not been able to track program spending to date.

"In September 2019, the Governor signed a package of 13 bills addressing homelessness, including Senate Bill 211, which authorizes the California Department of Transportation to lease certain property to local governments for temporary emergency shelters or feeding programs, and Senate Bill 450, which exempts certain hotels converted to supportive or transitional housing from the requirements of the California Environmental Quality Act until January 1, 2025," the Auditor reported. "In January 2020, the Governor signed an executive order that focuses on preventing homelessness, providing shelter and services to people experiencing homelessness, and creating new temporary housing to reduce unsheltered homelessness. This executive order calls for, among other things, a multiagency state strike team to provide technical assistance and direct support to counties, cities, and public transit agencies seeking to bring people experiencing homelessness indoors and connect them with appropriate health, human, and social services."

The auditor said the homeless council staff reported that the homeless council has not formally gone through the process of prioritizing the 18 statutory goals.

Homeless council staff claims they need many more staff positions to fulfill some of its most critical responsibilities, despite already having 24 staff positions available due to the Legislature appropriating an additional \$1.5 million to add 10 more staff in fiscal year 2020–21, bringing its operating budget to about \$3.4 million, to carry out its statutory mandates.

“According to homeless council staff, the homeless council likely still lacks the necessary resources to be able to address all of its statutory goals.” However, the Auditor said more funding isn’t automatic, and, “the Legislature should require the homeless council to conduct an analysis to determine its budgetary needs for implementing any new statutory requirements.”

The state does not track the funding it provides to combat homelessness, which could be perhaps the biggest problem of all. “There is no single state entity that comprehensively tracks the sources of funding, the intended uses, or related expenditures for these programs,” nor does the state “track how much funding is available or spent toward addressing homelessness statewide.”

Additionally, “the homeless council has not prioritized coordination of existing funding and applications for competitive funding,” the auditor reported. “We believe that it [the Council] is well positioned to track the State’s sources of funding and spending on homelessness activities and make informed recommendations to decision makers to ensure proper coordination among different programs.”

The auditor said her office reviewed a number of other states which have charged a single agency with addressing homelessness statewide and tracking funding information centrally. “These other states have fared better than California in stemming the number of people who experience homelessness.”

The second part of the audit focused on the Continuum of Care organizations (CoCs), which “do not consistently employ best practices to improve homeless services in their areas.”

“The five CoCs we reviewed do not adequately conduct a comprehensive annual gaps analysis,” the Auditor reported. And two of the CoCs don’t even have current comprehensive plans. “Federal regulations require each CoC to have a plan in place to conduct an annual gaps analysis to determine whether the number and type of current services and service providers in its area are adequate to meet the needs of all the people it has identified as experiencing homelessness.”

Because of this, some homeless are struggling to access services because of gaps in the CoCs’ coordinated entry processes.

The Auditor makes a long list of recommendations, which frankly should already have been a priority for the county Continuum of Care organizations if they are truly focused on the goal of reducing homelessness by providing assessments and proper services for those they are tasked with helping. However, the audit does not state the obvious: if these five CoCs were to successfully reduce homelessness in California, they would work themselves out of jobs and the funding would dry up.

LOS ANGELES HOMELESSNESS REVENUE

IN 2018, THE STATE OF CALIFORNIA PROVIDED ONE-TIME BLOCK GRANT FUNDING FOR \$500 MILLION TO SUPPORT CoCs AND LARGE CITIES. IN 2019, THE STATE OF CALIFORNIA PROVIDED ONE-TIME BLOCK GRANT FUNDING OF \$650 MILLION TO CoCs, LARGE MUNICIPALITIES AND COUNTIES.

HUD FUNDING	2019	2020	TOTAL
Continuum of Care Funding	\$134,763,670	\$132,361,222	\$267,124,892
ESG City of LA	\$4,688,518		\$4,688,518
ESG County of LA	\$1,915,450		\$1,915,450
CDBG City of LA	\$53,358,857		\$53,358,857
CDBG County of LA	\$22,969,231	\$13,668,315	\$36,637,546
ESG CV City of LA		\$183,598,812	\$183,598,812
ESG CV County of LA		\$69,050,943	\$69,050,943
CDBG CV City of LA		\$31,963,374	\$31,963,374
CDBG CV County of LA		\$13,668,315	\$13,668,315
HUD-VASH LA City	\$289,559		\$289,559
HUD-VASH LA County	\$425,867		\$425,867
TOTAL	<u>\$218,411,152</u>	<u>\$444,310,981</u>	<u>\$662,722,133</u>
STATE OF CA FUNDING	2018 & 2019 Homeless Block Grants	2020 COVID-19 Funding	TOTAL
LAHSA	\$134,763,670	\$10,963,460	\$158,333,589
LA City	\$202,576,107	\$19,335,938	\$221,912,045
LA County	\$64,310,071	\$10,567,011	\$74,877,082
TOTAL	<u>\$414,256,307</u>	<u>\$40,866,409</u>	<u>\$455,122,716</u>
LOCAL FUNDING	2018-2019	2019-2020	TOTAL
LA CITY	\$372,735,754	\$426,329,846	\$799,095,600
LA COUNTY	\$355,572,000	\$355,572,000	\$711,144,000
TOTAL	<u>\$728,307,754</u>	<u>\$781,901,846</u>	<u>\$1,510,239,600</u>

TOTAL PUBLIC FUNDS FOR LA HOMELESSNESS: \$2,628,084,449

COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER



ARLENE BARRERA
AUDITOR-CONTROLLER

COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

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February 14, 2020

TO: Each Supervisor
FROM: Arlene Barrera, Auditor-Controller *Arlene Barrera*
SUBJECT: LOS ANGELES COUNTY DEVELOPMENT AUTHORITY – HOMELESS INITIATIVE – STRATEGY B4: FACILITATE UTILIZATION OF FEDERAL HOUSING SUBSIDIES – PERFORMANCE DATA AND EXPENDITURES REVIEW

With the support and active participation of the Chief Executive Office (CEO) and the Los Angeles County Development Authority (LACDA), we have completed a review of LACDA's Homeless Initiative – Strategy B4: Facilitate Utilization of Federal Housing Subsidies (Strategy B4) performance data and expenditures. In collaboration with the CEO, LACDA serves as the lead agency in providing Strategy B4 services. Strategy B4 utilizes Measure H funding to support LACDA's Homeless Incentive Program (HIP), which offers monetary incentives to encourage landlords to rent their available units to homeless Section 8 voucher holders.

LACDA's Strategy B4 expenditures were allowable, supported, and used for HIP services as required. However, we identified opportunities where LACDA can improve and strengthen controls over Strategy B4 services. For example, LACDA could not readily provide the detailed supporting documentation for their July through September 2018 performance data. After our review, LACDA was able to assess and analyze their existing data to identify and provide the requested supporting documentation. However, LACDA should develop policies and procedures to ensure the appropriate documentation is always maintained and readily available.

These enhancements will provide greater assurance that LACDA has the appropriate procedures over Strategy B4 data to ensure the performance metrics are reported accurately.

For details of our review, please see Attachment I. LACDA's response indicates agreement with our findings and recommendations and is included in Attachment II.

We thank LACDA management and staff for their cooperation and assistance during our review. If you have any questions please call me, or your staff may contact Terri Kasman at (213) 253-0301.

AB:PH:TK:JH

Attachments

c: Sachi A. Hamai, Chief Executive Officer
Emilio Salas, Acting Director, Los Angeles County Development Authority
Audit Committee

CHIEF EXECUTIVE OFFICER

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REPORT #X19910

NUMBER OF RECOMMENDATIONS
PRIORITY 1
0
PRIORITY 2
1
PRIORITY 3
1

FAST FACTS

LACDA serves as the lead agency in providing Strategy B4 services, which utilizes Measure H funding to support LACDA's HIP.

HIP offers monetary incentives to encourage landlords to rent their available units to homeless Section 8 voucher holders.

CEO advanced LACDA approximately \$4.5 million, of which LACDA utilized approximately \$4 million from October 2017 through September 2018.

LOS ANGELES COUNTY
AUDITOR-CONTROLLER

Attachment I
Page 1 of 2

Peter Hughes ASSISTANT AUDITOR-CONTROLLER	Terri Kasman DIVISION CHIEF
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COUNTYWIDE CONTRACT MONITORING DIVISION

Report #X19910

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY
HOMELESS INITIATIVE – STRATEGY B4
FACILITATE UTILIZATION OF FEDERAL HOUSING SUBSIDIES
PERFORMANCE DATA AND EXPENDITURES REVIEW

BACKGROUND AND AUDIT SCOPE

In collaboration with the Chief Executive Office (CEO), the Los Angeles County Development Authority (LACDA) serves as the lead agency in providing Homeless Initiative – Strategy B4: Facilitate Utilization of Federal Housing Subsidies (Strategy B4) services. Strategy B4 utilizes Measure H funding to support LACDA’s Homeless Incentive Program, which offers monetary incentives to encourage landlords to rent their available units to homeless Section 8 voucher holders. Incentives include vacancy payments to landlords to hold housing units, participant move-in costs such as security and utility deposits, and financial assistance for damage claims caused by tenants. The CEO advanced LACDA approximately \$4.5 million to provide Strategy B4 services, of which LACDA utilized approximately \$4 million from October 2017 through September 2018.

We reviewed a sample of transactions from July through September 2018 to determine whether LACDA appropriately accounted for and spent Strategy B4 funds. In addition, we reviewed LACDA’s Strategy B4 performance data for July through September 2018 to ensure the data was adequately supported with documentation.

TABLE OF FINDINGS AND RECOMMENDATIONS FOR CORRECTIVE ACTION

	ISSUE	RECOMMENDATION
1	<p>Supporting Documentation for Performance Data - LACDA submits their Strategy B4 performance data to the CEO quarterly. During our review, LACDA could not readily provide the detailed supporting documentation for their July through September 2018 performance data. Specifically, LACDA did not maintain point-in-time details for the reporting period (i.e. July through September 2018) and instead, maintained real-time, running totals. As a result, LACDA could not readily generate reports to support the data for the specified timeframe.</p> <p>After our review, LACDA was able to assess and analyze their existing data to identify and provide the requested supporting documentation. However, LACDA should develop policies and procedures to ensure the appropriate documentation is always maintained and readily available.</p> <p>Impact: Increased risk of inaccurate and/or unsupported performance data.</p>	<p>Priority 2 – LACDA management develop policies and procedures to ensure adequate documentation to support their reported performance data is appropriately maintained and readily available upon request.</p> <p>LACDA Response: Agree Implementation Date: October 2019</p>

Priority Ranking: Recommendations are ranked from Priority 1 to 3 based on the potential seriousness and likelihood of negative impact on the Department’s operations if corrective action is not taken.

LOS ANGELES COUNTY
AUDITOR-CONTROLLER

Attachment I
Page 2 of 2

TABLE OF FINDINGS AND RECOMMENDATIONS FOR CORRECTIVE ACTION	
ISSUE	RECOMMENDATION
<p>2 Support for Quarterly Expenditure Reports - LACDA provides cash advances to their contracted Public Housing Agencies (PHAs) to ensure funds are readily available to provide Strategy B4 services. The PHAs spend down and track the funds in their quarterly expenditure reports submitted to LACDA, which are in turn reported to the CEO. However, we noted that LACDA does not require the PHAs to provide supporting documentation, such as detailed accounting records, at the time the quarterly expenditure reports are submitted.</p> <p>It should be noted that we conducted Fiscal Year 2018-19 monitoring reviews for LACDA's two largest contracted PHAs and determined that the PHAs' Strategy B4 expenditures were allowable, supported, and used for their intended purposes. However, to enhance assurance over the accuracy/appropriateness of the quarterly expenditure reports, LACDA should require that PHAs provide supporting documentation with the reports.</p> <p>Impact: Increased risk of inaccurate and/or inappropriate financial reporting.</p>	<p>Priority 3 - LACDA management require additional information, such as the PHAs' accounting records, to be submitted with the quarterly expenditure reports.</p> <p>LACDA Response: Agree Implementation Date: November 2019</p>

We conducted our review in conformance with the International Standards for the Professional Practice of Internal Auditing. For more information on our auditing process, including recommendation priority rankings, the follow-up process, and management's responsibility for internal controls, visit <https://auditor.lacounty.gov/audit-process-information/>





January 22, 2020

Arlene Barrera, Auditor-Controller
County of Los Angeles
Department of Auditor-Controller
Countywide Contract Monitoring Division
350 South Figueroa Street, 8th Floor
Los Angeles, CA 90071

SUBJECT: RESPONSE TO LOS ANGELES COUNTY DEVELOPMENT AUTHORITY (LACDA) HOMELESS INITIATIVE - STRATEGY B4: FACILITATE UTILIZATION OF FEDERAL HOUSING SUBSIDIES PERFORMANCE DATA AND EXPENDITURES REVIEW

Dear Ms. Barrera:



This letter is in response to the results of the Performance Data and Expenditures Review conducted by the Los Angeles County Auditor-Controller's Office. The results of the review received by the LACDA cited two recommendations related to opportunities where we can improve and strengthen controls over Strategy B4 services.

Recommendation #1:

The first recommendation resulted from the LACDA not readily providing the detailed supporting documentation for our July through September 2018 performance data. It was recommended that the LACDA develop policies and procedures to ensure adequate documentation to support our reported performance data is appropriately maintained and readily available upon request.

LACDA's Response: The LACDA management agrees with the recommendation. The LACDA agreed to establish a procedure to require the submission of statistical reports utilized in preparing the Homeless Initiative – Strategy B4 quarterly performance data to the Chief Executive Office by all Public Housing Agencies (PHAs) including LACDA. On August 19, 2019, the LACDA instructed all PHAs when submitting their quarterly report to make certain that the time and date is printed on the report to ensure that the reporting period reflects point-in-time details that correlates with their data. The implementation occurred within the 1st quarter reporting period; thus, quarterly reports received on or after October 1, 2019, are complying with the new procedures.

700 West Main Street, Alhambra, CA 91801
Tel: (626) 262-4511 TDD: (626) 943-3898
Acting Executive Director: Emilio Salas
Commissioners: Hilda L. Solis, Mark Ridley-Thomas, Sheila Kuehl, Janice Hahn, Kathryn Barger



lacda.org

Arlene Barrera, Auditor-Controller
January 22, 2020
Page 2

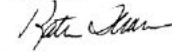
Recommendation #2:

The second recommendation relates to support for quarterly expenditure reports. It was noted that the LACDA does not require the PHAs to provide supporting documentation, such as detailed accounting records at the time the quarterly expenditure reports are submitted. To enhance assurance over the accuracy/appropriateness of the quarterly expenditure reports, the LACDA should require that PHAs provide supporting documentation with the reports.

LACDA's Response: The LACDA management agrees with the recommendation. LACDA established a procedure to require all PHAs to submit general ledger reports when requesting reimbursements for Strategy B4 expenditures. The LACDA notified PHAs that all required quarterly reports must be submitted to LACDA by the 15th day of the month following the end of each fiscal quarter. We further instructed the PHAs that the reports should be accompanied by fund expenditures supporting documentation such as financial ledgers. This procedure was implemented on November 25, 2019, during our Fiscal Year 2019/2020 Homeless Incentive Process Interagency Amendment process.

We will provide additional supporting documents during the follow-up review process. If you have any questions, please contact Matthew Fortini, Director of Finance and Budget at (626) 586-1890.

Sincerely,



for EMILIO SALAS
Acting Executive Director

cc: Matthew Fortini, Director of Finance and Budget Division

LA COUNTY DEVELOPMENT AUTHORITY - STRATEGY B4 PERFORMANCE DATA AND EXPENDITURES REVIEW

Strategy B4 utilizes Measure H funding to support LACDA's Homeless Incentive Program (HIP), which offers monetary incentives to encourage landlords to rent their available units to homeless Section 8 voucher holders.

In February 2020, Los Angeles County Auditor-Controller Arlene Barrera identified opportunities where LACDA could improve and strengthen control over Strategy B4 services. For example, LACDA could not readily provide supporting documentation for their July - September 2018 performance data and instead maintained real-time, running totals.



Data: County of Los Angeles Department of Auditor-Controller, February 14, 2020, "Los Angeles County Development Authority - Homeless Initiative - Strategy B4: Facilitate Utilization of Federal Housing Subsidies - Performance Data and Expenditures Review"
Los Angeles County Development Authority (LACDA), directed to Arlene Barrera, Auditor-Controller, January 22, 2020, "Response to Los Angeles County Development Authority (LACDA) Homeless Initiative - Strategy B4: Facilitate Utilization of Federal Housing Subsidies Performance Data and Expenditures Review"

Measure H Citizens' Oversight Advisory Board Meeting COUNTY OF LOS ANGELES

DATE: Thursday, December 5, 2019
TIME: 1:00 p.m.

IV. Measure H Funding and Outcomes (Phil Ansell, Chief Executive Office – Homeless Initiative)

Mr. Ansell provided an update on the FY 2018-19 Measure H Final Expenditures. A copy of the chart is available on the website (<https://homeless.lacounty.gov/oversight/>) and has the following information: Funded Measure H Strategies, description, lead agency, final allocations for FY 2018-19, expenditures by quarter, total expenditures, and the difference between allocation and expenditures (underspending).

2

- In FY 18-19, there was \$58.5M in underspending, including:
 - \$3.9M of expenditures were incurred by lead agencies, but were not submitted to Auditor Controller by the deadline (funding will be carried over to FY 2019-20, so that agencies can pay costs).
 - \$15.3M represents funding previously approved for interim housing capital expenditures (dollars not spent in FY 2018-19, but will be used for multi-year projects)
- When these numbers are excluded, there is \$39.3M in actual under-expenditures (between 9-10% of total allocation of \$412M in FY 2018-19).
- For context, in FY 2017-18 (first year of Measure H), the total allocation was \$216M and under expenditures were about 33%.
- There are certain strategies with higher rates of under expenditures:
 - Underspending is largely due to staff vacancies associated with ramp-up and/or turnover.
 - According to the lead agencies for those strategies, underspending in FY 2018-19 is not predictive of underspending in FY 2019-20.
 - This data will assist in Measure H Funding Recommendations for FY 2019-20, 2020-21, 2021-22
- Measure H is not expected to have zero under expenditures, since it is a complex system with many contract providers. Contractors must ensure they do not exceed contract maximums, which results in some underspending.
- Measure H revenue for FY 2018-19 (\$398M) exceeded the initial, projected Measure H revenue projection of \$355M.
- It is projected that FY 2019-20 Measure H revenue will also equal \$398M.
- Mr. Naimo asked about funding for services versus rental subsidies.
 - Mr. Ansell responded that Measure H is not an appropriate funding stream for ongoing rental subsidies, since Measure H is time-limited.
 - Measure H funding was used in early years for rental subsidies to increase the pace at which people can enter PSH, but local subsidies will eventually need to be replaced with federal subsidies.
 - On a long-term basis, the County intends to fund intensive case management services (ICMS) for all new project-based PSH in LA County
 - There are insufficient federal subsidies today for all new PSH units and there is currently dialogue on how to cover the future need for rental subsidies for new PSH (particularly project-based PSH).
 - There is no intention to reduce PSH services to pay for rental subsidies.

Mr. Ansell also provided information on the FY 2018-19 Measure H Outcomes (Quarterly Report #14)

- Interim housing placements:
 - 18,323 individuals and family members were placed in interim housing funded in whole or in part by Measure H in the past fiscal year.
 - Almost 32,000 individuals and family members placed in interim housing funded in whole or in part by Measure H for the first two fiscal years.

- Permanent housing placements:
 - housing in the past #20389
 - A total of 16,003 have been permanently housed through Measure H over the past two fiscal years.
 - Measure H is on track to meet its 5-year goal of placing 45,000 family members and individuals in permanent housing.
- Ms. Margiotta asked for more context regarding the 45,000 goal: 1) how many additional housing placements are needed and 2) how was goal determined?
 - Mr. Ansell responded that there were about 48,000 people who exited homelessness in LA County in calendar year 2018. Of that number, about 21,000 were directly assisted by the homeless services system. (Measure H represented slightly under half of the total permanent housing placements).
 - The 45,000 number is an estimate based on the costs associated with securing permanent housing, outreach, interim housing, and benefits advocacy, etc.
 - This number is not based on the total need.
- Mr. Kerr expressed concern about homelessness inflow and suggested that the County have a dashboard/open source data to analyze best practices. Mr. Ansell responded that the homelessness crisis is primarily the result of our affordable housing crisis and the Board has taken the following actions:
 - required the creation of an annual affordable housing outcomes report, which documents the gap in affordable housing and identifies current affordable housing properties at-risk of losing affordability
 - is pursuing tenant protections to mitigate the impact of shortage of affordable housing
 - considering permanent rent stabilization ordinance for unincorporated areas
 - supports SB 1482 which caps rent increases statewide for multi-unit rental housing built more than 15 years ago at 5% plus CPI for 10 years (would also extend just cause eviction protections)
 - The fundamental solution is a combination of increasing housing supply and tenant protections.

Mr. Ansell also provided information about the FY 2019-20 Key Metrics:

- Key performance metrics have been identified, but the CEO-HI is still working with lead agencies to identify which metrics are the most consequential relative to the performance of Measure H.
- Mr. Naimo stated this info will help understand the year-to-year changes in the homeless population.
- Ms. Al-Mansour stated it would help to know about zoning ordinances for affordable housing.
- Mr. Kerr was interested to have a presentation by the California Housing Partnership Corporation regarding their work on the County's annual affordable housing outcomes report.
- Mr. Margiotta stated that she was interested in the prevention metrics and thought it would be helpful to see hard numbers and how it relates on a macro level.

- Mr. Ansell stated that the intent is to complete the key metrics chart and return to the Advisory Board with more information.

Mr. Ansell presented information on the FY 2020-21, 2021-22, and 2022-23 Measure H Funding Recommendations Process:

- The process will include final recommendations for FY 2020-21 and tentative recommendations for FY 2021-22 and FY 2022-23.
- Outcome data is now available, which assists in discerning how to best deploy Measure H resources.
- Will include eight Policy Summits, which will take place through November and primarily focus on discussion questions, expenditure outcome data, and evaluation reports on Measure H strategies.
- LAHSA/CEO-HI will conduct community meetings to solicit stakeholder input.
- There will also be an on-line mechanism for written public input
- A draft set of recommendations will be developed based on this input and posted in early March 2020 on the CEO-HI website and discussed via a Webinar
- There will be an additional public meeting in March 2020, which will include another opportunity for written public comment.
- There will be a panel discussion of draft recommendation at the March 2020 HI Conference.
- Draft Funding Recommendations will be presented to the Board Deputies in April 2020 and the Board of Supervisors will vote on the recommendations in May.
- In addition to Measure H, there is also a new State funding source: Homeless Housing, Assistance, and Prevention Program (HHAPP) that will be incorporated into the process.
- County was aggressive in increasing the Measure H funding to \$460M this year and hopeful to sustain in 2021 and beyond, though it is dependent on the economy.
- Ms. Margiotta asked how funding conversations will address themes that cut across multiple strategies (for example, sustainability and compensation for employees who are working in the homeless services system or how black people experiencing homelessness are affected).
 - Mr. Ansell responded that the first and last Policy Summits are intended to cover cross-cutting themes and funding.
 - Also, the last summit will compile the key themes from the prior seven Summits.
- Mr. Kerr asked if there has been an opportunity to look at non-Measure H revenue that the County is saving and reinvest this funding to known strategies that are saving the County money.
 - In February 2016, the Board directed the CEO to identify single adults in LA County who are experiencing homelessness for whom the County has incurred the greatest costs (also known as the 5% list).
 - Housing and services are prioritized for this group of people and the CEO was asked to determine the associated savings for potential reinvestment.
 - There are challenges in capturing savings and reinvesting, since savings usually accrue to the State or Federal Government. For example, savings to Medicaid or in food stamps are not available to the County to reinvest.

- Additionally, savings are in systems that otherwise have surplus demand.
- However, there is a promising opportunity around increasing access to Medicaid funding for housing and homelessness related purposes
- The County is in dialogue with the State in anticipation of the expiration of the current 1115 waiver.
- Medicaid requires a non-federal match and Measure H is available to draw down the federal match, which will further leverage funding.
- Public Comment: Six persons provided public comment.

APPROXIMATELY 1 BILLION IN MEASURE H FUNDING 2017-2020

(FY) 2017-18*

Measure H Funding Allocation: \$216 million

Unspent: approx. \$71.8 million (33%)

(FY) 2018-19**

Measure H Funding Allocation: \$412.2 million

Unspent: \$39.3 million (9.5%)

(FY) 2019-20***

Measure H Funding Allocation: \$534 million

Unspent: \$95.6 million (17.9%)

Actual FY 2019-20 revenue was \$22.5 million less than budgeted



Fiscal Year ("FY")

* Source

* "Measure H Funding and Outcomes (Phil Ansell, Chief Executive Office - Homeless Initiative)," Measure H Citizens' Oversight Board Meeting, County of Los Angeles, December 5, 2019

** "FY 2018-19 Measure H Strategy Underspending Survey Compilation," Measure H Citizens' Oversight Advisory Board Meeting, County of Los Angeles, September 5, 2019

*** "Measure H Funding and Outcomes (Phil Ansell, Chief Executive Office, Homeless Initiative (CEO-HI)," Measure H Citizens' Oversight Advisory Board, Thursday, March 4, 2021

**“THE HIGH COST OF HOMELESS HOUSING: REVIEW OF
PROPOSITION HHH” (2019)
CITY OF LOS ANGELES, CONTROLLER RON GALPERIN**



RON GALPERIN
CONTROLLER

October 8, 2019

Honorable Eric Garcetti, Mayor
Honorable Michael Feuer, City Attorney
Honorable Members of the Los Angeles City Council

Re: The High Cost of Homeless Housing: Review of Proposition HHH

Los Angeles voters approved Proposition HHH in November 2016 by an overwhelming margin, authorizing City officials to issue up to \$1.2 billion in general obligation bonds to partially subsidize the development of up to 10,000 supportive housing units for individuals and families experiencing homelessness. HHH funds can also be used to support new affordable housing units, temporary shelters and service facilities. The ballot language of HHH provides that the City Controller shall conduct a financial audit of the program each year bonds are outstanding or proceeds remain unspent. The attached audit examines how the City is delivering on HHH to alleviate the most pressing issue facing Los Angeles.

As of last month, the City has conditionally awarded nearly all of the funds authorized by HHH to build 114 projects across Los Angeles, which are slated to provide a total of 5,873 supportive units for homeless residents and another 1,767 affordable units. However, more than two years after the first bond issuance and nearly three years since voters approved HHH, not one bond-funded unit has opened. While 19 projects are under construction and two are scheduled to open in the coming months, it is clear that the City's HHH program is not keeping pace with the growing demand for supportive housing and shelter. According to the Greater Los Angeles Homeless Count, homelessness in the City has increased by 40 percent to more than 36,000 people over the past four years.

Increased costs, timelines

There is currently a lack of clarity surrounding the City's goal for the number of supportive housing units to be built using HHH funds. This review found that, regardless of the actual target, high costs and slower than expected pre-development and construction timelines have significantly hindered the City's ability to achieve the ballot measure's intentions.

Building cost estimates skyrocketed from \$350,000 for a small studio or one-bedroom unit and \$414,000 for a larger unit, as projected in 2016, to a median cost of \$531,000 per unit today. More than 1,000 HHH units are projected to exceed \$600,000, with one project topping \$700,000 per unit.

The cost of building many of these units exceeds the median sale price of a market-rate condominium in the City of Los Angeles and a single-family home in Los Angeles County. Reasons for this include the number and complexity of funding sources required to complete an HHH project, the relatively limited pool of eligible developers, regulatory barriers and permitting challenges, and considerable construction and labor costs. An unusually high 35 to 40 percent of costs are so-called “soft costs” (development fees, consultants, financing, etc.), compared to just 11 percent for actual land costs.

The high price of development is linked with elongated approval and construction timelines. HHH projects are estimated to take between three to six years to complete — a schedule plainly out of step with the City’s urgent need to bring tens of thousands of people off the streets and into housing. In an attempt to speed up the pace, the City created a position to serve as a dedicated concierge for HHH projects, a welcome step that should have been taken sooner. City leaders have also set aside one-tenth of the bond proceeds to explore alternative housing models, such as modular homes and shared units with simplified financing mechanisms. This strategy aims to provide 975 additional supportive units and could lower per-unit costs, which would be positive. It remains to be seen whether the projects will live up to expectations, and evaluating outcomes will help determine what should be replicated and what to avoid.

Two additional financial issues of note are the premature sale of HHH bonds and the decentralized nature of HHH accounting authority. Because the City decided to sell so many bonds long before the proceeds would be used to build homeless housing, Los Angeles taxpayers incurred at least \$5.2 million in excess interest payments through June 2019. At this time, there is also an unnecessary division of labor in program accounting for the housing and facilities components of HHH, which should centralized in one department.

Recommendations

In order to reduce Proposition HHH project costs and development timelines, prevent any potential future delays, and strengthen the bond program’s financials, the City should:

- Put a greater focus on innovative practices to save time and money, including ways to reduce costs on approved or conditionally-approved projects, and consider using any savings achieved for temporary shelters, bridge housing, hygiene centers and other service facilities to address more immediate needs.
- Streamline the permitting process and add needed personnel to ensure quicker development approvals and processing.
- Centralize accounting responsibility in one City department.

The recommendations in this review are intended to help the City’s Measure HHH program achieve its voter-mandated goals, while also ensuring that valuable taxpayer dollars are managed transparently and carefully.

Respectfully submitted,



RON GALPERIN
L.A. Controller

**“MEETING THE MOMENT:
AN ACTION PLAN TO ADVANCE PROPOSITION HHH” (2020)
CITY OF LOS ANGELES, CONTROLLER RON GALPERIN**

#20206



RON GALPERIN
CONTROLLER

September 9, 2020

Honorable Eric Garcetti, Mayor
Honorable Michael Feuer, City Attorney
Honorable Members of the Los Angeles City Council

Re: Meeting the Moment: An Action Plan to Advance Prop. HHH

By overwhelmingly approving Prop. HHH in 2016, Los Angeles' voters authorized City officials to issue up to \$1.2 billion in general obligation bonds with the aim of reducing homelessness by acquiring, developing, or remodeling supportive housing and facilities, including interim housing, restrooms, showers, health clinics and storage. The measure provided for citizen oversight and a yearly financial audit by the City Controller. My office first examined HHH in October 2019 and recommended reallocating funds to lower-cost projects and streamlined permitting.

Over the last year, homelessness in the City of Los Angeles jumped to 41,290 according to the 2020 Greater Los Angeles Homeless Count, up 16 percent from 2019 and 45 percent since 2016. Deaths among the unhoused population climbed almost 100 percent over seven years, with 1,047 people dying on the streets in 2018 alone. And COVID-19 has caused outdoor health and safety conditions to deteriorate further. While these facts illustrate the depth of the humanitarian emergency, they also reveal how one of the City's primary tools to address it is coming up short. My latest audit reassesses the current HHH strategy and recommends a short-term action plan to utilize the remaining bond funds and provide more immediate relief to people experiencing homelessness.

Time, costs still rising

Today, more than three years after the first bond issuance and nearly four years since HHH's approval, only three bond-funded supportive housing projects are open. There are 5,522 supportive units and 1,557 additional units in the pipeline, but 73 percent are not yet in construction. An additional 975 supportive units are being developed through the HHH Housing Challenge. The City also funded 24 interim housing projects and facilities with \$58 million from HHH — a deliberately limited amount to focus on supportive housing.

My office's 2019 audit uncovered that supportive housing projects typically take three to six years to complete from concept to occupancy. COVID-19's impact on these already lengthy timelines is not clear, but will almost certainly extend them, and it is possible that some projects

in the pipeline today may never come to fruition. Before the pandemic hit, the City had already granted time extensions for 13 projects in pre-development, ranging from 42 days to more than one year, because of permitting problems, financial complexities and lawsuits. Not only do delays slow projects down, they also increase development costs.

Based on present estimates, 81 percent of units will not be completed until at least January 1, 2022, with 57 percent unavailable until 2023 or later — seven years after the bond’s approval. Supportive housing is considered the best long-term strategy to help chronically homeless individuals get back on their feet, but HHH’s lagging progress could leave that population without stable shelter options for years to come. Even when every HHH unit is completed, tens of thousands of Angelenos will still require housing — highlighting the need for a more strategic and flexible approach to utilizing remaining HHH funds.

Not only are HHH timelines out of step with the demand for housing, rising program costs are as well. For projects in construction, the average per-unit cost increased from \$521,000 in 2019 to \$531,000 this year, with the highest per-unit cost reaching \$739,000. And the share of units costing more than \$600,000 spiked from 10.8 percent in 2019 to 28.5 percent today. Similarly, one-third of the units in pre-development will exceed \$600,000, and per-unit averages increased from \$507,000 to \$558,000 in the past year. The highest total development cost for a single project in pre-development now surpasses \$76 million.

Short-term action plan needed

Our most vulnerable residents are suffering concurrent crises and deserve a housing strategy that addresses this reality. Although the City has a plan to use the remaining \$30 million in HHH funds, along with any money returned due to unsuccessful supportive housing projects, it would simply replicate the status quo by starting the development process all over again. Instead, City leaders should pivot to a viable plan that would spend available HHH dollars in these ways:

- **Build more interim housing and facilities:** Stopgap measures will not end homelessness but will get thousands of people off the streets more rapidly while supportive units are built, and help meet health, hygiene, sanitation and storage needs.
- **Prioritize adaptive reuse:** The City should pursue alternative development strategies that could prove cheaper and faster to complete, including acquisition or adaptive reuse of existing buildings, like hotels/motels, and unused commercial and office space.

Adopting a short-term action plan will add flexibility to the HHH program, ease suffering for the unsheltered population and help the City achieve its long-term, voter-mandated goals — adding housing to improve people’s lives while reducing homelessness in Los Angeles.

Respectfully submitted,



RON GALPERIN
L.A. Controller

WOMEN IN SKID ROW



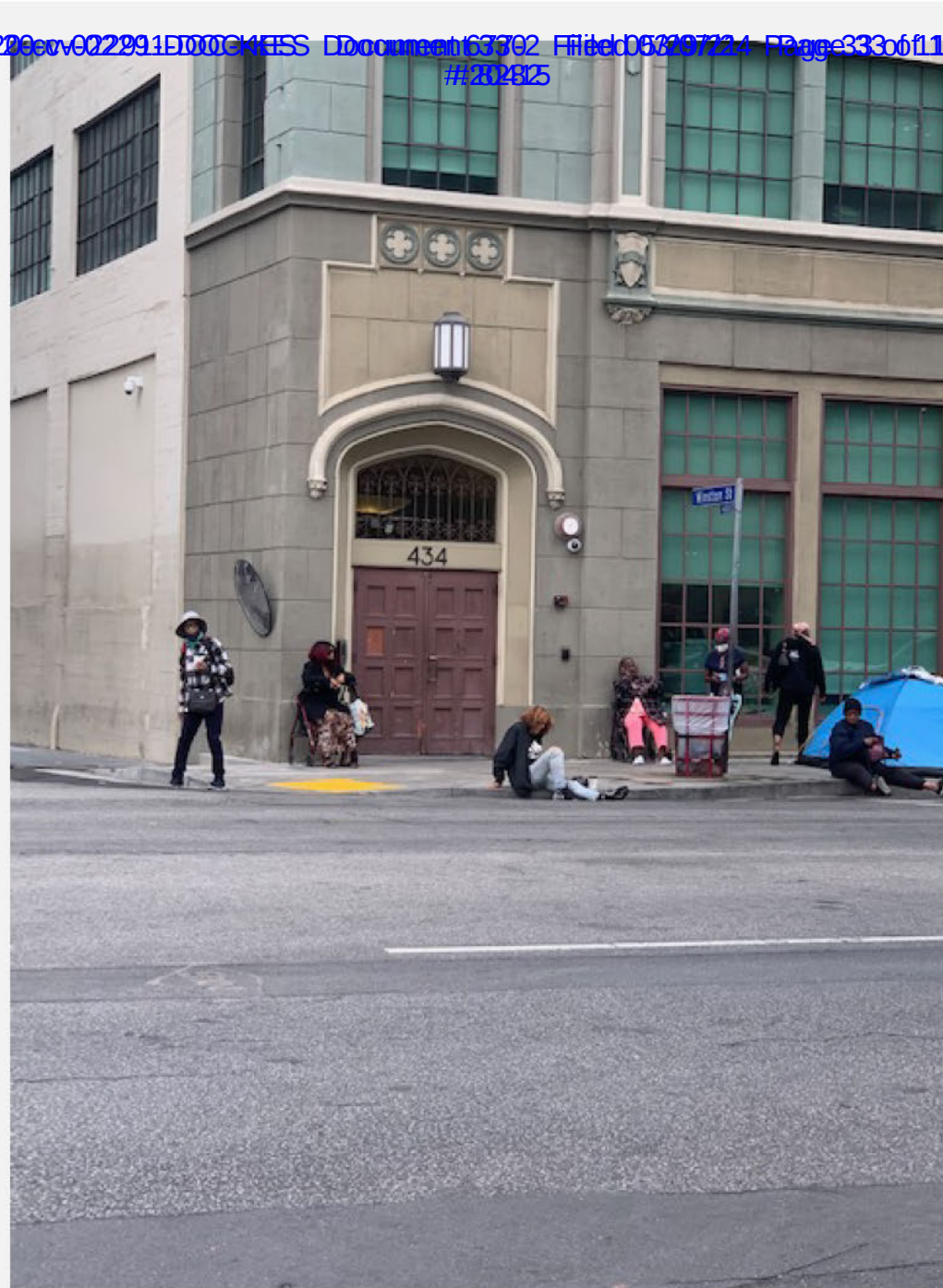










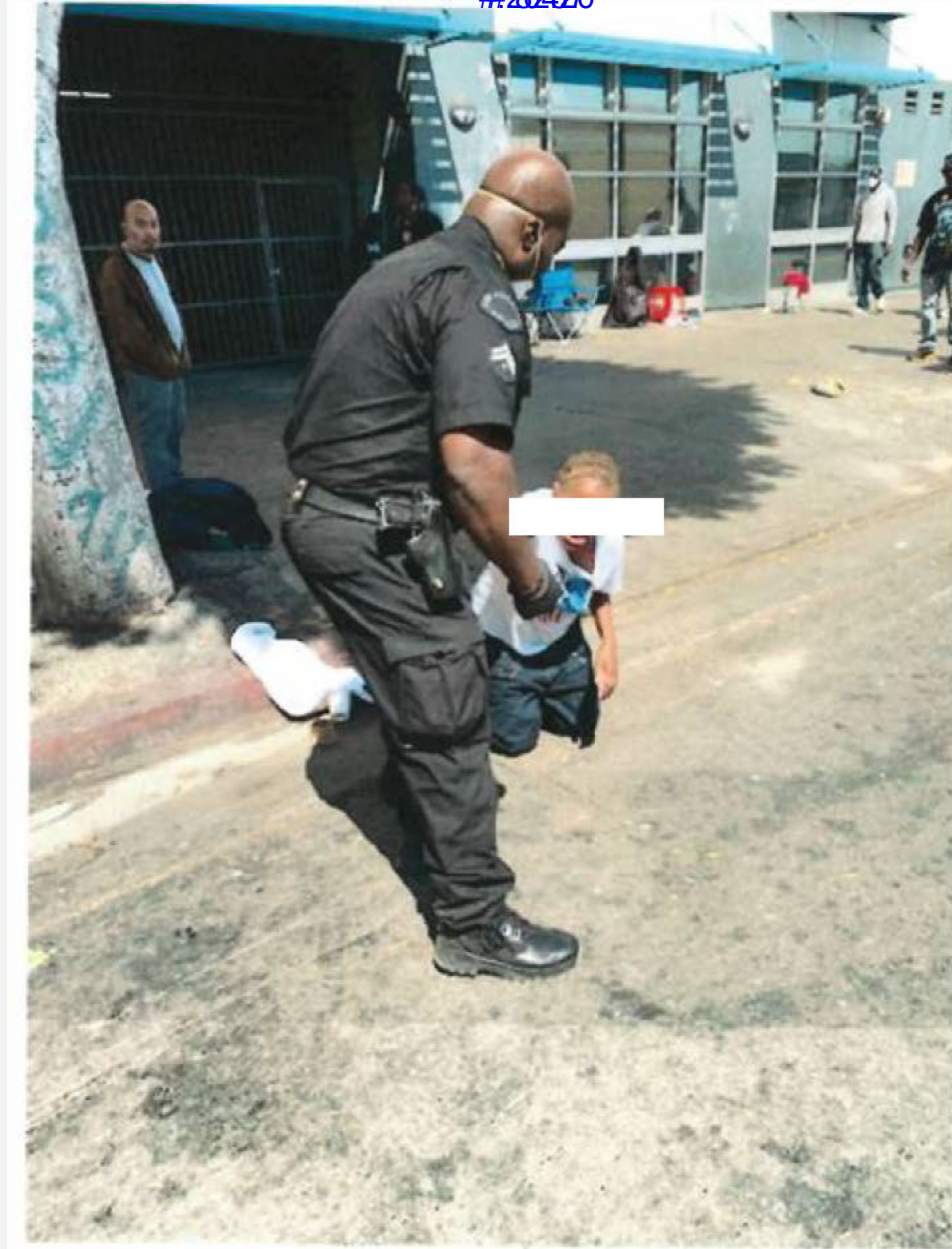


































SKID ROW
FIRE AND ADA VIOLATIONS



























CBS LOS ANGELES
GOLDSTEIN INVESTIGATES:
TRAILERS MEANT TO SHELTER HOMELESS
RESIDENTS SITTING UNUSED IN
PARKING LOTS









STRUCTURAL RACISM

HOMELESS

LA County to Expand Naloxone Distribution Among Homeless in Bid to Reduce Overdoses

A recent report by the county's Department of Public Health found an 84% increase in overdoses among people experiencing homelessness in recent years.

By City News Service • Published May 19, 2021 • Updated on May 19, 2021 at 9:24 am



Supervisor Hilda Solis, who co-authored the motion, said it is also an issue of racial justice.

"This issue disproportionately impacts Black and Latinx residents and in our efforts to address these racial inequities, community-based efforts like overdose prevention programming and increased access to naloxone will help reduce deaths by overdose by training homeless service providers and people experiencing homelessness for situations in which an overdose may occur," Solis said.

Committee for Greater L.A. Calls for New Entity to Address Homelessness

By City News Service
May 19, 2021



LOS ANGELES (CNS) - A coalition of civic leaders called today for the city and county of Los Angeles to create an independent entity to address the homelessness crisis through data, measurable outcomes and greater accountability.

The "Homelessness Governance in Los Angeles: Centering the System" report was commissioned by the Committee for Greater L.A. in partnership with the UCLA Luskin School for Public Affairs and the USC Equity Research Institute.

It asserts that Los Angeles' governance problem stems from the lack of a central entity to address the problem of homelessness, and calls for officials to create one.

The report notes that while the Los Angeles Homeless Services Authority is a shared city-county agency, it "was never designed nor has it evolved into the kind of entity that can knit together the fragmented threads of LA governance in homeless policy."

"We actually have too much leadership, all too often scattered and freelancing; too much data, not forged around outcomes; too much informal, unaligned coordination," according to the report, which was authored by Raphael Sonenshein of the Pat Brown Institute for Public Affairs at Cal State Los Angeles.

Garcetti Unveils 'Justice Budget' At State Of The City

By CBSLA Staff April 19, 2021 at 7:46 pm Filed Under: Los Angeles, Mayor Eric Garcetti, State Of The City

LOS ANGELES (CBSLA) — Mayor Eric Garcetti Monday night announced a number of initiatives aimed at recovery, racial equity and clean energy during his State of the City address broadcast from the Griffith Observatory.



Mayor Eric Garcetti gives his 2021 State of the City address from Griffith Observatory. (CBSLA)

"The state of our city is strong and bruised, bursting with joyous possibility while it cracks with sorrow," Garcetti said. "But if you ask me for one word that defines Los Angeles in 2021, I would tell you that we are becoming."

READ MORE: 'We Have Just Been Devastated': Community Mourns Death Of Aiden Leos As CHP Continues

Investigation

COVID-19 Pandemic Recovery:

On the recovery front, Garcetti announced he was proposing to set aside \$75 million to provide additional testing, vaccine distribution and personal protective equipment for all Angelenos.

"Job 1 in the budget: end this pandemic," Garcetti said.

The mayor also announced his budget proposed additional funding for businesses to help in post-pandemic recovery in the form of a \$25 million "comeback check" program that would provide \$5,000 to 5,000 businesses and an additional \$1.3 million specifically for street vendors to upgrade their equipment, clear bureaucratic hurdles and purchase modernized carts.

He also announced that he was asking the city council to adopt an ordinance that cuts the cost of fees and permits and make al fresco dining a permanent feature for L.A. restaurants.

Racial Equity And Justice:

Garcetti said his proposed budget included \$1 billion to "untangle the inequities that have strangled our city and our nation for decades."



MayorOfLA @MayorOfLA



If job one is to end this pandemic, then job 2 and 3 and 4, for every day as long as I am your mayor, is that we demand — and deliver — justice.

Our justice budget will invest in services for residents, infrastructure and cleanliness, arts and culture, and an economic comeback.

5:25 PM · Apr 19, 2021



27 9 Copy link to Tweet

He also announced a proposed \$12 million investment in a pilot program called L.A. Reforms for Equity and the Public Acknowledgement of Institutional Racism — L.A. REPAIR.



L.A. REPAIR will give communities a direct say in grassroots investments.

Supporting job creation + providing community intervention, racial healing, justice & reconciliation.

Funding will help us partner w/ community & faith orgs to create dialogue among youth/adults #SOTC2021

5:58 PM · Apr 19, 2021

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“The L.A. REPAIR pilot will give communities a direct say in grassroots investment to support job creation and provide organizational backing for community intervention, racial healing, justice and reconciliation,” he said. “And we will also use that funding to partner with community and faith organizations to establish spaces that foster dialogue among youth and adults alike to name the things that have so starkly divided our fortunes and to hold our city to promises of a better future.”

Poverty And Homelessness:

Garcetti also announced another \$300 million in direct relief assistance for Angelenos struggling to pay their rent and utility bills would come this summer from the American Rescue Plan, bringing the total to more than \$700 million.

#SOTC2021 the pandemic didn't start our housing crisis, and our success in eliminating so

much rent won't end it," he said. "Loving Los Angeles means facing the bitter truth about our past that maps of our city were drawn to protect the wealth of white people and destroy the wealth of Black people and other people of color."

According to Garcetti, the acts of red-lining and exclusionary zoning resulted in a city where Black and Mexican families hold 1/90th the wealth of white families today, on average.

Garcetti said the pandemic finally allowed the city to react to the growing homelessness crisis — one that impacts Black and Latino Angelenos at a higher rate — with a "FEMA-like" aid response.



The threat of COVID-19 finally led the federal & state govt's to do something I've long called for: treat an emergency like an emergency & offer a FEMA-level response.

Now, we have real resources + the alignment from federal to state to local govt's to begin moving the needle.

5:33 PM · Apr 19, 2021

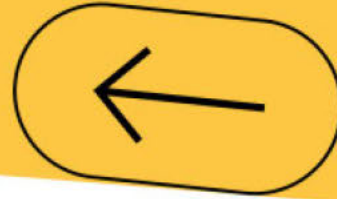
37 See the latest COVID-19 information on ...

“WE’RE NOT GIVING UP: A PLAN FOR
HOMELESSNESS GOVERNANCE
IN LOS ANGELES”



#203457

WE'RE



NOT GIVING UP:

A plan for
homelessness
governance in
Los Angeles



NO GOING BACK LA



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Unleashing the Power of Participation

We're Not Giving Up:

*A Plan for Homelessness
Governance in Los Angeles*

■ **Raphael J. Sonenshein, Ph.D.**

EXECUTIVE DIRECTOR

Pat Brown Institute for Public Affairs

Cal State LA

Presented to the Committee for Greater LA

May 2021

**EXECUTIVE
SUMMARY**



We actually have too much leadership, all too often scattered and freelancing; too much data, not forged around outcomes; too much informal, unaligned coordination... but we most truly need alignment of money and institutions around a common mission with agreed-upon and impactful outcomes.

The ongoing homelessness crisis in Los Angeles has elevated calls for a better governance structure to address this devastating issue. Los Angeles combines an already fragmented system of general governance with a fragmented governance approach to homelessness. Any new governance structure must be customized around these distinctly Los Angeles features.

We often assume the problems in homelessness governance can be solved with more leadership, more data, restructured government institutions, more coordination, more city-county collaboration, and more money. This independent report commissioned by the Committee for Greater LA challenges these assumptions.

We actually have too much leadership, all too often scattered and freelancing; too much data, not forged around outcomes; too much informal, unaligned coordination. Formal city-county collaboration, as currently devised, is too inconsistent to carry the community's effort in the long term. We definitely need more money and should improve existing institutions, but we most truly need alignment of money and institutions around a common mission with agreed-upon and impactful outcomes.

The actual governance problem in Los Angeles is the absence of a center, a magnetic force that can draw our disparate best efforts to a common mission.

A centering structure customized for Los Angeles will focus the community and the stakeholders around a common mission, will develop and win consensus for shared outcomes, and will put elected leaders at the city and county levels in the central, but not exclusive role of leadership without creating a time-consuming process to create a new formal authority.

The centering entity will replace scattered and freelancing leadership, masses of uncoordinated data, inconsistent city-county collaboration with a focused, consensus building approach that will foster alignment of institutions around common objectives. Rather than setting out to "fix" agencies, it will realign their work around a common mission and hold all participants accountable for helping to achieve the mission. In that process, much organizational fixing is likely to occur.

This new, independent entity known as the Center will be led by a CEO, governed by a board mostly of elected officials, from the county, the city and state, and overseen by a powerful board of key community stakeholders. As a "start up", the Center will begin as a nonprofit organization funded by local philanthropy. If necessary, it can transition to a public agency with support from multiple governments. If required, voter support will be sought through a ballot measure to develop and bolster the Center.

The Center's first task will be to build community consensus around a well-designed mission and outcomes plan. From there it will work nonstop to be the voice of the Los Angeles homelessness effort, keeping the community informed, and advocating for new policies to address not just the symptoms but the underlying policy causes of homelessness.

INTRODUCTION



Public frustration is deepening as, despite major improvements in helping people into housing, the crisis not only continues, but seems to get worse.

Los Angeles has been called “the homelessness capital of America.”¹

Every day, we see people without housing, on the streets, in the parks, on the trains, often viewed as outcasts. And these are only the people who are visibly unsheltered. Even the great improvements that have been made in recent years have been swamped by the new inflow of people onto the streets.

Those who work to address homelessness, the unhoused and unsheltered people themselves, residents and business owners, are deeply frustrated. Many have lost confidence in our ability to effectively address this tragedy.

Public frustration is deepening as, despite major improvements in helping people into housing, the crisis not only continues, but seems to get worse.

Now more than ever, the crisis of people who are unhoused is a matter of life and death. A recent UCLA study found a large spike in Los Angeles County in COVID-19 deaths among unhoused and unsheltered people under the age of 65 relative to those who are housed.² Data from the LA Department of Public Health found a rise of deaths from a variety of causes among unhoused individuals in both 2019 and 2020.³

Homelessness is more than the visible problem of unhoused people living, and far too many dying, on the street. Homelessness is nested within another set of crises, often less visible but no less devastating:

- Racial inequity due to decades of systemic racism and housing discrimination in particular has resulted in homelessness disproportionately affecting African Americans. While comprising less than 9% of the county’s population, African Americans represent approximately 40% of the unhoused.⁴ The role of government policies in creating these conditions of inequity, particularly in housing, is a core underlying factor that must be reversed.⁵

1 Joel John Roberts. 2014. Where is the Homeless Capital of America? *Huff Post* (May 2) analyzed and critiqued this widely accepted statement. www.huffpost.com/entry/who-is-the-homeless-capital_4886379

2 Kathryn M. Lethheit, Lela H. Chaisson, Jesus Alejandro Medina, Rafik Wahbi, and Chelsea L. Shover. Elevated mortality among people experiencing homelessness with COVID-19. Posted March 8, 2021 https://www.mshriiv.org/content/10.1101/2021.03.05.21253019v1_full.pdf in advance of peer review due to the urgency of vaccination programs serving people experiencing homelessness (PEH).

3 Los Angeles County Department of Public Health. 2021 (January). Recent Trends in Mortality Rates and Causes of Death Among People Experiencing Homelessness in Los Angeles County. http://publichealth.lacounty.gov/chle/reports/HomelessMortality2020_CHIEBrief_Final.pdf

4 LAHESA Report of the Ad Hoc Committee on Black People Experiencing Homelessness 2018, p.9 <https://www.lahsa.org/documents?id=2823-report-and-recommendations-of-the-ad-hoc-committee-on-black-people-experiencing-homelessness>

5 See Richard Rothstein, 2017. *The Color of Law: A Forgotten History of How Our Government Segregated America*. Liveright. Also, Rothstein, The Black Lives Next Door, *New York Times* opinion article, August 14, 2020. <https://www.nytimes.com/2020/08/14/opinion/sunday/blm-residential-segregation.html>

Introduction (continued)

About Measures HHH and H

Measure HHH, passed by Los Angeles city voters in November 2016, authorized the city to borrow up to \$1.2 billion over 10 years to partially subsidize the development of up to 10,000 housing units for those experiencing homelessness. In March 2017 Los Angeles County voters passed Measure H to increase the sales tax by ¼ cent to provide supportive services for the unhoused and other services, with estimated funding of more than \$350 million yearly over 10 years. Both measures passed the imposing two-thirds majority vote requirement.

- A crisis of economic inequity, with an economy characterized by low-wage employment, often in industries vulnerable to COVID-19, low incomes and high rents creates profound vulnerability. Even a relatively strong economic recovery is unlikely to fundamentally alter these disparities without new government policies.
- A continuing lack of affordable housing and a legacy of federal, state and local policies hamper efforts to provide housing options for working class Angelenos in the face of rising rents and exploding housing costs.
- The historic gaps in the social safety net, for too long tolerated as a feature of American life, but now laid bare during an epidemic, have disproportionately affected communities of color and those facing economic calamity. As we emerge from the pandemic, we may find ourselves in an even worse situation as past rent becomes due and government supports decline.⁶
- A multisystem crisis, in which people exit other institutional systems and enter homelessness, makes this a multilayered challenge. Incarceration is one of these systems, and movements to seek alternatives to incarceration now overlap with efforts to address homelessness.⁷ The mental health system is another critical factor affecting both people entering and, if fortunate, exiting homelessness.

But we also face cascading political challenges:

- A political crisis within Los Angeles, as deep and growing divisions about how to address homelessness threaten to tear communities apart.
- A democracy crisis, and not just in Los Angeles, with democracy facing authoritarian challenges, posing the urgent question whether democratic institutions at all levels of government can solve the most glaring problems that we face.

In the past, voters have demonstrated a willingness to support major public expenditures to address homelessness, particularly in 2016 and 2017 with the passage of Measures HHH and H. We cannot assume that similar measures, or extensions of the existing ones, will continue to inspire public support. Progress toward addressing homelessness can and must demonstrate that these investments are well worth making.

At the same time, the homelessness challenge bears within it the seeds of renewal and opportunity. Considerable, at times astonishing progress has been made, even as water continues to pour over the side of the ship.

⁶ Blasi, Gary. *UD Day: Impending Evictions and Homelessness in Los Angeles*. UCLA Luskin Institute on Inequality and Democracy, 2020. <https://escholarship.org/uc/item/2g6c8cy>

⁷ Los Angeles County Alternatives to Incarceration Work Group Final Report. *Care First, Jails Last*. https://ceo.lacounty.gov/wp-content/uploads/2020/10/1672045_AlternativestoIncarcerationWorkGroupFinalReport.pdf

PROVISIONS OF
APRIL 20, 2021 PRELIMINARY INJUNCTION
(DKT. 277)

IV. CONCLUSION: A WAY FORWARD

The devotion that Abraham Lincoln called for has not been met here.

For decades in Los Angeles, the desperation of its citizens has been met with a yawn. Each day, newspaper headlines bring forth different cities and communities calling for action. Meanwhile, politicians measure success by how much money they have raised to combat homelessness. Service providers with clipboards endlessly approach homeless individuals with services and promises to return, yet are unable to provide sufficient shelter or housing. Bureaucrats create statistics trumpeting their efficiency and success to the public. But none of this has led to accountability or solutions. As Councilmember Mark Ridley-Thomas remarked, “the issue of homelessness is of insufficient importance to the decision makers of this region. Therefore, we have this languishing set of circumstances where we chase our tails day in and day out claiming that we’re doing things.”⁴⁹⁵

There can be no defense to the indefensible. For all the declarations of success that we are fed, citizens themselves see the heartbreaking misery of the homeless and the degradation of their City and County. Los Angeles has lost its parks, beaches, schools, sidewalks, and highway systems due to the inaction of City and County officials who have left our homeless citizens with no other place to turn. All of the rhetoric, promises, plans, and budgeting cannot obscure the shameful reality of this crisis—that year after year, there are more homeless Angelenos, and year after year, more homeless Angelenos die on the streets.

Like Abraham Lincoln’s call to action in his Gettysburg address, it is for us “to be dedicated here to the unfinished work which they who fought here have thus far nobly advanced.” Let us pick up that flag, and have the courage of those who fought so long ago, to act so that we can become a better nation and people.

V. PROVISIONS OF THE PRELIMINARY INJUNCTION

In an attempt to balance the interim nature of a preliminary injunction with the emergency conditions created by the homelessness crisis, the Court hereby ORDERS the following:

⁴⁹⁵ Los Angeles Business Council, *LABC’s 19th Annual Mayoral Housing, Transportation and Jobs Summit*, YOUTUBE (Feb. 19, 2021), <https://www.youtube.com/watch?v=KsO8j0hz588>.

1. Accountability

- a. Pursuant to the Mayor's announcement⁴⁹⁶ of a "justice budget"⁴⁹⁷ on Monday, April 19, 2021, the Court ORDERS that \$1 billion, as represented by Mayor Garcetti, will be placed in escrow forthwith, with funding streams accounted for and reported to the Court within 7 days.
- b. Within 90 days, conduct an audit of all funds received from local, state, and federal entities intended to aid the City and/or County of Los Angeles in solving or alleviating the problem of homelessness, including, but not limited to, Proposition HHH funds, MHSA funds, Measure H funds, and emergency relief from the state and federal government, including the American Rescue Plan and the Cares Act.
- c. Within 90 days, conduct investigations and prepare a report on all developers that are currently receiving funds from Proposition HHH; propose revised procedures for evaluating future applicants for Proposition HHH funds that would limit the possibility of funds being misused or wasted.
- d. Within 30 days, the County shall conduct an audit of any funds committed to mental health (MH) and substance use disorder (SUD) treatment.

All above audits and background investigations must be completed by independent auditors and investigators, respectively. Parties are ORDERED to meet with Special Monitor/Master Michele Martinez within 10 days to receive her input regarding independent auditors and investigators.

2. Action

a. City- and County-Wide Actions

⁴⁹⁶ Benjamin Oreskes & David Zahniser, *L.A. Plans Nearly \$1 Billion in Spending to Address Homelessness Under Garcetti Plan*, L.A. TIMES (Apr. 19, 2021), <https://www.latimes.com/homeless-housing/story/2021-04-19/los-angeles-will-increase-budget-for-addressing-homelessness>.

⁴⁹⁷ David Zahniser, Dakota Smith & Emily Alpert Reyes, *Garcetti Seeks to Stem Poverty, Boost Social Justice in Vision for L.A.'s Recovery*, L.A. TIMES (Apr. 19, 2021), <https://www.latimes.com/california/story/2021-04-19/garcetti-los-angeles-state-of-the-city>.

- i. Within 30 days, City Controller Ron Galperin shall oversee the creation of a report on all land potentially available within each district for housing and sheltering the homeless of each district. The homeless have been left no other place to turn to but our beaches, parks, libraries, and sidewalks, and it is pivotal that they no longer rely on spaces that enhance quality of life for all citizens.
- ii. The Court ORDERS the cessation of sales, transfers by lease or covenant, of the over 14,000 City properties pending the report by the Controller Ron Galperin to the Court, and all similarly situated properties held by the County pending the report by the County counsel.
- iii. Within 30 days, the Los Angeles City Council Homelessness and Poverty Committee shall report back to the Court with specific actions to address 1) structural barriers (including but not limited to redlining, highway construction, eminent domain, and health exposure) that cause a disproportionate number of people of color to experience homelessness or housing insecurity; 2) solutions to the problem of extremely low income individuals being foreclosed from the affordable housing market in favor of higher-income individuals; and 3) the possibility of rezoning to accommodate more R3 (multi-family) zoning. The Committee is ordered to invite local non-governmental stakeholders (such as the NAACP, the Downtown Women's Action Coalition, and any additional groups that the Committee deems would be beneficial in this process) to participate in the production of the report.
- iv. Mayor Garcetti, the Los Angeles City Council, and Hilda Solis, Chair of the County Board of Supervisors, shall submit a report to the Court by April 27, 2021 at 8:00 a.m. to explain why an emergency declaration has not been issued.
- v. Within 30 days, the City and County shall prepare a report on the status of Projects Homekey and Roomkey, with a specific

focus on the geographic and racial distribution of project sites and beneficiaries.

- vi. Within 30 days, with regard to MH and SUD beds, the County shall report to the Court on the progress towards establishing the 1,508 new sub-acute beds to accommodate the needs of the non-jail population and an additional 1,418 new sub-acute beds to accommodate those with substance abuse disorders being diverted from jails.

b. Actions Specific to Skid Row

- i. Within no more than 90 days (i.e., on or before July 19, 2021), the City and County must offer and if accepted provide shelter or housing immediately to all unaccompanied women and children living in Skid Row; within 120 days (i.e., on or before August 18, 2021) to all families living in Skid Row; and within 180 days (i.e., on or before October 18, 2021) to the general population living in Skid Row. Skid Row, originally defined as the area between 3rd and 7th and Main to Alameda, will be extended to the surrounding area, defined as 2nd to 8th and Spring to Alameda. The City and County shall consult with the Skid Row Advisory Council to identify the number of unaccompanied women who are willing to move to shelters.
- ii. The County shall, no later than within 90 days (i.e., on or before July 19, 2021), offer and if accepted provide to all individuals within Skid Row who are in need of special placement through the Department of Mental Health or Department of Public Health appropriate emergency, interim, or permanent housing and treatment services. The County shall work with providers to build meaningful relationships with homeless individuals to ensure that these individuals are fully informed of their options for services, housing, and shelter. Within ten days (i.e., on or before April 30, 2021), the County shall provide to the Court a list of providers who are already

established in the area and who will be working in tandem with the County on these efforts.

- iii. The County shall provide, or fund third parties to provide, support services to all homeless residents who accept the offer of housing. County and City shall evenly split the cost of providing operational services.
- iv. The City and County shall prepare a plan that ensures the uplifting and enhancement of Skid Row without involuntarily displacing current residents to other parts of the City or County. Moving forward, the City and County are encouraged to develop a hyper-local approach with community-based organizations throughout each district, including the Skid Row Advisory Council.

c. Other Actions

- i. After adequate shelter is offered, the Court will let stand any constitutional ordinance consistent with the holdings of *Boise* and *Mitchell*.
- ii. The Court shall appoint a Special Monitor/Master, Michele Martinez, at the City and County's expense to assist with the implementation of this order and to resolve disputes among the parties or other interested parties. The City and County shall meet and confer with Special Monitor/Master Michele Martinez within three days to agree upon reasonable compensation.

PROVISIONS OF
APRIL 26, 2021 ORDER RE APPLICATION TO
STAY PENDING APPEAL (DKT. 287)

VIII. Provisions of the Stay

The Court has carefully considered the parties' Applications to Stay Pending Appeal. The Court recognizes the need for flexibility in determining the best way forward to help the homeless population.

The failure of settlement negotiations over the last few months has been a source of concern for the Court. The City and County continue to squabble over financial responsibility for addressing the homelessness crisis. Monetary commitments alone do not fulfill the parties' obligations to their constituents. As action and accountability continue to stagnate, the homeless population and number of deaths increase.

The Court believes that increasing the availability of long-term housing is critical, and we cannot let our homeless die in the streets while we build it. The Court thus welcomes any effort to provide temporary relief while simultaneously building abundant and sustainable long-term housing.

The Court invites the Mayor of Los Angeles, the President of the Los Angeles City Council, and the Chairman of the County Board of Supervisors to meet with the Court pursuant to settlement discussions. Without a global settlement, the Court will continue to impose its April 20, 2021 preliminary injunction, subject to certain modifications in response to the City and County's Applications to Stay Pending Appeal (Dkts. 282, 284):

A. Skid Row

With respect to Skid Row, the Court is mindful of the impact that decompression of Skid Row would have on neighboring districts and has DENIED without prejudice Plaintiffs' request for 50% decompression. Rather, the Court's order mandates that the City *offer* housing options to Skid Row residents within 90 days in the case of unaccompanied women and children; within 120 days in the case of families; and within 180 days in the case of the general population. The Court notes that under the terms of the preliminary injunction, while the City is ordered to *offer* housing options on this timeline, Skid Row residents are not required to accept and may decline these offers.

Therefore, the Court DENIES the request to stay with respect to this provision.

B. Accountability of Funds Dedicated to Homelessness

On April 20, 2021, the Court ordered the following:

Pursuant to the Mayor's announcement² of a 'justice budget'³ on Monday, April 19, 2021, the Court ORDERS that \$1 billion, as represented by Mayor Garcetti, will be placed in escrow forthwith, with funding streams accounted for and reported to the Court within 7 days.

Dkt. 277 at 106.

The Court included this provision in response to the City's "justice budget," which purportedly allocated \$1 billion to address the homelessness crisis, including an unused \$164 million dedicated to homeless relief that remains available as a roll-over from the previous year's budget. Rather than directing the City's homelessness spending, the Court's order for escrow was intended to make certain that this promised money would in fact be set aside for homelessness. Reports have alleged that the distribution of Proposition HHH funds has been corrupted by "everything from fake not-for-profits to contractors with zero employees and multi-million dollar development fees, and lucrative guaranteed management fees that support zero-risk development."⁴ Repeated concerns such as this are the basis for the Court's ordered audits.

Further, City Controller Ron Galperin cited a balance of "10-ish billion dollars available in the City treasury" and stated that "the point I've made repeatedly to others in the City is that if the issue is cash flow . . . we can solve that cash flow issue. That should not be the impediment."⁵ The Court was troubled by the apparent incongruity between the available "cash flow" and the severe conditions of homelessness in Los Angeles. The Court was also concerned

² Benjamin Oreskes & David Zahniser, *L.A. Plans Nearly \$1 Billion in Spending to Address Homelessness Under Garcetti Plan*, L.A. TIMES (Apr. 19, 2021), <https://www.latimes.com/homeless-housing/story/2021-04-19/los-angeles-will-increase-budget-for-addressing-homelessness>.

³ David Zahniser, Dakota Smith & Emily Alpert Reyes, *Garcetti Seeks to Stem Poverty, Boost Social Justice in Vision for L.A.'s Recovery*, L.A. TIMES (Apr. 19, 2021), <https://www.latimes.com/california/story/2021-04-19/garcetti-los-angeles-state-of-the-city>.

⁴ Letter from Ron Miller, Exec. Sec'y, L.A./Orange Cntys. Bldg. & Constr. Trades Council, to Mike Feuer, L.A. City Att'y (Dec. 17, 2020).

⁵ People's City Council – Los Angeles (@PplsCityCouncil), TWITTER (Apr. 15, 2021, 6:33 PM), <https://twitter.com/ppls-city-council/status/1382869701852729348?s=21>.

by the City's failure to apply for 100% reimbursement from FEMA for funds spent on Project Roomkey in light of purported budget concerns.

However, on April 21, 2021, the City represented that the billion dollars allocated for homelessness in the justice budget is not available to put in escrow.⁶ Los Angeles City Administrative Officer Richard Llewellyn further stated that "the great majority of these funds are not currently in the City's possession."⁷ Given this new information, the Court agrees that a modification of this provision is appropriate. Therefore, the Court STAYS provision 1(a) of the preliminary injunction for 60 days in order to hear testimony from the City regarding details of the \$1 billion and asks the parties to create a *Binding Commitment and Implementation Plan* (the "Plan"):

1. The City shall draft the Plan within 60 days to ensure that the full \$1 billion is spent city-wide.
2. The Plan shall provide the Court with a detailed breakdown of funding sources, uses, objectives, methods, and means so that the Court can monitor the Plan's implementation.
3. The Plan shall further provide specific information about the number of homeless individuals who will be housed and by when.
4. The Plan shall also provide details on the 89 pending projects with timeframes for completion and move-in dates.
5. Finally, the Plan shall provide details on how the funding will be used to address racial disparities in housing and homelessness.
6. The objectives and deadlines established in response to items 3 through 5 above shall be binding on the City.

⁶ Christopher Weber, *Judge Orders LA to Offer Shelter for Homeless on Skid Row*, YAHOO! NEWS (Apr. 20, 2021), <https://www.yahoo.com/news/judge-orders-la-offer-shelter-213848366.html>. *But see* Benjamin Oreskes & David Zahniser, *L.A. Plans Nearly \$1 Billion in Spending to Address Homelessness Under Garcetti Plan*, L.A. TIMES (Apr. 19, 2021), <https://www.latimes.com/homeless-housing/story/2021-04-19/los-angeles-will-increase-budget-for-addressing-homelessness>.

⁷ Dkt. 284-1, ¶ 10 (Richard H. Llewellyn, Jr. Declaration).

C. Availability of City Property

i. Cessation of Transfer of Property

On April 20, 2021, the Court ordered the following:

The Court ORDERS the cessation of sales, transfers by lease or covenant, of the over 14,000 City properties pending the report by the Controller Ron Galperin to the Court, and all similarly situated properties held by the County pending the report by the County counsel.

Dkt. 277 at 107.

The Court will not impede any progress toward programs the City is proposing to help homelessness, including Proposition HHH. In a clarifying order issued last week, the Court emphasized that the Court's order will not apply to projects that are already in progress.⁸ To ensure no further confusion regarding what qualifies as projects in progress, the Court hereby STAYS provision 2(a)(ii) of the preliminary injunction until May 27, 2021, when an evidentiary hearing will be held to determine what properties exist and are available for homelessness relief.

ii. Creation of Report on Property

On April 20, 2021, the Court also ordered the following:

Within 30 days, City Controller Ron Galperin shall oversee the creation of a report on all land potentially available within each district for housing and sheltering the homeless of each district. The homeless have been left no other place to turn to but our beaches, parks, libraries, and sidewalks, and it is pivotal that they no longer rely on spaces that enhance quality of life for all citizens.

Dkt. 277 at 107. This order was based on the City's report to the Court that "[t]he City Controller [Ron Galperin] compiled a list of nearly 14,000 properties in the City owned by six major public entities, including over 7,500 properties owned by the City." Dkt. 149 at 6. The City maintained

⁸ See Dkt. 279 ("Second, the provision regarding the cessation of sales and transfers by lease or covenant under Section 2(a)(ii) does not apply to projects in progress as of the date of the order, April 20, 2021.").

that “the City does not have any property for sale, nor does it own or possess vacant properties, that are immediately available and suitable for use for interim housing or shelter purposes.” Dkt. 149 at 8.

The Court was deeply troubled that despite the City’s representation of access to over 14,000 properties, the City committed not one of these properties to building additional long-term sustainable housing or interim housing.⁹ The City explained that these conclusions are based on a process of “constant evaluation”; however, this “constant evaluation” has constantly led to no options for housing.

As mentioned above, the Court recognizes a need for all housing options, including long-term housing. The property identified in the ordered report must be used for both long-term and interim housing. The alternative is to leave our homeless no place but the sidewalks while we build long-term units. There is no plan brought before this Court to accommodate all 66,000 homeless individuals in long-term housing, at a cost of \$531,000 per unit.¹⁰ Such a plan would cost in excess of \$30 billion. Further, while long-term housing is vital, its construction is long-term, and the interim period has lasted decades. Accountability cannot always be on the horizon—people are dying on the streets now.

Therefore, given the urgent need to understand the inventory of available properties, the Court DENIES the request to stay with respect to this provision.

The Court DENIES the City and County’s Applications to Stay the remaining provisions of the Court’s April 20, 2021 preliminary injunction.

Finally, the Court SCHEDULES a hearing for Thursday, May 27, 2021 at 9:00 a.m. At the hearing, the Court will receive evidence as to what properties are available for homelessness relief, as detailed in section VII(C)(i) above. In addition, the City and County have requested to be heard concerning the Court’s findings on structural racism in its April 20, 2021 preliminary injunction. At the May 27, 2021 hearing, the Court will therefore receive testimony from the City and County on these findings. The Court additionally invites all interested parties to notify the Court if they would also like to be heard in this regard. The Court hereby SCHEDULES a hearing for Thursday, May 27, 2021 at 9:00 a.m. IT IS SO ORDERED.

⁹ The City stated that it “does not have any property for sale, nor does it own or possess vacant properties, that are immediately available and suitable for use for interim housing or shelter purposes.” Dkt. 149 at 6, 8.

¹⁰ Ron Galperin, *It’s Time for Los Angeles to Pivot on HHH: Ron Galperin*, L.A. DAILY NEWS (Mar. 14, 2021), <https://www.dailynews.com/2021/03/14/its-time-for-los-angeles-to-pivot-on-hhh-ron-galperin/>.

LETTER FROM SKID ROW ADVISORY
COUNCIL (DKT. 306)



-Skid Row Advisory Council-

LA20CV02291-DOC

May 6, 2021

Federal Judge David O. Carter, City of Los Angeles, County of Los Angeles and Los Angeles Police Department,

In light of the intricately-detailed, in-depth historical analysis within the 110-page preliminary injunction issued recently by Federal Judge David O. Carter which clearly identifies the roles both the City of LA and the County of LA played in masterminding structures of racism through policies, laws, ordinances and more that all combined to create a web of deceit, bias and prejudice against Black individuals and families that have continued for generations across the city and county, can be directly attributed as the main component in the widespread systemic racism, housing discrimination, systemic oppression and more which all have greatly contributed to the Black homelessness epidemic in Skid Row and across the city and county of LA. Our official Skid Row AdCo response is as follows;

Because of the intentional, egregious and malicious acts towards Black Angelenos the Skid Row Advisory Council DEMANDS an acknowledgement of said acts and a public apology from both the City of LA and the County of LA- prior to any attempts to convene a working relationship in any capacity as so ordered by Federal Judge Carter in his preliminary injunction.

How can the Skid Row Advisory Council sit across from both the City of LA and the County of LA in efforts to create housing solutions when both the City and County played significant roles in the oppressive "containment" of Black homeless people in Skid Row?

Similarly, we DEMAND an apology from the Los Angeles Police Department for all the generations of "containment-style" policing towards Black homeless people in Skid Row as LAPD's way to keep a unified front regarding the daily distribution of systemic racist agendas against Black people in Skid Row.

It is the position of the Skid Row Advisory Council that the true reason both the City and County of LA filed for stays against said preliminary injunction so quickly is solely because each of these government entities attempted to create a diversion that would take the focus completely away from all of the many systemic racist and systemic oppressive acts identified by Federal Judge Carter in his masterful work within his preliminary injunction.

It MUST be noted that neither the City nor County even attempted to be appalled by Federal Judge Carter's findings...Just a total ignoring of arguably thee most compelling presentations of undisputed proof of systemic racism, systemic oppression and more in our lifetime at the hands of a network of cohorts all connected to both the City and County of LA.

How can all other Angelenos remain silent at this time?...In an era where people of all creeds and colors, all walks-of-life have bonded together to "take it to the streets" and shout "Black Lives Matter" at the top of their lungs, yet the widespread silence on these issues directly affecting Black homelessness is eerily deafening.

How, then, can Black homeless people in Skid Row even consider a court-ordered "offer" of housing from the very entities whose systemic racist and systemic oppressive tactics led them on a downward spiral by design to begin with?

The amount of trauma is beyond measure and at this point beyond a simple public apology (even though we still want it!)

Before any efforts to move forward can materialize, both the City and County, as well as the LAPD, MUST first move forward with efforts to heal all the trauma they've caused Black homeless people across LA.

It must also be stated that any attempts to "decompress" Skid Row's residency of Black homeless people by any measure is also an attempt to undermine Skid Row's Black population in the form of gentrification- of which, then, falls directly in line with the aforementioned systemic racist and systemic oppressive tactics that have continuously plagued Black residents of Skid Row for generations...Any additional tactics which appear identical or even similar to criminalization and/or displacement MUST be immediately eradicated and frowned upon by the courts, followed by the implementation of additional protections by the court in order of

protecting Black homeless individuals and families from the collective systemic racist and systemic oppressive wrath of both the City of LA and the County of LA.

The Skid Row Advisory Council strongly believes that all of the aforementioned issues MUST be addressed prior to any discussions regarding housing of any nature.

To completely omit the Skid Row Advisory Council's DEMANDS to appropriately address the widespread systemic racism and systemic oppression by both the City of LA and the County of LA prior to any other actions would be akin to completely ignoring the "generational rape" of the Black community.

With vigor,

The Skid Row Advisory Council

General Jeff

-Spokesperson

LETTER FROM SKID ROW STAKEHOLDERS
(DKT. 307)

FILED
CLERK, U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
BY: KD DEPUTY
5/24/2021



LA20CV02291-DOC



May 17, 2021

The Honorable David O. Carter
United States District Court – Central District of California
Ronald Reagan Federal Building and United States Courthouse
411 West Fourth Street, Courtroom 9 D
Santa Ana, CA, 92701-4516

Honorable Judge Carter:

We write to you as leaders of 12 nonprofit organizations that have spent decades as part of the Skid Row community. The current situation on our streets is disgraceful. We commend your refusal to accept the current status quo. Your recent orders powerfully articulate the damning history of how we got to this awful place where more than 66,000 Los Angeles County residents are homeless. This includes more than 4,600 in Skid Row. Thank you for shining a spotlight on our collective problem and for demanding that our city and county must do better.

It is obvious that those stuck living on our streets would be better off in shelters and housing. We wholeheartedly agree that all unsheltered residents should be offered a housing solution that best fits their unique needs. We agree that there is a desperate need for more emergency shelter and permanent supportive housing for those struggling with mental health issues and/or substance abuse. And all of us agree that we

must do a better job of holding ourselves, our elected officials, and our fellow citizens accountable for this crisis.

Of course, we agree that shelter or housing should be offered to everyone living in Skid Row. What is critically important here is that new resources are provided to offer and provide this additional shelter and housing options. These new resources should not come at the expense of ongoing efforts to create affordable housing, provide healthcare, workforce development, and social services which strive to prevent homelessness more generally.

We need a this "and" approach to this problem, rather than a this "or" approach to the problem. It is incumbent upon us to provide more shelter and more housing, and we need to provide more supportive services. This approach will require additional funding. Without appropriate levels of funding, progress will not be made.

The bottom line here is that resources for additional shelter should not be diverted from current efforts to build housing or to keep people stably housed. It is essential that the City of Los Angeles honor its commitments to use Proposition HHH funding for specific permanent supportive housing projects. In addition, the County of Los Angeles should honor its commitments to use Measure H funding to support the needs of the individuals and families living in this housing.

Just because the overall problem is getting worse should not be interpreted to mean that nothing is working. Plenty of amazing work is happening to avert homelessness every day in Los Angeles. The challenge comes down to this: the scope of the problem far outstrips the resources available to address it. We need to double down on what is working, and we must scale our activities up to the size of the problem.

As Skid Row stakeholders, we stand firmly against criminalizing homelessness. By including this statement outlining that after "adequate shelter is offered, the Court will let stand any constitutional ordinance consistent with the holdings of *Boise* and *Mitchell*," the court's injunction appears to be explicitly creating a road map to show local governments how to increase the use of punitive law enforcement. Actions of this sort will not help to end homelessness. Such criminalization will only lead to further retraumatization and displacement for those struggling to survive here. Since any court would need to independently assess the constitutionality of any future ordinances, we urge you to consider removing this advisory statement from the order.

We also encourage you to consider expanding your order to address the root cause of homelessness in Los Angeles—the collective failure to preserve and build significantly more affordable housing in every neighborhood. We urge you to order local governments to expedite and approve all pending low-income housing projects in the pipeline, to impose inclusionary zoning set-asides that would require that 25% of all new housing developments be affordable, and to require that new construction result in no net loss of affordable units. There are numerous policies (e.g., providing public land) that could be enacted to encourage the development of more affordable housing, along with a spate of anti-displacement protections that could allow people to stay in their homes. We must elevate the practical solutions that can ultimately solve this crisis.

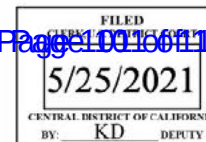
Thank you for considering our thoughts and recommendations. We would welcome the opportunity to discuss these matters with you further.

Respectfully,

Chrysalis
Downtown Women's Center
Inner City Law Center
JWCH Institute, Inc.
Los Angeles Mission
Little Tokyo Services Center
Los Angeles Christian Health Center
Midnight Mission
Skid Row Housing Trust
SRO Housing
Street Symphony
The People Concern

cc: Michele Martinez – Special Master, United States District Court, Central District of California
Los Angeles County Board of Supervisors
Honorable Eric Garcetti – Mayor, City of Los Angeles
Los Angeles City Council
Heidi Marston – Executive Director, Los Angeles Homeless Services Authority
Elizabeth Mitchell – LA Alliance for Human Rights
Shayla Myers—Legal Aid Foundation of Los Angeles
Carol Sobel – Law Office of Carol A. Sobel

LETTER FROM DOWNTOWN
LOS ANGELES NEIGHBORHOOD
COUNCIL (DKT. 310)



LA20CV02291-DOC

May 11, 2021

The Downtown Los Angeles Neighborhood Council (DLANC) Board writes this letter in support of Judge Carter's decision to deny the County's motion to dismiss themselves in the lawsuit filed by the Alliance for Human Rights against the City of Los Angeles and County of Los Angeles.

As you know, our neighborhood is at the epicenter of this crisis. Those of us who live, work and/or have businesses downtown see the pain on the streets which is not being addressed in a responsive, timely, or compassionate manner. The result of this grotesque negligence of the government in Los Angeles is the death of numerous unhoused Angelenos on a daily basis. We want to clearly reflect our board's strong feelings that the county, in particular, is missing in action in meeting their humanitarian responsibilities.

The DLANC Board also unanimously supported the goal of the 25 in 25 housing plan for 25,000 housing units in 2025 promoted by Councilmember Kevin de León and others, but there must be more action. Los Angeles County has one of the world's largest economies - death in our streets as a result of homelessness is unacceptable. Los Angeles can never claim to be a world class city with this humanitarian crisis hanging over us. We have already seen the homeless crisis become the image of Los Angeles to the world - one more powerful than the Hollywood sign or gleaming new towers in downtown.

DLANC stakeholders include our unhoused neighbors, who live with this failure of government every day in an up close and personal manner. We see women, mostly of color, curled up in fear in blankets, we encounter ravaged human souls in tents or in cardboard boxes on the sidewalks or under the freeways and sometimes the connection can feel threatening, especially for women or the elderly who live or work in the neighborhood. We don't even need to imagine what our unhoused neighbors experience on a daily basis because we witness it. It is their own personal living hell.

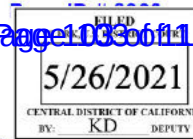
Thousands are saying, "Are you going to help me?" DLANC is saying yes, but we need the county and the city to step up - NOW!

Richard Nordin
President Downtown Los Angeles Neighborhood Council

LETTER FROM CENTRAL CITY
ASSOCIATION OF LOS ANGELES
(DKT. 311)



#20885



LA20CV02291-DOC

May 25, 2021

The Honorable David O. Carter
United States District Court - Central District of CA
Ronald Reagan Federal Building & US Courthouse
411 W. 4th Street, Courtroom 9 D
Santa Ana, CA 92701- 4516

Re: LA Alliance for Human Rights v. LA County & City

Dear Judge Carter,

CCA is a membership organization comprised of over 300 members including large employers, small businesses, housing developers, non-profit service providers and trade associations. Our broad coalition is committed to advancing comprehensive solutions to homelessness. We greatly appreciate all that you have done to raise awareness of the homelessness crisis in Skid Row and to bring a sense of urgency to housing unsheltered people living in Skid Row. Skid Row has served as LA County's center for homeless for decades, but it is under-resourced and the City and County continue to lack a coordinated response. **Skid Row is the right to place to focus your efforts and will serve as the barometer to measure the progress we are making to house homeless people.**

Support for Skid Row

There are many experienced organizations in Skid Row providing interim and permanent housing and services. A number of these housing and service providers sent correspondence to you asking for your help to increase resources from and alignment between the City and County. We agree with those calls and believe your leadership has and should continue to require the City and the County to work together in a coordinated and productive manner. Under your guidance, the City and County agreed to an MOU to house people living by and below freeways. Once completed, the MOU will deliver almost 7,000 new housing solutions. This is a good example of the power that you have to help the City and County work together to support our rapidly growing unhoused population. We believe a similar focused approach could also be done in Skid Row. Skid Row housing providers are working on this challenge now and should provide input on a Skid Row-focused MOU between the City and the County.

Updated CDC Guidance for Encampments

We are also looking towards June 15th when California is expected to fully reopen and the emergency orders regarding Covid-19 may be modified or lifted. Currently, the CDC has advised cities that encampments cannot be moved to help slow the spread of the virus, but it is unclear how long or if this guidance will remain in place. We are concerned that the current guidance and future ambiguity is contributing to worsening health and safety risks in and around encampments and hope that you will help clarify the guidance and work to restore our public spaces in conjunction with housing and services provision for the most vulnerable among us.



CCA supports your effort to house homeless people, and we thank you for your commitment. It will take strong, ongoing partnerships to build a stronger and more inclusive LA and we greatly appreciate your consideration of this letter.

Sincerely,

A handwritten signature in blue ink, appearing to read "JLall", is positioned above the printed name.

Jessica Lall
President & CEO
Central City Association of Los Angeles

Cc: Supervisor Solis, Chair, LA County Board of Supervisors
Mayor Garcetti, City of LA
Councilmember Ridley-Thomas, Chair, Homelessness & Poverty Committee
Councilmember de León, Vice Chair, Homelessness & Poverty Committee
Councilmember Buscaino, Member, Homelessness & Poverty Committee
Councilmember Rodriguez, Member, Homelessness & Poverty Committee
Councilmember Raman, Member, Homelessness & Poverty Committee

COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER



ARLENE BARRERA
AUDITOR-CONTROLLER

COUNTY OF LOS ANGELES DEPARTMENT OF AUDITOR-CONTROLLER

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012-3873
PHONE: (213) 974-8301 FAX: (213) 626-5427

February 14, 2020

TO: Each Supervisor

FROM: Arlene Barrera, Auditor-Controller *Arlene Barrera*

SUBJECT: **LOS ANGELES COUNTY DEVELOPMENT AUTHORITY – HOMELESS INITIATIVE – STRATEGY B4: FACILITATE UTILIZATION OF FEDERAL HOUSING SUBSIDIES – PERFORMANCE DATA AND EXPENDITURES REVIEW**

NUMBER OF RECOMMENDATIONS
PRIORITY 1 0
PRIORITY 2 1
PRIORITY 3 1

With the support and active participation of the Chief Executive Office (CEO) and the Los Angeles County Development Authority (LACDA), we have completed a review of LACDA's Homeless Initiative – Strategy B4: Facilitate Utilization of Federal Housing Subsidies (Strategy B4) performance data and expenditures. In collaboration with the CEO, LACDA serves as the lead agency in providing Strategy B4 services. Strategy B4 utilizes Measure H funding to support LACDA's Homeless Incentive Program (HIP), which offers monetary incentives to encourage landlords to rent their available units to homeless Section 8 voucher holders.

LACDA's Strategy B4 expenditures were allowable, supported, and used for HIP services as required. However, we identified opportunities where LACDA can improve and strengthen controls over Strategy B4 services. For example, LACDA could not readily provide the detailed supporting documentation for their July through September 2018 performance data. After our review, LACDA was able to assess and analyze their existing data to identify and provide the requested supporting documentation. However, LACDA should develop policies and procedures to ensure the appropriate documentation is always maintained and readily available.

FAST FACTS

LACDA serves as the lead agency in providing Strategy B4 services, which utilizes Measure H funding to support LACDA's HIP.

HIP offers monetary incentives to encourage landlords to rent their available units to homeless Section 8 voucher holders.

These enhancements will provide greater assurance that LACDA has the appropriate procedures over Strategy B4 data to ensure the performance metrics are reported accurately.

For details of our review, please see Attachment I. LACDA's response indicates agreement with our findings and recommendations and is included in Attachment II.

We thank LACDA management and staff for their cooperation and assistance during our review. If you have any questions please call me, or your staff may contact Terri Kasman at (213) 253-0301.

AB:PH:TK:JH

Attachments

- c: Sachi A. Hamai, Chief Executive Officer
- Emilio Salas, Acting Director, Los Angeles County Development Authority
- Audit Committee

CHIEF EXECUTIVE OFFICE

2020 FEB 18 PM 1:13

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Section 8 voucher holders.

CEO advanced LACDA approximately \$4.5 million, of which LACDA utilized approximately \$4 million from October 2017 through September 2018.

REPORT #X19910

LOS ANGELES COUNTY AUDITOR-CONTROLLER

Attachment I
Page 1 of 2

Peter Hughes
ASSISTANT AUDITOR-CONTROLLER

Terri Kasman
DIVISION CHIEF

COUNTYWIDE CONTRACT MONITORING DIVISION

Report #X19910

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY HOMELESS INITIATIVE – STRATEGY B4 FACILITATE UTILIZATION OF FEDERAL HOUSING SUBSIDIES PERFORMANCE DATA AND EXPENDITURES REVIEW

BACKGROUND AND AUDIT SCOPE

In collaboration with the Chief Executive Office (CEO), the Los Angeles County Development Authority (LACDA) serves as the lead agency in providing Homeless Initiative – Strategy B4: Facilitate Utilization of Federal Housing Subsidies (Strategy B4) services. Strategy B4 utilizes Measure H funding to support LACDA’s Homeless Incentive Program, which offers monetary incentives to encourage landlords to rent their available units to homeless Section 8 voucher holders. Incentives include vacancy payments to landlords to hold housing units, participant move-in costs such as security and utility deposits, and financial assistance for damage claims caused by tenants. The CEO advanced LACDA approximately \$4.5 million to provide Strategy B4 services, of which LACDA utilized approximately \$4 million from October 2017 through September 2018.

We reviewed a sample of transactions from July through September 2018 to determine whether LACDA appropriately accounted for and spent Strategy B4 funds. In addition, we reviewed LACDA’s Strategy B4 performance data for July through September 2018 to ensure the data was adequately supported with documentation.

	ISSUE	RECOMMENDATION
1	<p>Supporting Documentation for Performance Data - LACDA submits their Strategy B4 performance data to the CEO quarterly. During our review, LACDA could not readily provide the detailed supporting documentation for their July through September 2018 performance data. Specifically, LACDA did not maintain point-in-time details for the reporting period (i.e. July through September 2018) and instead, maintained real-time, running totals. As a result, LACDA could not readily generate reports to support the data for the specified timeframe.</p> <p>After our review, LACDA was able to assess and analyze their existing data to identify and provide the requested supporting documentation. However, LACDA should develop policies and procedures to ensure the appropriate documentation is always maintained and readily available.</p> <p>Impact: Increased risk of inaccurate and/or unsupported performance data.</p>	<p>Priority 2 – LACDA management develop policies and procedures to ensure adequate documentation to support their reported performance data is appropriately maintained and readily available upon request.</p> <p>LACDA Response: Agree Implementation Date: October 2019</p>

Priority Ranking: Recommendations are ranked from Priority 1 to 3 based on the potential seriousness and likelihood of negative impact on the Department’s operations if corrective action is not taken.

TABLE OF FINDINGS AND RECOMMENDATIONS FOR CORRECTIVE ACTION	
ISSUE	RECOMMENDATION
<p>2 Support for Quarterly Expenditure Reports - LACDA provides cash advances to their contracted Public Housing Agencies (PHAs) to ensure funds are readily available to provide Strategy B4 services. The PHAs spend down and track the funds in their quarterly expenditure reports submitted to LACDA, which are in turn reported to the CEO. However, we noted that LACDA does not require the PHAs to provide supporting documentation, such as detailed accounting records, at the time the quarterly expenditure reports are submitted.</p> <p>It should be noted that we conducted Fiscal Year 2018-19 monitoring reviews for LACDA's two largest contracted PHAs and determined that the PHAs' Strategy B4 expenditures were allowable, supported, and used for their intended purposes. However, to enhance assurance over the accuracy/appropriateness of the quarterly expenditure reports, LACDA should require that PHAs provide supporting documentation with the reports.</p> <p>Impact: Increased risk of inaccurate and/or inappropriate financial reporting.</p>	<p>Priority 3 - LACDA management require additional information, such as the PHAs' accounting records, to be submitted with the quarterly expenditure reports.</p> <p>LACDA Response: Agree Implementation Date: November 2019</p>

We conducted our review in conformance with the International Standards for the Professional Practice of Internal Auditing. For more information on our auditing process, including recommendation priority rankings, the follow-up process, and management's responsibility for internal controls, visit <https://auditor.lacounty.gov/audit-process-information/>



January 22, 2020

Arlene Barrera, Auditor-Controller
County of Los Angeles
Department of Auditor-Controller
Countywide Contract Monitoring Division
350 South Figueroa Street, 8th Floor
Los Angeles, CA 90071

**SUBJECT: RESPONSE TO LOS ANGELES COUNTY DEVELOPMENT
AUTHORITY (LACDA) HOMELESS INITIATIVE - STRATEGY B4:
FACILITATE UTILIZATION OF FEDERAL HOUSING SUBSIDIES
PERFORMANCE DATA AND EXPENDITURES REVIEW**

Dear Ms. Barrera:

This letter is in response to the results of the Performance Data and Expenditures Review conducted by the Los Angeles County Auditor-Controller's Office. The results of the review received by the LACDA cited two recommendations related to opportunities where we can improve and strengthen controls over Strategy B4 services.

Recommendation #1:

The first recommendation resulted from the LACDA not readily providing the detailed supporting documentation for our July through September 2018 performance data. It was recommended that the LACDA develop policies and procedures to ensure adequate documentation to support our reported performance data is appropriately maintained and readily available upon request.

LACDA's Response: The LACDA management agrees with the recommendation. The LACDA agreed to establish a procedure to require the submission of statistical reports utilized in preparing the Homeless Initiative – Strategy B4 quarterly performance data to the Chief Executive Office by all Public Housing Agencies (PHAs) including LACDA. On August 19, 2019, the LACDA instructed all PHAs when submitting their quarterly report to make certain that the time and date is printed on the report to ensure that the reporting period reflects point-in-time details that correlates with their data. The implementation occurred within the 1st quarter reporting period; thus, quarterly reports received on or after October 1, 2019, are complying with the new procedures.



lacda.org

700 West Main Street, Alhambra, CA 91801

Tel: (626) 262-4511 TDD: (626) 943-3898

Acting Executive Director: Emilio Salas

Commissioners: Hilda L. Solis, Mark Ridley-Thomas, Sheila Kuehl, Janice Hahn, Kathryn Barger



Arlene Barrera, Auditor-Controller
January 22, 2020
Page 2

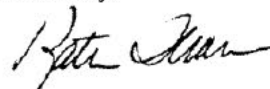
Recommendation #2:

The second recommendation relates to support for quarterly expenditure reports. It was noted that the LACDA does not require the PHAs to provide supporting documentation, such as detailed accounting records at the time the quarterly expenditure reports are submitted. To enhance assurance over the accuracy/appropriateness of the quarterly expenditure reports, the LACDA should require that PHAs provide supporting documentation with the reports.

LACDA's Response: The LACDA management agrees with the recommendation. LACDA established a procedure to require all PHAs to submit general ledger reports when requesting reimbursements for Strategy B4 expenditures. The LACDA notified PHAs that all required quarterly reports must be submitted to LACDA by the 15th day of the month following the end of each fiscal quarter. We further instructed the PHAs that the reports should be accompanied by fund expenditures supporting documentation such as financial ledgers. This procedure was implemented on November 25, 2019, during our Fiscal Year 2019/2020 Homeless Incentive Process Interagency Amendment process.

We will provide additional supporting documents during the follow-up review process. If you have any questions, please contact Matthew Fortini, Director of Finance and Budget at (626) 586-1890.

Sincerely,



per EMILIO SALAS
Acting Executive Director

cc: Matthew Fortini, Director of Finance and Budget Division

SKID ROW HOUSING TRUST LETTER
(DKT. 305)



May 20, 2021

1317 E. 7th Street
Los Angeles, CA 90021
213.683.0522 Tel
213.683.0781 Fax
skidrow.org

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Rex Jones
Wells Fargo

Emil Khodorkovsky
Forbix Capital Corp.

Dan Mahoney
Pacific Empire Builders

Diana Skidmore
Crain & Associates

Patrick Spillane
IDS Real Estate Group

David Walte
Cov, Castle & Nicholson LLP

Lee Raagas
Chief Executive Officer

The Honorable David O. Carter
United States District Court – Central District of California
Ronald Reagan Federal Building and United States Courthouse
411 West Fourth Street, Courtroom 9 D
Santa Ana, CA, 92701-4516

RE: LA Alliance for Human Rights vs. County of Los Angeles and City of Los Angeles

Honorable Judge Carter:

Skid Row Housing Trust ("The Trust") respectfully submits this letter to provide perspective, support and commitment to the court's efforts to resolve the enduring crisis of homelessness in Los Angeles vis a vis LA Alliance for Human Rights v. County of Los Angeles and City of Los Angeles. It is the organization's hope that this communication, combined with our track record of housing solutions, facilitates a partnership to continue solving the crisis.

In response to your injunction and clarifying orders, the Trust signed letters of support with other organizational leaders dedicated to addressing the criticality in Skid Row. In addition to that collective support, the Trust welcomes the opportunity to specifically share the direct perspective of an organization that has implemented solutions for over 30 years. We are currently responsible for 36% of residential units that include services in Skid Row and have permanently ended homelessness for 10,037 people. As a community operator, the Trust operates 26 buildings and over 2,000 units of permanent supportive housing ("PSH"), offering supportive services, property management and asset management. Skid Row Housing Trust is a real estate developer, health and social service provider and a Skid Row based employer & workforce developer.

Your adjudication of the LA Alliance for Human Rights case created urgency and acceleration in a community that was in a decades long crisis prior to the pandemic. For that, the Trust extends its deepest gratitude.

We appreciate the urgency of the court's focus on our 4,600 unhoused neighbors in Skid Row, 2,100 of whom are unsheltered. The Trust supports more shelter and housing of all types to be implemented immediately and further proposes additional resources be deployed in resolving the homelessness crisis without jeopardizing existing affordable and permanent supportive housing ("PSH") development pipeline or its funding. There should be an equal amount of attention placed on streamlining timelines and financial management as well.

Support Position & Recommendation One (1) – House / Shelter Those Suffering and Dying on the Streets

Skid Row Housing Trust supports the priority to immediately address those suffering and dying on the streets. There was a sharp increase in homelessness prior to the COVID 19 pandemic. Unfortunately, there was no count in January 2021, meaning the industry will be working with January, 2020 numbers through May, 2022. That

count delay will unfortunately skew the already poor numbers and trend to a false baseline, as the actuals are known to be worse.

The Trust is concerned about the growth in chronic homelessness, 58% year over year in the Continuum of Care and 35% in Skid Row. Unfortunately, underinvestment in safe camping, shelter and transitional housing is creating an increasing number of individuals and families exposed to prolonged trauma on our streets. We know firsthand that chronic homelessness requires the most costly and complicated solutions in the housing ecosystem and want to make sure every effort is taken to embrace lower cost interventions to keep people housed and provide relief from suffering long before there is a need to address chronic levels requiring PSH solutions. PSH requires complex financing, re-syndication every 15 years and active asset management for 55 years with limited provision for inflation and rising operating costs.

Skid Row Housing Trust, along with its community alliances have raised urgent and consistent concerns around the following:

- Ensuring street safety for **existing** residents that consider Skid Row their permanent home and living community
- Ensuring health & safety for encampment population; sidewalks and streets were not designed for habitability and rising climate concerns regarding heat from concrete and tar negatively affect those living directly on that heat. Emissions due to construction impact those living on the streets as well. Outbreaks of infectious disease; Tuberculosis, Hepatitis A, and Flea Borne Typhus were prevalent in our Skid Row community long before COVID
- Ensuring sidewalk accessibility for disabled Residents living in Skid Row. It has become impossible for Residents / Clients living in Skid Row to utilize sidewalks forcing those with disabilities to walk in the streets causing unsafe circumstances.
- Ensuring Employee safety to and from work. Employees experience onsite and near-site assaults as well as workplace accidents resulting in significant Employer and City risk

Recommendation = Provide sites and funding for outreach and engagement, safe camping, shelters and transitional housing to create a conduit so those living in safe campsites and shelters have prioritized access to transitional and permanent supportive units available through vacancies and/or development in Skid Row.

Support Position & Recommendation Two (2) – Increase Subsidies, Safety and Security

Skid Row Housing Trust supports the financial audit, funding review and potential reallocation of resources to effectively fund a full ecosystem of solutions. The most immediate needs are safe camping, shelters, and transitional housing. The affordable and permanent supportive housing pipelines must be accelerated, not decelerated. In the PSH space, the most urgent need is unit based vouchers for operating subsidies to complete the Proposition HHH pipeline. Historically, Skid Row Service Providers had differing philosophies of how to address this crisis. While those Organizations have co-existed, served and provided solutions, efforts have fallen short to effectively collaborate serving the overall community. Failure has occurred in; 1.) lack of resources to support upticks in crime and pandemic costs, leaving providers across the spectrum to absorb the responsibility of the growing risk they are neither funded nor trained to manage, 2.) lack of subsidies for current Los Angeles development pipeline in process and, 3.) lack of project based voucher subsidies for units for



forecasted housing needs overall. Residents and Clients have been forced to resort to leaning on CBO's and NGO's for needs such as policing, security, public safety, sanitation, enforcement but with no funding and resources to do so. That expertise and responsibility lies with the City and County. Significant increase in property damage and loss have forced providers to identify philanthropic funding sources while simultaneously managing increasing unfunded COVID costs. Specific impacts and requests to solve are listed below:

- The Organization fully supports all calls and initiatives to continue to decriminalize poverty and homelessness
- Ensuring safety for Veterans experiencing homelessness concerned about Skid Row resulting in lack of interest in moving into housing
- Providing enhanced funding to housing, program and service providers
- Increasing police presence for predation and organized crime in Skid Row
- Transition "policing" from housing and service providers to law enforcement and other government specialists to provide mental health intervention and de-escalation. Developers and service providers should not be in position to manage crime in or out of buildings / communities
- Provide a one time "Relief Package" to provide "recovery" funds for damages sustained during 2020 due to lack of City, County support for COVID impact unaddressed by the CARES Act as well as the Continuum of Care Emergency Manager for FEMA funding, LAHSA, and county crisis management agencies Department of Public Health and Department of Health Services
- Provide ongoing financial support for services and property management in Skid Row by increasing property management fees to "reasonable" premiums for high crime and communities impacted by encampments and crime

Recommendation = Provide more funding, resources and subsidies for safe camping, shelter, interim/transitional housing and permanent supportive housing to immediately and significantly decrease the risks and damage the community.

Support Position & Recommendation Three (3) – Identify, Collaborate and Innovate Solutions; Rapidly Match Existing Supply to Demand

Skid Row Housing Trust supports the improved collaboration of all parties at the City and County level with those in the field providing the solutions. That improvement includes a rapid reduction in time to provide and approve a recommended Resident / Client to service providers for available units. There is existing "housing stock" in Skid Row that has become unattractive to new and potential Residents / Clients due to the increased encampment and crime in the community. There are multiple phases of homelessness and therefore multiple solution typologies. A root cause analysis is required to appropriately match needs. Supply and Demand typology examples are:

- Chronic = typically requires Shelters and Permanent Supporting Housing
- Episodic = typically requires Rapid Re Housing and/or Interim Housing
- Transitional = typically requires Internal and/or Transitional Housing
- Hidden = could be a combination of the above

Recommendations and Solutions:

- Identify and fund outreach, engagement, land and supportive services for those who refuse housing due to concerns of privacy or losing possession of belongings



- Fund safe camping and shelter expansion
- Re-engage and support interim and transitional housing or equivalent

Support Position & Recommendation Four (4) – Seek to Understand Those with Experience & Operations in Skid Row

The make-up of Skid Row geographically is a semi-complicated definition and delineation of boundaries and descriptions. That complexity results in either a.) "multi" accountability or b.) "absent" accountability therefore leaving many businesses and providers in the community to manage and regulate independently which are neither designed, nor funded to do. While that experience has reaped objective and subjective expertise, it is time for additional resources to support those in Skid Row by definition of their responsibilities. Intersecting authorities in Skid Row are further complicating. The Industrial District BID is bordered by Third, 8th, Alameda and San Pedro, extending a block beyond Skid Row to 8th Street. There is no BID from San Pedro to Los Angeles in Skid Row. The Historic Core BID picks up at Los Angeles and covers the buildings on Main between 3rd and 7th. Skid Row comprises three (3) separate census tracts, 2073, 2062, and 2063.

There are approximately 5,400 affordable, residential units in the traditional fifty block Skid Row boundary with over two thirds (71%) or 4,000 of these being operated by Skid Row Housing Trust and SRO Housing. Skid Row is considered one of the highest communities in the nation. There's a perception that housing providers and shelters do not have common ground, however all Organizations are committed to decreasing the highest number of people at risk slipping into chronic homelessness (as outlined above) which is the most difficult, expensive and complex population to house and serve. Prioritizing and solving for that forecasted risk is an aligned goal for Skid Row providers. Weingart provides hundreds of housing assistant options and thousands of direct, multi-faceted services. Shelters such as Union Rescue Mission and The Los Angeles Mission, provide thousands of beds and food services every day to existing homeless individuals in our community. Our collective expertise and data are available and we encourage the combined platform to be heard. We at the Trust and Mike Arnold of The Midnight Mission, Reverend Andy Bales of Union Rescue Mission, Senator Kevin Murray of the Weingart Center, Anita Nelson of SRO Housing Corporation and Troy Vaughn of the LA Mission have met to collaborate on solving this post pandemic crisis with the experience and tangible results all the Organizations have demonstrated for decades. We are all encouraged by our shared commitments and hope the court will entertain guidance from the largest providers in Skid Row.

Residential Contributions & Collective Impact:

- ✓ SRO Housing; 2,099 residential units / 29 buildings / Development Pipeline
- ✓ Skid Row Housing Trust; 1,972 residential units / 27 buildings / Development Pipeline
- ✓ Weingart; 600 housing assist units / 1 building / 40,000+ multi services provided / Development Pipeline
- ✓ Shomof 415 units / 3 buildings
- ✓ DWC 119 units / 1 building
- ✓ Mercy Housing 28 units / 1 building
- ✓ Other - 794 Units



Skid Row Shelter and Bridge Housing Contributions & Impact:

- Union Rescue Mission; 1,000 housed per night / 3,000 fed per day
- Los Angeles Mission; 340 housed per night / 1,100 fed per day
- The Midnight Mission; 50 housed per night / 2,200 fed per day

The Trust supports immediately transitioning people off the street and into humane, sanitary and safe environment including an "all hands" approach to find temporary, bridge, transitional, permanent housing with service options to accommodate different people with different needs. This comprehensive approach includes building permanent supportive housing because a solution that does not include a permanent home only prolongs homelessness.

Skid Row Housing Trust is both a resource and an ally in collectively ending this crisis with all partners committed to ending homelessness.

Thank you for your consideration,



Lee Raagas
Chief Executive Officer

Distribution:

- Michele Martinez – Special Master, United States District Court, Central District of California
- Mayor Eric Garcetti
- City Council President Nury Martinez
- Councilmember Joe Buscaino
- Councilmember Kevin De Leon
- Supervisor Hilda Solis
- Supervisor Holly Mitchell
- Senator Maria Elena Durazo
- Senator Sydney Kamlager
- Assemblymember Miguel Santiago
- Congressman Jimmy Gomez
- Heidi Marston – Executive Director, Los Angeles Homeless Services Authority
- Elizabeth Mitchell – Spertus, Landes & Umhoffer, LLP



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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA - WESTERN DIVISION
HONORABLE DAVID O. CARTER, U.S. DISTRICT JUDGE

L.A. ALLIANCE FOR HUMAN RIGHTS,)
et al.,)
)
Plaintiffs,)
)
vs.) Case No.
) CV 20-2291 DOC (KESx)
CITY OF LOS ANGELES, et al.,)
)
Defendants.)
_____)

REPORTER'S TRANSCRIPT OF PROCEEDINGS
STATUS CONFERENCE
THURSDAY, MAY 27, 2021
9:02 A.M.
LOS ANGELES, CALIFORNIA

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HONORABLE ANDRÉ BIROTTE, JR., United States District Judge

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SPECIAL MASTER MICHELE MARTINEZ

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THURSDAY, MAY 27, 2021; 9:02 A.M.

LOS ANGELES, CALIFORNIA

-oOo-

THE COURT: First of all, good morning. And I hope all of you are well. And it's 9:00 o'clock or a little after, so let's get started.

We'll call the case to order once again, L.A. Alliance for Human Rights versus the City of Los Angeles, County of Los Angeles, Case No. 20-02291.

And for the court reporter, if I speak too quickly --

THE REPORTER: Yes, Your Honor. Thank you.

THE COURT: This morning, we have a number of elected officials who have other committee meetings today. And so I'd like to change the order that we've proposed as a courtesy to them so they can be on about their committee meetings, et cetera.

It's an honor today to have the Chair of the Los Angeles Board of Supervisors present, Hilda Solis.

If you would be so kind. And we welcome you today. Good morning.

SUPERVISOR SOLIS: Thank you.

Am I permitted to remove my mask?

THE COURT: Please.

SUPERVISOR SOLIS: Thank you. Good morning.

1 THE COURT: Have you been vaccinated?

2 SUPERVISOR SOLIS: Thank you. Good morning.

3 THE COURT: Have you been vaccinated?

4 SUPERVISOR SOLIS: Yes, I have.

5 THE COURT: Excellent. Okay.

6 SUPERVISOR SOLIS: Definitely.

7 THE COURT: It's not a political statement, but get
8 your vaccine.

9 SUPERVISOR SOLIS: Right. Thank you.

10 Thank you very much, Honorable Judge Carter, for
11 elevating the history of structural racism.

12 Am I too high? I'm going to -- I don't want to
13 appear as though I'm screaming.

14 THE COURT: Well, we've got two law clerks also.
15 And if you'd help the Chair at any time, please.

16 SUPERVISOR SOLIS: Yes. Thank you.

17 THE COURT: Thank you.

18 SUPERVISOR SOLIS: Okay. Well, once again, thank
19 you, Honorable Judge Carter, for allowing us to be here today
20 to testify and elevating the history of structural racism and
21 its impacts on the homeless crisis here in this preliminary
22 injunction. I'm here to address this important issue and know
23 our counsel will also address any legal arguments presented in
24 the case.

25 And as Chair of the L.A. County Board of

1 Supervisors, I want to acknowledge this very historic injustice
2 that we know must be corrected. Past trauma has to be
3 addressed, an oppressive system must be destructed in order to
4 tackle the region's homelessness crisis.

5 The County of Los Angeles, as you know, is committed
6 to addressing the underlying structural and systemic factors
7 which have, in my opinion, contributed to disproportionate
8 rates of communities of color experiencing homelessness in
9 Los Angeles. And that's why I have personally led the call for
10 a "Care First, Jails Last" approach to justice reform and
11 resolving our homeless crisis.

12 We're prioritizing building out a much needed system
13 of care for the most vulnerable communities in Los Angeles
14 County and are supporting various initiatives that will
15 drastically reduce the pipeline that feeds into homelessness
16 and, all too well, mass incarceration.

17 And I'd like to highlight, if I might, two projects
18 in my own district that I hope will underscore the Board's
19 "Care First, Jails Last" approach.

20 In fact, the Hilda L. Solis Care First Village which
21 you toured in its inception --

22 THE COURT: Right.

23 SUPERVISOR SOLIS: -- which opened recently in April
24 of 2021, it provides interim housing that would have been a
25 staging area, as you know, a parking lot for the construction

1 of a new jail. It will now house 232 individuals and provide
2 wraparound supportive services on site. The cost of that
3 project was \$51 million in terms of using CARES Act money in
4 addition to \$6 million that I put in of my own discretionary
5 funding.

6 I thought that it could be done quickly, and I had
7 the support, unanimous support of the Board to do that. And I
8 really want to commend the County for doing that.

9 The project, as you know, was built in record time,
10 six months -- it's unheard of, even for the county -- and will
11 eventually be converted to permanent housing to ensure
12 long-term housing solutions for our residents.

13 Of the individuals currently living on site,
14 62 percent are either black or Latinx and 68 percent are
15 individuals who are chronically homeless or who have had
16 serious mental health concerns and who would be eligible for
17 permanent supportive housing.

18 The model is showing what it means to realize care
19 first and jail last. I am hopeful that the County can
20 replicate this approach and serve as a model to build permanent
21 housing, as we need to serve the needs of our most vulnerable
22 unhoused neighbors.

23 In addition, I want to mention the LAC+USC
24 Restorative Care Village which is scheduled to open in the fall
25 of 2021. It will provide 96 clinical enriched interim housing

1 beds with on-site nursing support, help oversight, case
2 management, and connection to permanent housing and serve those
3 who have been discharged from the county health facilities and
4 facing unstable housing conditions.

5 It will also host an additional 64 beds as part of
6 an intensive treatment program for individuals being discharged
7 from county hospital, the psychiatric emergency services,
8 inpatient psychiatric units, and mental health urgent care
9 centers. So we're really talking about the very same
10 population that we're addressing here today.

11 There are other community and government efforts to
12 develop more projects like these utilizing county- and
13 city-owned properties in areas neighboring the Care First
14 Village surrounding the Men's Central Jail. And we are trying
15 to tie these efforts together in a partnership not just with
16 the City but also with our other partners.

17 For example, we're looking at creating a Restorative
18 Justice Village master planning project which is already
19 beginning -- in its beginning stages now. It will include the
20 participation of Homeboy Industries, who's also helping us
21 address incarceration and homelessness, as well as
22 The California Endowment.

23 So we, in fact, envision seeing a master planning
24 project that will better leverage and coordinate all of our
25 available county assets as well as hopefully the city, I'm

1 sure, as well as other social justice programs and providing
2 employment opportunities as well as affordable housing, low
3 income, and for homeless individuals as well.

4 Through this master plan, we'll be able to serve the
5 needs of the chronically homeless and formerly incarcerated
6 individuals in the area, particularly those who may be cycling
7 between homelessness and incarceration.

8 I have also supported interim housing sites for
9 women and families. And I wanted to mention this -- I believe
10 I may have brought it up the last time I spoke before you --
11 and it's a partnership with a group called The Whole Child.
12 Their site is in Echo Park, and it serves women in Skid Row and
13 their families.

14 And we have undertaken that project now for more
15 than a year. And it deals with single mothers and young
16 children fleeing domestic violence.

17 And I want to mention that recently I welcomed the
18 opportunity to work with the Downtown Women's Center in
19 planning for housing for all women and families on Skid Row and
20 will be authoring a motion that I'll bring before the Board of
21 Supervisors to help provide county resources that will help
22 bring about a plan and hopefully with some good output.

23 In collaboration with the City of Los Angeles, we've
24 transformed, also, a parking lot on county-owned property.
25 It's known as the H. Claude Hudson Comprehensive Health Center.

1 And it is a city-run bridge home facility. We partnered with
2 Curren Price to do this I believe almost two-and-a-half years
3 ago. There are 100 beds there in a heavily impacted area. The
4 unique facility also provides residents to house their pets
5 there, which is something that we know is very important for
6 our homeless.

7 These are just a few examples of our County's
8 ongoing commitment to help address homelessness.

9 My office is also exploring new and innovative ways
10 of addressing homelessness, one which includes repurposing the
11 historic Los Angeles County General Hospital to provide
12 low-income housing and community services, not just in the
13 Boyle Heights area but also expanding the use potentially of
14 the Project Homekey program to provide quick interim and
15 permanent housing.

16 And I'm deeply committed to continuing the work
17 addressing the underlying structural and systemic factors that
18 brought us to this crisis. By centering the voices of
19 community advocates and people experiencing homelessness, I'm
20 confident that the County, the City, and our partners, both
21 public and private, and stakeholders can effectively address
22 the impacts regarding racism and helping us overcome
23 homelessness in the County of Los Angeles.

24 Thank you.

25 THE COURT: As the Chair, I want to thank you for

1 your appearance today. And I want to personally thank you for
2 giving me a tour so early at the site.

3 I follow the minutes of almost every board or
4 council meeting that I can. And when credit is due, I want to
5 make certain I pay credit.

6 You approved this site in October. You had it
7 mostly completed by December 28th and 29th. I know that there
8 have been a few issues along the way getting it up and running.
9 So instead of looking at anything negative, I want to say that
10 that's very positive. And, in fact, I tried to note that in
11 the Court order that I sent out, calling all parties' attention
12 to this effort. I've seen structures go up in 28 days. I've
13 seen them go up in 15 days. And I saw your efforts with county
14 land and county financing.

15 I also follow your statements, so I'm going to read
16 a statement that you just made. This is by you co-authoring a
17 motion by Sheila Kuehl. It involves naloxone.

18 Would you put up Slide 68 for a moment?

19 And much of what you've said today you also
20 encapsulated at the board meeting. Quote -- you co-authored
21 the motion. It involved the issue of racial justice.

22 You said, quote, "This issue disproportionately
23 impacts black and Latinx residents. And in our efforts to
24 address these racial inequities, community-based efforts like
25 overdose prevention programming and increased access to

1 naloxone will help reduce deaths by overdose by training
2 homeless service providers and people experiencing homelessness
3 for situations in which an overdose may occur."

4 That's beyond the scope of the hearing today. But
5 what I was impressed with was your recognition and the Board's
6 recognition of the inequities involved historically.

7 And so I wanted you to know that I'm reading,
8 following, and I compliment you.

9 The second thing is I'd ask for your help, very
10 humbly. When Courts make orders, we're not very flexible. We
11 have to wait until the next case or controversy or something
12 comes before us. But we also have to be aware and grow and
13 realize that we have to change and accommodate because this is
14 a fast-moving and difficult area for everybody.

15 There's a controversy going on right now between
16 long-term supportive housing and shelter. And I'll tell you
17 everything's on the table. What I'm looking for is a balance.

18 The help I need is if we can have long-term housing,
19 that is the ultimate solution. I need also some balance in the
20 short-term getting thousands of people off the street and out
21 of this dangerous situation and the unsanitary conditions. And
22 from my view, with no patience at all, that should have been
23 done long ago.

24 So instead of going backwards and chiding public
25 officials, I'm humbly asking for you to think about -- not make

1 a commitment today because you don't have the other board
2 members present. But are we going to balance that? The *Boise*
3 case talks about shelter. They never wrote about housing. If
4 the Ninth Circuit says it's housing, this Court will follow
5 gladly. Long-term sustainable housing, it may be the absolute
6 answer. But they wrote about shelter. So it's a political
7 decision so far about housing.

8 SUPERVISOR SOLIS: Right.

9 THE COURT: I'd like to see that balanced, though.
10 How do we accomplish -- literally when Councilman de León and I
11 walked down the street and had women coming up saying that
12 they've been raped, they're sexually getting abused -- and I'm
13 terrified about the rains coming. I'm absolutely -- I want you
14 to hear this. I'm absolutely down on my knees -- this is about
15 complete humbleness -- of how we're going to get this number of
16 people.

17 So I've concocted an order. And what it basically
18 says is the City and the County, within 90 days, women are
19 coming off the street. It's a narrower -- I've got a
20 geographical area, it's as narrow as I can focus that, starting
21 with women, and I gave it 90 days.

22 I've seen the City and the County come back with
23 nothing in terms of an agreement, nothing in terms of any
24 modification. I've also seen the County withdraw or not become
25 involved in any discussions with the City. And if you're not

1 aware of that, I can make a pretty good record about that. I
2 call it stonewalling, frankly.

3 So you're here because the City and the County
4 cannot reach those kinds of agreements, and that's going to
5 cause this Court to be very diligent. So now you hear my fear.
6 Why women first? The most vulnerable.

7 And I don't know what Councilman de León is going to
8 be saying. But I know that when I walk down the street, it is
9 beyond any civilized society. And I go to Afghanistan and
10 Pakistan and Syria, on the border up there. And I'll tell you
11 and I'll show you pictures that those refugee camps are so much
12 better than what I'm seeing on Skid Row. There's no excuse.

13 So I'm humbly saying if you can't reach an
14 agreement, then I'm going to remain very diligent in this. And
15 I see absolutely no reason why we can't start with getting
16 women off the street, I mean as of today. And I see no reason
17 why we can't follow with families. And then if there's some
18 accommodation with the males -- and by the way, I'm a male so
19 we're not picking on men right now.

20 But I've given it 180 days. And I'll say to you I
21 believe you're fighting for the heart and soul of the City
22 right now as an elected official. The Court's got a very small
23 role to play in this. And so if you and the City can't turn
24 this around, you're going to give that to the Court to make
25 that effort. And I'm hoping you can, but I haven't seen that

1 good faith bargaining going on.

2 And I lay that right humbly at the feet of the Board
3 and I lay that at the feet of the City because we need an
4 omnibus agreement far beyond Skid Row. Skid Row is the
5 epicenter. It's the beginning. But this whole city is crying
6 for help right now.

7 So my order does the following, it tries to take a
8 geographical area to begin with, that's the epicenter, with
9 huge racial disproportionality, start in a narrowly tailored
10 fashion with women. And by the way, that's voluntary. It's
11 not forced. That's voluntary. But nobody's reading my order,
12 apparently. They're just in an echo chamber right now of the
13 same old bitterness that's gone on between the parties for
14 years.

15 I want a hard but local approach. I put in my order
16 I wanted a community approach so they were involved. Some of
17 the community leaders, for instance, want Urban Alchemy, I
18 think. Correct? Fine.

19 So if you can help, you know, the phone is open,
20 et cetera, with Michele Martinez and me at any time. But I'm
21 telling you, I'm down for the count on this one. Okay?

22 SUPERVISOR SOLIS: I have no doubt, Judge.

23 THE COURT: Yeah, please don't doubt me on this.

24 SUPERVISOR SOLIS: No, I don't.

25 THE COURT: This is it. Unless the City turns now,

1 we're going back to decades of the same bickering and nonsense
2 that's gone on for years and years and years. Because nothing
3 was accomplished of significance in terms of starting down the
4 road.

5 And I know individuals were serviced, but I'm going
6 to get into some facts and figures and not keep you today --
7 because I'm really concerned that you've gotten information or
8 not gotten information from your internal staff, through no
9 fault of the Board -- and I'm going to put some documents up
10 today and ask some very difficult questions. But I don't care
11 to keep you here for that. Okay? Skip can inform you what our
12 conversations are.

13 So hopefully I'm looking for a political solution.
14 But if you're not capable -- and I don't mean you personally
15 but the Board and the City getting together and coming up with
16 something for the benefit of this city, then the Court's going
17 to be very diligent on this.

18 Okay. I want to humbly thank you for all of your
19 courtesy presented to me. And I'm sorry I've cut off all the
20 conversation once the County unilaterally decided to litigate.
21 That's why the phone calls stopped between us. It was no
22 discourtesy. I just stopped communicating with everybody.

23 Thank you very much.

24 Do you have any questions? Do you have any
25 questions?

1 Just humbly thank you for being here.

2 SUPERVISOR SOLIS: Thank you, Judge Carter. I do
3 want to say that -- and I'm glad that you are reading things
4 that we are talking about.

5 THE COURT: Oh, I'm following you.

6 SUPERVISOR SOLIS: And have been. And we're going
7 to continue to do that. And we're going to strive to make sure
8 that we provide the most adequate services for the most
9 vulnerable.

10 THE COURT: Yeah.

11 SUPERVISOR SOLIS: And as I said earlier, we're
12 going to work with the Women's Center, Downtown Women's Center
13 and have been. And now people are stepping up and they're
14 putting -- putting things away that typically would have been a
15 barrier. And people are talking more. And I think that's
16 what's happening right now.

17 And we know the urgency of now. I know the urgency
18 of now. And we -- you and I have had those conversations even
19 beyond just what's happening in Skid Row but around the
20 San Gabriel Valley, southeast and East Los Angeles.

21 THE COURT: What I'm afraid of is persons unlike you
22 aren't going down there. I'm concerned about, for instance,
23 the council or Kevin de León as the councilperson that sees it
24 every day. But John Lee may have a co-equal vote out in the
25 Valley as one of 15 councilmembers. And, therefore, he may in

1 good faith not see what's occurring down there but has the same
2 one vote.

3 And so I'm not seeing our elected officials down
4 there. So I want to compliment you. So you, Kathryn Barger
5 have been down there. Thank you. But until you see it, you
6 can't believe it. I don't even think my counsel, many of them
7 in this room, have been down there, which is shocking to me.

8 SUPERVISOR SOLIS: Well, I'm encouraged by the
9 traction that we are finally seeing. It may be slow paced for
10 some.

11 But I think we were very fortunate to be able to
12 take opportunity when there was a crisis. And the opportunity
13 was to be able to draw down monies from the federal government
14 and the state that had not been made available. It had some
15 flexibility, and we were able to push forward on some immediate
16 projects. Some have been in the queue for a while, but we
17 could jump-start them. That's my hope moving forward, that we
18 can continue to move on that trajectory and work with you and
19 everyone concerned. So --

20 THE COURT: Here's two more concerns, I just humbly
21 ask you because I'm getting older. Maybe I'm not here in ten
22 years. Okay?

23 First of all, I'm fearful of what I call the three-
24 and five-year plans because when a politician proposes that,
25 oftentimes they're not around to take responsibility for what

1 they've said.

2 So if you're entering into good faith agreements, I
3 would simply ask for milestones along the way so we can try to
4 meet that. And you've got flexibility on my part. I don't
5 expect perfection. But the inertia that's occurred is
6 absolutely devastating and is causing an untold amount of loss
7 of life needlessly, in my opinion. And that's where I draw the
8 line.

9 The second thing is the money and accountability.
10 Today, without keeping you, we're going to get into some facts
11 that involve the county and providers and just ask some
12 questions about audits, et cetera, and what I don't even know
13 the Board knew. And if my suppositions are wrong, I'm going to
14 put it right up on the board so everybody could see it.

15 I'm encouraging you to stay if you'd like to, but
16 I'm encouraging you not to stay. Your counsel can inform you.

17 SUPERVISOR SOLIS: Thank you.

18 THE COURT: But I'm really, really concerned about
19 that money and the accountability of that money because I don't
20 believe any longer that money is the issue. We've got the
21 money.

22 And number two, the pilot programs. What you did is
23 exemplary over at that site. I need 200 of those. And not I
24 personally but the city and the county need 200 of those. So
25 every time a pilot project starts, not you but I'm watching

1 everybody circle and point to the pilot project. And that
2 needs to be expanded.

3 And so if we can do that with long-term supportive
4 housing, I'm the first to step forward and says good.

5 SUPERVISOR SOLIS: I hope so.

6 THE COURT: If you can do it with \$30 billion, hey,
7 I'm for it. But in the meantime, how do you get people off the
8 street awaiting that so they're not living in a cardboard box?
9 And that's where I think we're having the push and shove, back
10 and forth because I'm not willing to wait any longer watching
11 people lay in the rain, especially women and kids. I'm going
12 to show some slides today.

13 Okay. Humbly thank you.

14 SUPERVISOR SOLIS: Thank you very much.

15 THE COURT: Pleasure.

16 SUPERVISOR SOLIS: All of you, thank you.

17 THE COURT: And please, if you're around today, I
18 think Skip is going to be calling you pretty quickly. In fact,
19 I can guarantee it.

20 SUPERVISOR SOLIS: Thank you. Appreciate it.

21 THE COURT: Okay. Councilman, please.

22 And, Supervisor, what you have to be concerned about
23 is I'm afraid that housing first, which is a great model,
24 became housing only. I need some balance. That's what I'm
25 asking for.

1 COUNCILMAN DE LEÓN: Good morning.

2 THE COURT: Kevin de León, Councilman Kevin de León.
3 Good morning. And I'm sorry we're not communicating
4 anymore. I want to personally apologize to you. I cut off all
5 the phone calls as soon as the County unilaterally filed.

6 COUNCILMAN DE LEÓN: That's quite okay. I felt like
7 a jilted lover, you know.

8 THE COURT: Well, 5:30 calls don't work anymore.
9 You were midnight calls.

10 COUNCILMAN DE LEÓN: Oh, the midnight calls. But
11 that's okay.

12 Your Honor, the Honorable Judge André Birotte,
13 Special Master Michele Martinez, I want to thank you very much
14 for allowing me to spend a few moments here this morning and to
15 share a few thoughts.

16 Now, let me -- let me cut to the chase. Decades of
17 willful ignorance on behalf of the City and County of
18 Los Angeles has brought us to this moment where tens of
19 thousands of people spend their days as well as their nights on
20 the streets and sidewalks.

21 Now, I use the word "willful" because our unhoused
22 community in the concentration of both men and women,
23 especially young children, and entire families who now find
24 themselves on Skid Row is no accident.

25 We know that this neighborhood was designed to be an

1 open air prison, established through a collective effort of
2 public officials, politicians, at both the county and city
3 levels, who worked out a containment plan for marginalized
4 people but, in particular, people of color.

5 Homelessness services, housing services, and
6 shelters were concentrated in Skid Row. The City turned law
7 enforcement into de facto prison guards who patrol the border
8 of Skid Row to make sure that this shameful reality stayed
9 hidden.

10 To those who found themselves having to cross the
11 border into Skid Row searching for help and finding hell
12 instead, it was more of just the same -- institutional racism
13 layered on top of structural racism, designed as -- or I should
14 say disguised as solutions.

15 Today you'd be hard-pressed to find a neighborhood
16 in Los Angeles that isn't, isn't dealing with the reality of
17 this humanitarian crisis.

18 Now, City Council District No. 14, City 14, along
19 with the geographical locations of County Board Supervisor
20 Hilda Solis and newly elected County Board Supervisor
21 Holly Mitchell, we have the unenviable distinction of having
22 the largest unhoused population not only in the city of
23 Los Angeles or the county but nearly every city in California,
24 including Long Beach, my hometown of San Diego, Oakland, and
25 San Jose.

1 Worse still, my district has more unhoused than the
2 cities of Phoenix, Houston, and Chicago, the fifth, fourth, and
3 third largest cities in America. I did compare apples to
4 apples, a municipality with another municipality, but rather a
5 city council district or, perhaps for those from the East
6 Coast, a ward with the entire homeless population of a city.

7 Now, let me be clear, the state of homelessness in
8 our city today is not for a lack of trying to end it. And we
9 are making progress. My staff has been aggressively conducting
10 outreach work on our streets to give people a roof over their
11 heads, focusing especially on women and children in Skid Row,
12 and making great strides in housing people through Project
13 Homekey.

14 Now, in the last six months alone, we have built, we
15 have bought, and we have leased or put into a pipeline more
16 than 1,000 units of homeless housing across every region of my
17 district, from downtown L.A. and Skid Row to Boyle Heights
18 incidental and northeast L.A. And that's not counting the 500
19 Project Roomkey rooms in my district which have helped people
20 from all over the city transition from living on the street to
21 finding permanent housing.

22 Now, we are moving forward with tiny villages and as
23 many -- as many neighborhoods as possible. We're taking
24 advantage of scattered housing model. Three weeks ago, I led a
25 nighttime march right here in Skid Row with my colleague,

1 Assemblymember Miguel Santiago, leaders from LACAN, the
2 Downtown Women's Center, Skid Row Housing Trust, and so many
3 others. We marched in unison late at night to demand that the
4 State invest \$20 billion in funding for homelessness statewide,
5 knowing that we would receive the largest of that amount of
6 money.

7 I was encouraged when in the following week our
8 governor, Governor Gavin Newsom, announced a plan to invest a
9 minimum threshold of \$12 billion over the next two years. I'm
10 encouraged but cautiously optimistic. We still need to make
11 significant changes in the way we develop housing to make sure
12 we can leverage those dollars to get the best value and the
13 volume to meet the immense challenge that we face.

14 Now, you're going to get a lot of folks come before
15 you, including myself, who want to give you a portrait, a
16 snapshot in reality of the progress that we've made. But we
17 can't do this in a very incrementalist way and we can't
18 piecemeal our way through this.

19 If we have 41,000 living on our streets today,
20 60,000 in the County of L.A., if every elected official from
21 every corner of this county comes to you in an incrementalist
22 way without an overarching strategic goal of how we land this
23 plane -- to house and provide dignity, whether it's short-term
24 non-congregate shelter or the permanent housing solutions that
25 our folks so desperately need, we need an overall plan. We

1 just can't come in here and say I've done this in this
2 neighborhood, I've done this in that neighborhood.

3 THE COURT: Let's add safe parking also, let's add
4 shared housing to that, let's put everything on the table as
5 well.

6 COUNCILMAN DE LEÓN: Everything has to be on the
7 table.

8 THE COURT: Including motel rooms, hotel rooms.

9 COUNCILMAN DE LEÓN: Everything. Everything that
10 provides a roof, you know.

11 And I know there is a debate. You made that very
12 clear, you know, the reality between short term and long term.
13 They're not inclusive or exclusive of each other. They're not
14 incompatible. They're conclusive with each other for the
15 short-term needs that our residents throughout the city,
16 throughout the county, but in particular here in Skid Row need
17 to protect themselves from the elements, to protect themselves
18 from violent crimes in the short term; being very prudent in
19 how we invest fiscally to get the most bang for the buck so we
20 don't blow all of our money to the deep concerns, the real
21 concerns of advocates; that we make the major gargantuan
22 financial investments on the short term, only to be left with
23 no money in our pockets for the long-term investment.

24 That's why I moved quickly after taking office in
25 October, October 15th -- as you all know, I took office

1 early -- to introduce a far-reaching plan to jump-start our
2 City's response to its housing needs.

3 City 14's plan A Way Home aims to establish an
4 overarching 25-by-25 goal of developing 25,000 housing units by
5 the year 2025. Because -- let me underscore and emphasize the
6 following -- we have a lot of smart folks in this room, a lot
7 of smart folks all going to testify before all of you.

8 Without a North Star and a vicious goal and timeline
9 for us to chase and accomplish, we will continue to find
10 ourselves here year after year, talking about the urgency of
11 responding to this crisis but with little to show for our
12 efforts. Again, we cannot adhere to incrementalism when we
13 have people dying on our streets every single day.

14 This amount of time for hedging or playing at the
15 margins, we must have the political courage to take measured
16 risks in the name of saving lives and ending homelessness as we
17 know it today in Los Angeles. We should be negotiating, quite
18 frankly, a way forward with the Court where we can establish an
19 overarching goal and meet specific benchmarks.

20 Now, this may sound ironic, perhaps a little
21 counterintuitive. This is not a legal issue. This is not a
22 legal issue. Quite frankly, I would submit to the Court the
23 more the lawyers get involved across the board, the bigger the
24 problem is going to be.

25 This is a political issue. And to date, the elected

1 officials at every level, not just city and county, but our
2 state legislature and our members of Congress as well and the
3 Senate have failed dramatically to step up to the plate
4 collectively, to communicate, to coordinate, and to provide the
5 necessary resources so we can put a roof over their heads.

6 Now, we all know and we've heard this said time and
7 time again if we had an earthquake here and we had 30-, 40,000
8 people living on the streets today, we would move heaven and
9 earth and move mountains and FEMA would be here and we would be
10 intervening. But we have this slow death that occurs every
11 single day on our streets.

12 Instead, we're pouring city resources into
13 litigation, into a litigation merry-go-round that ultimately
14 yields, quite frankly, nothing for the unhoused women and
15 children who are suffering right outside. Irrespective of any
16 decision of the Appellate Court, we still own this problem.

17 I think you get to go home, have a nice glass of
18 wine or a cup of tea with your wife --

19 THE COURT: No, because --

20 COUNCILMAN DE LEÓN: We own this.

21 THE COURT: No, no. Just a moment. If the Court
22 stays this matter -- they will either allow this Court to
23 proceed with the injunction or overturn the injunction. But
24 then we're right back in a trial situation, we're going to set
25 the trial. And then if the City and County aren't liable,

1 there's no issue. If the City and County are liable, then the
2 Court, once again, is right back to where we are right now.

3 COUNCILMAN DE LEÓN: And that's what I called,
4 Your Honor, the litigation merry-go-round, right there.

5 For the record, I know firsthand the struggle of
6 housing insecurity and living on the edge of homelessness.
7 Growing up with a -- a -- a mother who's -- was a single
8 immigrant mother with a third grade education, we rented rooms
9 and basements, and our toilet and shower was an outhouse in the
10 backyard. We didn't live in the country. We didn't live in a
11 rural area. We lived on 16th Street near downtown San Diego,
12 adjacent to an alley in an urban environment.

13 Our landlord would come calling once a month,
14 banging on the door and shouting at my mother, demanding the
15 rents. And I can remember being terrified, quite frankly being
16 very embarrassed too, being very embarrassed of the situation,
17 not knowing if my mother who worked her fingers to the bone was
18 able to scrape enough money to pay that rent. The rent was
19 due. There's -- unquestionably, the rent was due. But we just
20 simply didn't have that rent. So that insecurity of not
21 knowing if you're going to have a roof over your head, no one
22 deserves to live like that.

23 That's why I'm working so hard and why I probably
24 sound like such a broken record at this point to accelerate
25 City 14's response to this crisis.

1 Decades ago, it was a collective effort that created
2 Skid Row and only a collective effort can reverse it. That's
3 the City, the County Board of Supervisors, the governor, the
4 legislature, and federal leaders working together, something
5 that may be innovative, groundbreaking. It's about
6 communication and talking with each other. And quite frankly,
7 there's not enough conversations, even within the city family
8 of Los Angeles.

9 I thank you once again, Judge Carter, for the role
10 that you have played, you know, once again, Judge Birotte,
11 Special Master Martinez, for giving my district and especially
12 Skid Row a seat at the table with this ongoing conversation.

13 Thank you very much.

14 THE COURT: Well, you and I have walked down the
15 street so many times in Skid Row along with community leaders
16 and advocates. Can you briefly describe just the plight of the
17 women who have come up and talked to us along the way?

18 COUNCILMAN DE LEÓN: We have walked in the middle of
19 the night, during the afternoons, early mornings, under hot,
20 sweltering --

21 THE COURT: Just a moment. If you have one more
22 minute, I'm going to put up a slide in just a moment and have
23 you check my financials for a moment across the state. Give me
24 one minute.

25 I'm sorry.

1 COUNCILMAN DE LEÓN: We have been there together
2 when we've had torrential rain. And we have seen many women
3 huddled together, scared, exposed to the elements. We have
4 seen rats the size of alley cats.

5 THE COURT: I'm going to show them today.

6 COUNCILMAN DE LEÓN: And we have had many women who
7 have said very clearly -- we have engaged, we have talked. We
8 have women come up and say, "If you give me a room, I will take
9 it in a heartbeat."

10 THE COURT: I want everybody to hear that. A simple
11 room, just give me a room for the night even.

12 COUNCILMAN DE LEÓN: So, I mean, there's -- you
13 know, aside from anecdotal, experiencing evidence -- obviously
14 we have enough empirical evidence to know that if we offer the
15 type of roof that they need over their head, short, long term,
16 they will take it.

17 And the very fact that we have so many women is
18 morally reprehensible, that women who -- who had children,
19 women who raised us, women who protected us, women who clothed
20 us, women who fed us find themselves in a situation where they
21 have very little dignity and respect. And the response from
22 government -- again, at all levels -- has been underwhelming,
23 to say the least.

24 THE COURT: I'm concerned that all of us, including
25 the Court, have taken a position about what we can't do. We

1 are so used to a mindset of this just can't be done. That
2 scenario has to change, even in a small way. And Skid Row is
3 not a small way, but Skid Row could be the genesis of something
4 for the entire city; although, I'm treating Skid Row
5 significantly different than other parts and I'll explain that
6 later.

7 Could I put up the first slide for a moment?

8 Chairwoman, as a member of the board, these are
9 rough figures. And I know nobody's reading 109 pages. Okay?
10 I wanted to get to 200. I'm just kidding you. But the one
11 thing I want to start with are just some rough figures because
12 I've ordered the City to do certain things. And I know that
13 they believe that there's a stay, et cetera. But I'm warning
14 the City and the County that if the Circuit has me go forward,
15 these times are going to put you under a lot of pressure
16 because I'm not changing them.

17 So I'm actually going to start with some rough
18 figures for a second, just this -- this is just the Court and
19 three law clerks and two externs just looking at public
20 documents for a moment.

21 And call me on this because I'm going to demand this
22 from the City and the County in more finite terms. But about
23 \$13 billion in the last three years --

24 And could you put up Elaine Howle's statement for
25 just a moment?

1 This isn't the Court. "California has spent
2 \$13 billion in just the last three years on the massive
3 homelessness problem. The auditor said that the approach to
4 dealing with homelessness is so fragmented and incomplete, it
5 actually hinders efforts at getting people into stable
6 housing."

7 Now, I understand that that 13 billion is statewide,
8 but we also understand that a tremendous amount of money came
9 to all of us in Los Angeles County. Now, hold on. That's
10 \$13 billion in three years.

11 If I could go back to the first slide again.

12 We know HHH has \$1.2 billion over 10 years. And
13 it's arguable whether it's 480 homes or 483 homes or maybe just
14 north of that now, but we're building out in four years. Let's
15 say 500 HHH so far. I stayed that portion of my order to make
16 sure I didn't interfere with anything concerning HHH at the
17 present time. But you'd have to be a little dense not to know
18 that the Court's looking at parking lots, at motel rooms and
19 everything else because if we moved into the next step, the
20 Court might be looking at a far different scenario in terms of
21 commandeering.

22 Now I want you to go down to Measure H funds,
23 \$3.5 billion. That's a rough estimate over 10 years because
24 originally we were going to generate that amount of money. And
25 in 2017, 2018, Mr. Miller, how much Measure H was generated?

1 216 million. Excellent. What was the under on that? It was
2 about one-third. So about \$140 million was generated,
3 approximately, in 2017, 2018.

4 I'm going to show you a couple of slides in a moment
5 because I'm deeply concerned about what information the Board
6 is getting in good faith to vote on in just a moment.

7 Let's move down. Proposition J has a lot of
8 controversy. It hasn't wrapped up yet, but it's got a
9 controversy going between the advocates, et cetera, and the
10 City. And the advocates will estimate about 900 billion -- oh,
11 strike that -- 900 million per year. The City will come back
12 and say about 300 million. And there's a huge -- 300 million?

13 SPECIAL MASTER MARTINEZ: The County, Measure H.

14 THE COURT: I mean -- I said -- yeah, Measure H.

15 There's a discrepancy going on between what it's
16 going to generate, whether it's 300 million or 900 million.

17 Now, Governor Newsom just made an extraordinary
18 pledge. It's \$12 billion. But it's not over three years, it's
19 over five years. So in one way of looking at this, if we've
20 had \$13 billion in the last three years according to
21 Elaine Howle, now we've got \$12 billion over five years. And I
22 know locally you've been asking for \$20 billion.

23 But the Governor also kicked in 1.5 billion for
24 additional Caltrans.

25 All right. Could you go to Slide No. -- and I

1 expect this to come from the County and the City. This is just
2 rough figuring, and I can be called on this at any time. But
3 I'm going to put it up on the board.

4 And would you turn to Slide No. 7 and follow this
5 closely. I'm going to go into HUD funding for a moment. And
6 this is the last 24 months.

7 If you look at the right-hand column, about
8 \$662 million just out of HUD funding. Now we've got LAHSA,
9 we've got L.A. City, L.A. County; rough figures, 495. And then
10 you've got some overlap, but about \$2.6 billion have been
11 expended over the last 24 months. So what it means is we're
12 already at a billion-dollar budget that the Mayor's proposed
13 for a long, long period of time. There's nothing shocking
14 about this. It's a good faith effort.

15 All right. Go back for just a moment. On the city
16 level, how much unexpended funds for homelessness were
17 unexpended last year? In other words, instead of saying that
18 we don't have money, how much money did you have left over last
19 year that was designated for homeless that you didn't even
20 spend?

21 I'm speaking to you.

22 MR. MARCUS: Scott Marcus for the record on behalf
23 of the City of Los Angeles.

24 Your Honor, my understanding from the budget is
25 there was approximately \$150 million from last year that was

1 rolled into the current budget to be expended this year.

2 THE COURT: Exactly. Look down at the bottom line.

3 SPECIAL MASTER MARTINEZ: 160.

4 THE COURT: 160. So excellent. You're very close.

5 So I keep wondering if we have a money problem and
6 not an accounting problem. And now I'm going to walk you
7 through something very complicated and I'm going to start
8 asking you some tough questions because I've got an order out
9 there demanding an accounting from the City and the County.

10 All right. Could you turn to No. 9. And this is a
11 letter in good faith that the Board received on February 14th,
12 2020. And in this good faith letter that we received, it says
13 that Strategy B -- and what's strategy B? Section 8. Okay?
14 And rent.

15 Okay. Go to No. 9. You have that up now? 9.

16 Okay. Now, pay close attention because this is
17 going to get complicated and it's going to lead to some
18 questions that, as the chairperson, you can answer and, as the
19 councilman, you can answer. And I wish Mark Ridley-Thomas or
20 the Mayor were here. I'd like them to answer it or whoever.

21 But let's read together. "Strategy B, Measure H
22 funding," which is really the county, "to support LACDA's
23 homeless incentive program which offers monetary incentives to
24 encourage landlords to rent their available units to homeless
25 Section 8 voucher holders." It actually -- B4 does more than

1 that, by the way. That's a quick summary of it.

2 Now, this is artfully worded. Only lawyers can make
3 this up. Are you ready?

4 "However" -- and wherever you see "however" with a
5 comma, watch out. "However, we identified opportunities" -- I
6 want you to circle the word "opportunities." Pardon the
7 expression, that means you screwed up -- "where LACDA can
8 improve and strengthen controls over strategy B4 measures. For
9 example, LACDA could not readily provide the detailed
10 supporting documentation for their July through September 2018
11 performance data."

12 So as you look through these documents, you'll find
13 that there's a snap audit that takes place in July through
14 September of a very limited number of providers. And
15 eventually, I'm going to ask you, as you read through these
16 documents with me, Mr. Miller, since you're the county in
17 Measure A, some very difficult questions about data that was
18 retained or not retained or ever given to the Board for their
19 consideration. So follow this closely.

20 Now, I want you to turn the page to Slide 10 for a
21 moment because when I first came to this court, General Jeff
22 came up and said this is a homeless industrial complex, that
23 this money isn't hitting the streets, that the providers,
24 et cetera, aren't providing. And Shayla Myers has come back on
25 a number of conversations and said, yes, they are, they're

1 doing a good job.

2 So I want to look at the first box. And it says
3 right where the 1 is -- and I'm going to read it because it's
4 small print. "During our review, LACDA," which, of course, is
5 Los Angeles County Development Authority, "could not readily
6 provide the detailed supporting documentation for their July
7 through September 2018 performance data. Specifically, LACDA
8 did not maintain point-in-time details for the reporting
9 period, i.e., and instead maintained realtime running totals."

10 Well, what does that mean?

11 Mr. Miller, what's the difference between realtime
12 running totals and point-in-time?

13 MR. MILLER: I don't have a clue, Your Honor.

14 THE COURT: Well, hypothetically, point-in-time
15 might be I submit something to you with dates, a bill, and it
16 tells me what that bill's for. And realtime might just be a
17 compilation of a running total, if you will, of bills that
18 mount. So I bill 100,000, I bill 150,000. But I'm going to be
19 asking you in this audit in just a moment -- because I'm not an
20 expert, I'm just going to point out some details for you.

21 MR. MILLER: I'm not an expert on the audit either.

22 THE COURT: Well, that's okay. We'll struggle
23 through this. We both went to UCLA; right?

24 MR. MILLER: Right.

25 THE COURT: All right. Here we go.

1 Now, what happens is that there's a recommendation,
2 your auditor did a good job. It says "increased risk of
3 inaccurate and/or unsupported performance data."

4 Now, turn the page for a moment. And No. 2 on
5 Slide 11, "We noted that LACDA does not require the PHAs to
6 provide supporting documentation, such as detailed accounting
7 records, at the time the quarterly expenditure reports are
8 submitted."

9 And then if you read carefully, they went back to
10 your two largest providers who hadn't supplied the
11 documentation. And this is really a fuzzy line. It can be
12 read two ways, that your provider actually supplied the
13 documentation and LACDA was able to put it together; but it
14 could be read a different way, that providers didn't have the
15 documentation and LACDA had to construct this themselves. And
16 what's the bottom line? Increased risk of inaccurate and/or
17 inappropriate financial reporting.

18 Now, as the chairperson, I sincerely -- I'm going to
19 speculate that the Board even knows about that. But I want you
20 to remember the following: July through September of 2018.
21 Right?

22 So, Mr. Miller, if you'd be helpful, could I borrow
23 you with no affront? Could you write down 216 million right up
24 here for me? 2017 to 2018, just 216 million.

25 MR. MILLER: Sure, Your Honor.

1 THE COURT: Okay. Thank you for your help.

2 MR. MILLER: No problem. 216 million.

3 THE COURT: 216 million. That's your Measure H.

4 The implementation date, if you look off on the
5 right-hand corner, is a year and two months later. So in this
6 snap audit, what our bureaucracy is discovering is, oops, we've
7 got a problem in terms of inaccurate and not supported data.
8 But we're going to take a year and two months to implement
9 that. And if you look at the right-hand corner of both the
10 former documents --

11 And flip them back, Alexa, so they can see it.

12 -- we implement in October of 2019. So one year and
13 three months later.

14 Now, in the meantime -- and this is going to get
15 complicated -- I want you to turn to Slide 15 for a moment.
16 And if you can track this, you're going to unlock -- because
17 some of these providers are just excellent, by the way. Some
18 of them may not be supplying you any data at all.

19 I want you to go down to 15, and I want you to find
20 the third bullet point down.

21 For context, in 2017 through 2018, the total
22 allocation was \$216 million and underexpenditures were
23 33 percent. So if you take your 216 and you roughly take a
24 third away, you've got about \$140 million of Measure H funds
25 flowing through in 2017 to 2018. Okay? Because --

1 So, Skip, could you do me another favor? Could you
2 just write in parentheses about 140 million.

3 Now, after you do that, I want you to walk down
4 through these minutes -- apparently I don't have a life, so I
5 read all this stuff because it's public documents -- and I want
6 you to go down -- one, two, three, four, five -- six bullet
7 points. And you're going to see Measure H revenue for fiscal
8 year 2018 to 2019 is 398 million. And it exceeded our initial
9 projection that year of \$350 million.

10 But we have a deduction here. And if you go all the
11 way up, you'll find a deduction of \$58 million in
12 underspending.

13 So really, our Measure H that we actually expended
14 that year, Skip, is 340 million. So do me a favor. Put down
15 2018 through 2019, put down the initial figure of 398 million
16 and then the actual figure, because we didn't spend all that,
17 of 340 million.

18 Now go down to the bullet point right below it and
19 you'll see it is projected that fiscal year 2019 to 2020
20 Measure H revenue will also equal 398 million. We
21 undercounted -- Alexa, what? -- 500-million something after the
22 deductions?

23 I'll have you gather this for me because I'm not an
24 accountant. But you really had about 503 million, we think,
25 that came in, but that's going to be subject to the audit you

1 present to me. And you had an underage, and we think that you
2 had about 340 million that you actually expended that year.

3 So, Skip, just rough figures, take 398 -- well, it's
4 really 503. And I'm sorry, it should be about 440 million.
5 But we'll just take these figures that come from the County,
6 we'll take 398 and we'll under-represent this for you at about
7 340 million. Well, we think it's 440 million, a year more.
8 Okay? Got all that?

9 MR. MILLER: No, I don't. I'm sorry.

10 THE COURT: You want me to come down and do it?

11 MR. MILLER: Um, I --

12 THE COURT: Okay. Skip, 2017 to 2018, 216 million.

13 MR. MILLER: Okay.

14 THE COURT: 2018 to 2019, I want you to put in --
15 398 million minus 58 million -- 340 million in Measure H.

16 MR. MILLER: Okay. 58, the difference is 58.

17 THE COURT: Now, 2019 to 2020, you can take the
18 County's figures but they're under-represented, 398 million.
19 You're really about 503 million, but we'll take their figures.

20 MR. MILLER: Okay.

21 THE COURT: Okay. I want you to go -- and we're
22 almost done -- to Slide 12 for a moment and look at LACDA's
23 response. Because on January 22nd of 2020, without the Board
24 knowing, in my opinion, information came back as follows:

25 There's an agreement between LACDA and the providers

1 that from now on we're going to have printed on the report to
2 ensure that the reporting period reflects the point and time
3 details that correlates with their data. Someone could read
4 that as bills being handed in without dates, not able to match
5 up the project; and, number two, that the providers are
6 retaining the data that is never going over to LACDA.

7 And therefore, Skip, when you keep calling my
8 Special Master, that's the very thing that Michele is demanding
9 from you that apparently you're not absorbing.

10 In this audit, I'm also asking -- and not documents
11 now flowing in. This better freeze at this point. There could
12 be speculation that LACDA didn't get the underlying data, that
13 this data is being retained by the providers and only through a
14 spot audit with two of the providers is this being
15 recommended -- or being noted with literally tens and tens and
16 tens of providers out there. Now, I don't know that, but
17 that's one of the things I'm asking for in the audit.

18 MR. MILLER: I hope --

19 THE COURT: And Michele's made that clear to you and
20 your associate.

21 MR. MILLER: Yes.

22 THE COURT: And the response we got back was it's
23 something new. It's not new. And that's an order by the
24 Court, unless the Ninth Circuit stays me. There has to be
25 accounting here.

1 I believe that after this, the Board then got the
2 February 20th letter. And the Board in good faith for the
3 first time saw this and saw the attachments and probably didn't
4 think much of it with all the volume going on and the random
5 audit back in July through September of 1968. But the spot
6 audit doesn't show any data. It doesn't even show dates. It
7 doesn't even show that LACDA got the information because LACDA
8 is trying to reach back to the provider to construct it.

9 Now, 99 percent of your providers are probably doing
10 just a great job and can justify it. So it's not an
11 accusation.

12 So the complement is if this has been rectified
13 going forward, this is a good lesson for all of us. So let's
14 move forward in good faith with our providers, supplying this
15 data. But if not, we've got about \$600 million that flowed
16 through with no accounting. And that seems to match with what
17 Elaine Howle is saying because if you would now turn back to
18 the state level and you would turn back to Slide 5 -- and let's
19 read this together.

20 "The state does not track the funding it provides to
21 combat homelessness." Let me repeat that in case any of you
22 missed that. "The state does not track the funding it provides
23 to combat homelessness, which could perhaps be the biggest
24 problem of all. There is no single state entity that
25 comprehensively tracks the sources of funding, the intended

1 uses, or related expenditures for these programs, nor does the
2 state," quote, "track how much funding is available to spend
3 towards addressing homelessness statewide."

4 Look, forget the past. But if this was a problem
5 then, just make certain that now that this data is coming into
6 LACDA from our providers in good faith with a correct date and
7 time so we can match up what they're doing, so we can have
8 milestones and accountability here, because the argument could
9 be made about 600 million or more flow through with no
10 accountability, no tracking.

11 Now, I don't know. So, Skip, I'm going to work with
12 you on that, hopefully as soon as the stay is lifted. But if
13 they lift that stay, you've got about 30 days to get this
14 information together for me because I'm not backing off my
15 dates. Okay? They're going to have to stay it permanently, in
16 other words. So I'm putting you on fair notice. I would be
17 working on it now, hopefully.

18 Okay. If all of you have absorbed that, I want to
19 compliment you. Okay? You've got to really read through the
20 records.

21 And I'm going to challenge you all also to do one
22 more thing. Go back through and show the Court and your
23 client, the Board of Supervisors, where any person, from
24 Phil Ansell down, ever notified our Board up to February 20th
25 that this data was missing. I can't find it. And I want you

1 to verify that.

2 So in short, 2017, 2018, do we have records or not?
3 2017 up to July/September, we know on the spot audit we don't
4 have it. We don't even implement now for a year and three
5 months later. So we've got one year, two years this
6 pass-through. It doesn't even come to the Board's attention
7 until an inter-memo between the offices on January 22nd and
8 finally to the Board on February 20th of 2020.

9 All right. Thank you.

10 COUNCILMAN DE LEÓN: Let me just add one last final
11 point.

12 THE COURT: So money is not the problem in this
13 Court's opinion right now. Okay?

14 MR. MILLER: Your Honor, can I make a request that
15 we have all these slides part of the record so that I can look
16 at this stuff?

17 THE COURT: Absolutely. In fact, I've got more if
18 you want.

19 MR. MILLER: I think -- I think we'll take what we
20 have so far.

21 THE COURT: Skip, lots more. Because it's not an
22 accusation.

23 Hey, look, I can humbly be wrong. But when you read
24 this, it doesn't look like there's any accounting going on.
25 There's no match-up with the providers. I think your providers

1 are honest. The demand should have been made by the County
2 under Measure H about where this money was going, and our Board
3 should have been notified years before, if --

4 MR. MILLER: Okay. Well, all I want is these
5 slides.

6 THE COURT: Get together with Michele. We've been
7 calling back and forth. In the beginning, let's say not quite
8 the response we'd like. We'd like to work with you.

9 MR. MILLER: Okay.

10 THE COURT: Okay.

11 MR. MILLER: Thank you.

12 THE COURT: Okay.

13 COUNCILMAN DE LEÓN: Your Honor, if I may --

14 THE COURT: Please.

15 COUNCILMAN DE LEÓN: -- I do have to get back to
16 work.

17 Let me just say in conclusion that I think that the
18 exercise that we just went through --

19 THE COURT: That's not an exercise.

20 COUNCILMAN DE LEÓN: What I mean, it is highly
21 informative because past performance informs future outcomes.
22 And I really want to underscore that. Past performance with
23 taxpayer dollars informs future outcomes.

24 And, quite frankly, I am scared to death that the
25 minimum proposal from our Governor Gavin Newsom at \$12

1 billion -- legislative leaders have the ability to negotiate a
2 higher price point, 12, 14, 16, 18, \$20 billion. That is part
3 of the negotiating. That's what I was a part of when I was
4 leader of our California State Senate.

5 But if we do receive a minimum threshold of
6 \$20 billion from the state, what we just witnessed right now at
7 every level of government, county and city, it scares me to
8 death because, again, let me underscore again that past
9 performance with taxpayer dollars will inform the future
10 outcomes.

11 Therefore, when I took office -- and I'm not an
12 expert on housing, I'm not an expert on homelessness. You
13 know, my expertise is, quite frankly, on energy and climate and
14 immigration. I found out that dollars that have been utilized
15 are highly inefficient, highly wasteful to the point that you
16 quoted General Jeff with the homeless industrial complex, very
17 powerful players at every level that have a stake in this.
18 And, quite frankly, I've seen the bureaucracies here in
19 Los Angeles that makes the DMV look like a well-oiled machine.

20 And if you have the same structure, the status quo
21 of the same players, political and not elected, receiving
22 dollars to deal with the 60,000-plus and the 40,000-plus we
23 have in the city, you know, it's a recipe ripe for disaster.
24 We're going to have to make very deep structural changes.

25 And one thing I'll say is -- and I will applaud, you

1 know, Hilda Solis, the Hilda Solis Care Village in terms of
2 building it, in terms of efficiency, a price point that is
3 relatively less expensive than the traditional projects that
4 we've created, even among the nonprofit housing, you know,
5 organizations who in Sacramento just killed the bill from
6 Assemblymember Miguel Santiago that will allow that very same
7 model to be utilized and duplicated and scaled up.

8 THE COURT: Yeah. By the way, let's keep going with
9 Measure HHH. There's no -- let's complete this. But I'm
10 looking for something desperately from both of you and from the
11 City and County by agreement so the Court doesn't have to say
12 let's be quite as diligent.

13 If it's an agreement between the two of you with
14 milestones -- and let's start someplace. And so I've chosen
15 the epicenter that has the most racial disparity, women to
16 start with, then families, and tailor it as narrowly as I
17 possibly can. And if that works, I'm treating Skid Row
18 completely separate because I'm worried about gentrification.
19 I want this to be voluntary. I wrote that into my order.
20 Although, we're going to get into a discussion today, I think,
21 about another provision. And we'd like to work with you on
22 this, frankly.

23 COUNCILMAN DE LEÓN: We will. And, Your Honor, I
24 will, rest assured, this week be calling, you know, Supervisor
25 Hilda Solis and she'll call me.

1 THE COURT: And I won't ask why the County didn't
2 participate in this. I'll leave this to the attorneys. But
3 I'm going to bear down on this a little bit with Judge Birotte
4 sitting right here available to you. But we've gotten no call.
5 We've just gotten stonewalling. And so for the benefit of the
6 citizens of this great county and city, you should be talking
7 to each other. And that's not happening. That's not
8 acceptable.

9 COUNCILMAN DE LEÓN: I agree. The more we talk, the
10 less the lawyers talk, the better, you know, at the end of the
11 day, you know, quite frankly.

12 MR. MILLER: Amen.

13 COUNCILMAN DE LEÓN: With that --

14 THE COURT: Thank you.

15 COUNCILMAN DE LEÓN: -- thank you very much,
16 Your Honor. Thank you.

17 THE COURT: I want to thank both of you.

18 And these aren't accusations yet. And I could be
19 absolutely wrong. But when you read these documents, I'm
20 really concerned about the data that you got -- the information
21 you didn't get, quite frankly. It's pretty well laid out.

22 Okay. All right. I want to invite Ron Galperin to
23 come up for just a moment and then I want to turn --

24 SPECIAL MASTER MARTINEZ: Representative.

25 Representative, yes, Judge. The representative.

1 MR. MARCUS: Yes, Your Honor. We have the chief of
2 staff of the Controller's Office.

3 THE COURT: Yeah. I'd appreciate it if you'd place
4 a call to Ron Galperin as a courtesy to the Court.

5 MR. MARCUS: If I can have a moment to speak with
6 the chief of staff.

7 THE COURT: Certainly.

8 MR. MARCUS: Thank you.

9 THE COURT: This is his audit, his name, and I would
10 appreciate that courtesy. And I can wait all day if you want
11 to.

12 MR. MARCUS: Do you want -- did you want to hear
13 from the chief of staff first, Your Honor?

14 THE COURT: No.

15 UNIDENTIFIED SPEAKER: That's fine. We can call
16 him.

17 THE COURT: He's an independent body, an independent
18 agency, I'd appreciate hearing from him. This was on notice
19 today. I was specific about his appearance.

20 UNIDENTIFIED SPEAKER: Certainly.

21 THE COURT: All right. Thank you.

22 We'll go on to a couple of other -- you're going to
23 help me, Ms. Myers, because you had a concern over HIPAA before
24 when we were down in Skid Row. And I respect that.

25 I'm going to show some photos that do not comply

1 with HIPAA and then you're going to -- because nobody is going
2 to take a photograph of what I'm about to show. Understood?
3 But then you're going to work with my clerks and you're going
4 to cover up, just like we did the other day, three photos that
5 we think is a concern about HIPAA. But I'm not going to
6 dehumanize this. And I know you're objecting to this, but I
7 want people to see the agony.

8 MS. MYERS: Your Honor, can I just clarify what our
9 objection is related to HIPAA? Because I just don't -- I don't
10 want it misrepresented in the record.

11 Our objection to HIPAA was that it was the
12 Department of Mental Health, which is a service provider,
13 presenting information about individuals who are in the care of
14 the Department of Mental Health which would be a HIPAA
15 violation.

16 THE COURT: All right. Thank you.

17 MS. MYERS: HIPAA obviously does not ban the Federal
18 Court, but we do think privacy and decorum is appropriate for
19 people who are not participating in these court proceedings.

20 THE COURT: I do too. That's why we'll take off the
21 eyes for any docketing, et cetera. In other words, I'll have
22 you blank it out, but I'm going to show these in court over
23 your objection.

24 Slide 15. Most of you haven't come down to
25 Skid Row. Many of the attorneys appearing in this court today

1 haven't journeyed down there, at least other than maybe a
2 drive-by. So it's just a lady. She wants housing.

3 Next one. We didn't wake her up. Now, you may have
4 grown used to it, but I haven't grown used to this. I don't
5 see how anybody could get used to this.

6 Next one. This is in front of the Downtown Women's
7 Center. And by the way, I'll say for the record I think
8 they're doing a terrific job; although, we've had some
9 disagreements. That doesn't concern the Court because these
10 are women lining up in the morning.

11 Now, they can only take in so many women. But along
12 the front of the Women's Center, there are tents where the
13 women congregate and cluster for protection. And I don't care
14 what's said in my court by advocates or by you as counsel.
15 When you talk to these women individually, they want a room.

16 All right. 28. I didn't take the face of this
17 lady. She just got off the phone -- plane from Hawaii.
18 Because I'm wearing a coat and tie, she apparently thinks I'm
19 some kind of official and she walks up and says, "Where's my
20 housing?" I mean, literally fresh off the plane, going to
21 Skid Row with her child, absolutely vulnerable with no place to
22 stay. If that doesn't break your heart, you just don't have a
23 soul.

24 29. I've shown this before. This is the rain.
25 I've got a multitude of these. This is hypothermia. And we

1 can't even get started with women on Skid Row? You've got to
2 be kidding me.

3 Next one. I call her grandma. She is the sweetest
4 little lady, Spanish speaking. You'd fall in love with this
5 little lady. Pastor Don -- and by the way, if you don't know
6 it, Kevin de León got her a room. They split the cost,
7 1400 bucks out of their pocket personally.

8 31. Just another shot of the Downtown Women's
9 Center, doing a terrific job, by the way. I'll put that on the
10 record. Women lining up in the morning. They just can't
11 accommodate the need down there.

12 And by the way, if the community gets involved --
13 and they've told me that the City was going to not be
14 cooperative -- and I'll leave that on the table for a moment --
15 on a particular evening. But there are so many women down
16 there that could just use even one night or ten nights in a
17 hotel room, just getting a shower, getting cleaned up. If they
18 want to return to the street, their choice. But for God's
19 sake, break the cycle.

20 Number 32, tents in front of the Women's Center.
21 These are the women who camp in front of the Women's Center for
22 protection. Let me repeat that. These are solid women up and
23 down that street. I dare you to talk to any one of them. And
24 any one of them will specifically tell you, "Judge, I'm getting
25 assaulted out here. I've been raped. We cling together for

1 safety." I just ask you how -- and I include "we." How do we
2 as the Court and you as the City and County allow this to
3 happen and then say that this is going to continue on for the
4 decades it's been going on? This has to turn now or it's never
5 going to turn.

6 All right. 33. This is one of the advocates,
7 terrific lady. This is just another group gathering in the
8 rain of women.

9 34. Now, I didn't blow this up, but I want you to
10 look down. There are four women in that photo alone. You have
11 no idea how many women are on Skid Row, a huge number. I
12 thought it was down to the teens or 20 percent. No, it's way
13 up there. I don't know if it's 35 percent or what. But I'm
14 going to hear from Amy in just a few moments for Downtown
15 Women's Center because I just got your document. And thank you
16 so much.

17 I showed this clear back in March, No. 35, a woman
18 just crawling on the street. Police officer is going to help
19 her up in just a moment. Here she is. And, of course, her
20 face needs to be blocked out.

21 Okay. 37. I sent these to Carol Sobel all one day.
22 These are my rat pictures I sent you when we still talked. Oh,
23 you remember them because you wrote me an e-mail. I'll show
24 you the e-mail.

25 38. You're going to condone that as a City and

1 County? You have no excuses.

2 39. More rats. There's a big one over there by the
3 Coke bottle. I mean, he is on the move. By the way, there's a
4 whole family coming out of that tent. So maybe some of you
5 lawyers should get down there and take a look around.

6 This is not my photo. It's not any of your photos.
7 It's not Michele's photos. It's not General Jeff's. It's
8 nobody's photos. This comes out of actually one of your
9 magazines. I think it's *Box* or something. So this lady's face
10 was already exposed. But, Shayla, if you want to cover it up,
11 that's fine. I don't care.

12 All right. Take a look at this, 41, for a moment.
13 Kevin and I walked down that street, and I think we talked to
14 minimally seven women. I represent to you that if the
15 councilman was here, he would share with you every one of those
16 women wanted to go into shelter for some limited period of
17 time. We didn't define it. Someone heard about Roomkey. They
18 just wanted to get off the street.

19 44. There's your feeding line. Blow that up and
20 see how many women are in it.

21 43. Now, we're going to blank out both faces or one
22 face if you want. These streets, many of them are impassable.
23 People walk on the streets. The ADA is almost a joke down
24 there. So as we, as judges, write our orders about ADA, the
25 sidewalks are not passable, especially in the summertime.

1 Everybody's in the streets.

2 And by the way, that's part of the merchant problem
3 for putting up fences and rock gardens. And somebody's got to
4 say that because you've been bickering so long that you're
5 afraid to say it.

6 Okay. 44. Two ladies.

7 45. Just more women.

8 46. This is a lady. She's shrouded and she's cold
9 and she's just walking away. If her ultimate is to live in a
10 box on the street, that's exactly what's happening because
11 somehow there has to be some ability to get folks off the
12 street while we build out these long-term shelters and get
13 these services. So we need some balance. And I'm afraid that
14 it got out of balance. That's what part of my opinion was
15 about.

16 Okay. Thank you very much.

17 His chief of staff, he'll be here at 11:45?

18 UNIDENTIFIED SPEAKER: Correct, sir.

19 THE COURT: That's fine. And thank him for the
20 courtesy. He's an independent elected official.

21 I'm just going to turn to Skid Row for a moment
22 because there's been a lot about fire recently. Oh, up in the
23 Palisades, everybody's very concerned now because a fire broke
24 out. And there's a huge statistical number of fires in the
25 cities, but those have been existing quite a while. It's just

1 that the community seems to be waking up.

2 But I just want to show you what's happening on
3 Skid Row. Because the Palisades fire gets attention. But
4 what's happening down in our communities down here also? I
5 mean, does it take the west side to wake up? Because this is
6 happening down in Curren Price's district, in Kevin de León's
7 district, in Gil Cedillo's, in Buscaino's district, Marqueece's
8 district.

9 Next one, 50.

10 51. These are your sidewalks.

11 52. I just wanted to include a guy for a change.

12 53.

13 54. These are typical. I dare you to challenge me
14 on it, I dare you to go down yourself.

15 55.

16 56. This is on the outskirts of Skid Row, by the
17 way. This is Skid Row, it's over by the 10. But this is back
18 in Skid Row.

19 57, 58, 59, 60.

20 I wanted to throw in a guy, 61. See him in the
21 middle of the street.

22 All right. The County wanted to be heard in light
23 of my opinion on structural racism.

24 So, Mr. Miller, structural racism.

25 MR. MILLER: Okay, Your Honor. I have a number of

1 things I'd like to address with the Court, if it's all right
2 with Your Honor.

3 Your Honor raised -- you know, we had this agreement
4 at the beginning of the case before I even got involved that --

5 THE COURT: No, this is on structural racism. This
6 is why we're having this hearing today.

7 MR. MILLER: But I have a question, if it's all
8 right if I ask the question.

9 And Your Honor commented that Your Honor hasn't been
10 talking to anybody since the litigation was activated.

11 THE COURT: No, that's not true. I told you
12 yesterday I completed a number of conversations that week and
13 the following week with Fred Ali and Miguel Santana. I also
14 have been getting some e-mails from different people because I
15 tried to balance both sides, conservative and liberal. I was
16 given a list of names by some of the advocates, some others by
17 others.

18 MR. MILLER: That's not where I'm going. I'm not
19 going there. I'm not asking Your Honor what you've been doing.

20 THE COURT: I cut that off as quickly as possible.
21 Now everything goes through Michele Martinez.

22 MR. MILLER: My suggestion -- I have a suggestion
23 for the Court's consideration. I think -- that's all I'm
24 trying to do. And I understand the Court's not going to have
25 ex parte communications regarding litigation. Of course. That

1 makes a lot of sense.

2 But Your Honor's also referenced the possibility of
3 the parties, you know, getting together and having a discussion
4 perhaps with Judge Birotte, perhaps directly regarding
5 settlement. And I'm wondering if we could bifurcate those
6 issues, no ex parte communications regarding litigation. But
7 if we wanted to have ex parte communications with Judge Birotte
8 or even with yourself, Your Honor, if we could do that
9 regarding settlement. That's my question to you.

10 THE COURT: We would not only welcome that, we think
11 that that's the proper role of the City and the County, to
12 eventually reach agreements along with the advocates and the
13 plaintiffs that far transcend my order concerning Skid Row and
14 my other orders. But we need to hear that both of you are
15 willing to do that because I thought that we were in that
16 process when the County unilaterally filed and stopped that
17 process.

18 MR. MILLER: The County didn't unilaterally file.
19 We received a notice from the plaintiffs that they were moving
20 for an injunction. They activated the litigation.

21 THE COURT: I see.

22 MR. MILLER: Not the County. When we received that
23 notice, we said, okay, we're now going to assert our legal
24 position.

25 THE COURT: Just a moment. You're absolutely right.

1 My apologies.

2 MR. MILLER: So --

3 THE COURT: It's always good when a Court
4 apologizes. You're absolutely right.

5 MR. MILLER: I'll accept that. Your Honor --

6 THE COURT: Okay. Now, look at me for a moment. Do
7 you really want to enter into good faith settlement
8 discussions?

9 MR. MILLER: I think that's what's appropriate,
10 yeah.

11 THE COURT: Okay.

12 MR. MILLER: I do. You know, I kind of agree
13 with --

14 THE COURT: Let me turn to your colleague next door.

15 SPECIAL MASTER MARTINEZ: Mr. Marcus.

16 THE COURT: No, I know who he is.

17 MR. MILLER: I agree with the comments --
18 Your Honor, I agree with the comments that homelessness and the
19 homeless problem is a massive problem. Okay? Racism -- I'm
20 not going to debate racism, structural racism. I'm not going
21 to debate that. We didn't ask for a hearing on that. I would
22 never sit here and say there's no such thing as structural
23 racism in this country. That's not -- that's not our position.

24 THE COURT: Then let me turn --

25 MR. MILLER: Our position -- part of it's -- you

1 know, we're in court, it's a legal issue. But like the
2 councilman said, the legal issue is one thing. Solving
3 homelessness, addressing homelessness is entirely different.

4 THE COURT: Yeah.

5 MR. MILLER: It's a totally different issue, though.
6 Okay? And our legal position is that that's something for the
7 elected officials, not for the Court to do.

8 THE COURT: If you will step up on the public's
9 benefit -- but the Court's not going to let this death spiral
10 continue and that's why the Court has stepped in. And that's
11 for the Circuit to decide. But look where we're at tactically.
12 Now, let's have a blunt conversation.

13 MR. MILLER: Right.

14 THE COURT: The Circuit upholds me and I move
15 forward and that injunction is lifted on the administrative
16 30 days. That's one option.

17 Number two, they say, no, Judge Carter, not now,
18 administrative stay. In fact, they even overturn my ruling.
19 Now we're going to trial, aren't we? If you prevail, you have
20 no problem; but if you don't prevail, we just wasted about six
21 months to nine months and we're right back in the situation
22 because I'm the presiding judge facing these same issues nine
23 months from now.

24 MR. MILLER: I -- I totally get where you're coming
25 from.

1 THE COURT: How many more are dead?

2 MR. MILLER: I totally get it.

3 THE COURT: Okay.

4 MR. MILLER: I saw the pictures. I mean, the whole
5 thing is -- I've been to Skid Row. I've walked down there. I
6 haven't been with Your Honor, but I've been with other people.
7 It's heartbreaking. I totally agree with all that.

8 And I get where you're coming from, I respect where
9 you're coming from, the County respects where you're coming
10 from, the Board understands. It's just that you've got to
11 decouple -- the legal position is this is something for the
12 elected officials, for government to resolve.

13 Courts address cases and controversies. Okay?
14 There's not a single allegation in this Complaint about racism,
15 nothing. So we don't really have a dispute, according to the
16 pleadings in this record, about racism. They didn't even plead
17 it.

18 I'm not saying it's not an issue. Your Honor
19 certainly spent a lot of time in the injunction addressing it.
20 It's a big issue in this country, we all know that. This
21 country is a melting pot. And right now, it's not melting too
22 well together.

23 But our position is really simple. We're not going
24 to -- we're not going to put on witnesses. We're not going to
25 argue about whether there's structural racism. From a legal

1 position -- and here I am, I'm not addressing homelessness.

2 I'm just here to address -- just addressing the legality.

3 From a legal position, we don't have -- we don't
4 have a case or controversy. We have a political question.
5 Speaker after speaker has acknowledged this is a political
6 issue. It's not something the Courts get involved in typically
7 or hardly ever. There's ample precedence saying no. It's not
8 a Court function, and that's our position.

9 What I would like to see done -- and I -- I'm trying
10 to be completely forthright and honest with Your Honor. From
11 my perspective, there should be a settlement conference, there
12 should be a resolution of Skid Row, there should be a
13 resolution of homelessness in the county. And it should be
14 between the City Council, Mayor, Board of Supervisors, and the
15 experts in this area, including perhaps Your Honor because
16 Your Honor's obviously developed a lot of expertise.

17 But legally, I don't see it. I don't see it getting
18 resolved legally. I don't see -- I don't see a preliminary
19 injunction accomplishing anything, quite frankly. And I
20 understand Your Honor has the power of the Federal Court. You
21 could order us to do audits. But that's not really
22 Your Honor's role.

23 The real role here of a Court is to try to decide
24 the case between us. And we're 100 -- in my opinion, my humble
25 opinion, we're 100 percent right on the merits. Okay? They

1 have not pleaded proper claims against the County at all.

2 So that is, um -- that's our position, but don't --
3 don't mistake it for the County not wanting to resolve this
4 issue. We do. We're working on it.

5 Part of the reason we submitted the, uh -- you know,
6 the very foot-and-a-half tall stack of documents and request
7 for judicial notice, both in support of the motion to dismiss
8 and the preliminary injunction, is we wanted to show Your Honor
9 what the County's been doing. The County is delivering
10 services. You heard it from the Supervisor. It's not -- I'm
11 not saying we've solved the problem, I'm not saying it's
12 perfect, but we're all over it. We're spending a lot of time
13 and money and resources. We have 11 county departments that
14 are working on homelessness across the board.

15 So that's our position. Can we do more? Every day
16 we try. And I would submit it on that basis, Your Honor.
17 That's our position.

18 Thank you.

19 THE COURT: Thank you.

20 Let me turn to the City. The County has tossed out
21 the request to enter settlement negotiations. What's your
22 position? Because Judge Birotte and I are available, we always
23 have been. But we're not going to do that unless there's some
24 enthusiasm involved and some meaningfulness to this.

25 MR. MARCUS: Scott Marcus for the City.

1 Your Honor, we're all in favor of that. The City's
2 been reaching out to the County for the last six months
3 attempting to do settlement discussions. The leadership of the
4 City Council sent a letter to the leadership of the Board of
5 Supervisors inviting them to a meeting. My understanding is
6 that meeting has been set. And we're hoping it's going to be
7 the beginnings of the settlement discussions that we have been
8 wanting to have all along.

9 MR. MILLER: Your Honor, could I speak for a minute?
10 My opinion? City sounds willing. I know the County is
11 willing. You know, I know where the Board is coming from. The
12 Board really would like to make more and more progress, make
13 even a much bigger dent in this issue.

14 In some ways, I think homelessness is intractable.
15 There are some people that aren't going to leave the street no
16 matter what. And that's just the way it is.

17 But put that aside, I would suggest, my idea is that
18 Your Honor and Judge Birotte help facilitate the settlement
19 talks. Your Honor and Judge Birotte have developed tremendous
20 expertise and depth. And you do have the power of the Federal
21 Court behind you. And I think that would be -- I think that
22 would be conducive to hopefully getting something done.

23 I think it's much better than -- I agree with the
24 councilman, I agree with the board member, I think it's a lot
25 better than litigating. I mean, these are really interesting,

1 heavy-duty legal issues. But the real issue is homelessness,
2 not winning in court. That's how I see it.

3 THE COURT: L.A. Alliance?

4 MR. UMHOFFER: Thank you, Your Honor.

5 Mr. Miller's proposal is welcomed. I know he's new
6 to the case, and I know that he doesn't necessarily understand
7 that there have been efforts at settlement for quite some time.
8 And as the City pointed out, there have been efforts in the
9 last six months since Mr. Miller's firm arrived in the case to
10 get settlement underway. And the County has, let's say,
11 demurred on that point.

12 And I've had conversations directly with Mr. Miller,
13 and there's been no discussion of settlement. So this is a new
14 and welcomed overture from the County. And we are at the ready
15 and have been for the last year since this case began to engage
16 in meaningful settlement discussions to come up with a global
17 resolution to this humanitarian crisis.

18 THE COURT: In my remedy section, you'll notice that
19 I treated Skid Row as its own unique entity. I carved out a
20 section. I don't think most of you are reading these orders,
21 quite frankly. But in that, I encouraged a hyperlocal
22 approach.

23 So besides the intervenors -- by name, Shayla Myers
24 and Carol Sobel -- I've come to believe that the Valley has
25 nothing to do with the issues confronting Skid Row in terms of

1 gentrification, police sweeps, et cetera. When you talk about
2 the two, this one size that fits all has been a real problem in
3 terms of maybe trying to reach an agreement.

4 And so if you read that order carefully, you'll see
5 that I carved out a section just for Skid Row and included a
6 hyperlocal approach and wanted the community involved because
7 some of the input, for instance, is specific. I've known for a
8 while, we were given input that they liked Urban Alchemy. Why
9 not? I'm not an advocate for them. It could be PATH, it could
10 be VOA, et cetera.

11 I know there's been a lot of talk about trailers.
12 I -- you know, if we put the trailer thing for a moment. I'm
13 going to ask a couple more tough questions. And that is a long
14 delay if you can reach a settlement for the benefit of the
15 entire city. Why this? Play that, this video. This is --
16 you've got 50 or 60 million trailers that have been donated to
17 VOA that have been sitting around that we could use in the
18 interim period of time while we build out HHH housing, for
19 goodness sake.

20 Play it. Just play it for a moment.

21 (Recording played.)

22 THE COURT: The next slide because I want to show
23 you why these are so valuable for a moment.

24 Okay. These are trailers set up in one of your
25 councilperson's district.

1 And the next one. That's a play area for children.

2 And the next one. Are these kids worth it? You bet
3 they are, between living in a box and living in a trailer in an
4 interim period of time.

5 Now we're going to take out these kids' eyes -- or
6 black it out, I mean, so they can give it to the Circuit. But
7 I'm going to make a complete record, and we'll send this up to
8 the Circuit. They need to see this.

9 Mr. Miller, I'm not going to challenge you, but you
10 went dark for a number of months. You say that you were
11 willing to negotiate, but that's not the input that came back
12 to Judge Birotte, to me, to my Special Master. It's not the
13 input that L.A. Alliance is giving us nor the City.

14 MR. MILLER: I'll give you the input that I told
15 them. I didn't go dark as such. What I said was you sued
16 us -- this lawsuit is a Skid Row lawsuit by property owners in
17 Skid Row and sued the County. And the theory of the lawsuit is
18 that we provide concentrated services within Skid Row. Well,
19 guilty. We do provide concentrated services in Skid Row
20 because there's a lot of homeless that needs services in
21 Skid Row. It's not a violation of the law to do that.

22 These are not our sidewalks. They're city
23 sidewalks. We provide services. We take care of people. You
24 know, we deliver as the health officer through various county
25 departments and administer to people in Skid Row. And that's

1 what I've explained to them.

2 We don't need a lawsuit to tell us to deliver
3 services. Okay? We're going to do it no matter whether
4 there's a lawsuit or not. We're going to continue doing it,
5 and we're going to do what we can do, what we -- what we are
6 obligated to do. That's our -- that's our legal duty under the
7 Welfare & Institutions Code and so forth.

8 So I explained that to them. It's not a question of
9 going dark. It's a question of, like, what do you want from
10 us? You sue us because we deliver too many services in a
11 concentrated area where there are a lot of people that need it.
12 Well, pardon me, I don't think that's a basis for a lawsuit,
13 Your Honor.

14 So as far as settlement is concerned, yes, we want
15 to resolve -- we don't like being in lawsuits. The County
16 doesn't like being in lawsuits. We'd like to help be part of
17 the solution for Skid Row. We think we're delivering valuable
18 services there. And if there's more that we can do as part of
19 a resolution, that's fine.

20 I've never gone dark. I've always been open. I've
21 called them. I've had discussions with them. I'm not new to
22 the case. I've been on this case for over a year now.

23 I remember the first meeting when COVID was starting
24 at the -- at the hotel, the -- I think it was the Alexandria
25 Hotel. So I'm not new to the case. I'm into the case. We're

1 very, very focused on getting it resolved.

2 Litigation -- I've said this now five times.

3 Litigation doesn't help people who need help. It just helps
4 lawyers and it keeps judges busy. And that's not -- that's
5 not --

6 THE COURT: Well, I've got 400 other cases. I'm
7 busy enough. Don't worry about me.

8 MR. MILLER: Yeah, I'm sure. I've got a number of
9 other cases too, believe me.

10 So, Your Honor, we're totally open to be part of the
11 solution, but it's got to be realistic. Okay? It's got to
12 take into account that we're delivering now. So what more do
13 you want? And we don't have an open checkbook.

14 THE COURT: The Special Master would like to talk to
15 you for just a moment.

16 SPECIAL MASTER MARTINEZ: Mr. Miller, thank you for
17 your comments.

18 Quick question because you said you want resolution
19 and coordination and collaboration with the City of
20 Los Angeles.

21 In my conversations, the City of Los Angeles has
22 produced -- and they showed us yesterday the 6,000-plus beds
23 that they produced through the Freeway Agreement. As we know,
24 today -- and maybe I'm wrong, and I'm not an expert -- but
25 there are various beds that have been produced that there are

1 no services being provided. So you have an empty bed because
2 they can't get the services from the County.

3 At the end of the day, if the City and County can
4 come together and the City is providing its bed, can the County
5 move forward with the City to provide those services? I don't
6 think that's a big ask of the City.

7 MR. MILLER: I think we agreed in the MOU to provide
8 what's called mainstream services. So the answer is yes, of
9 course.

10 SPECIAL MASTER MARTINEZ: Fantastic. Thank you.

11 THE COURT: One of the bloggers, Meghann Cuniff, and
12 the *Los Angeles Times* also on one of their accounts actually
13 put forth the negotiations taking place between the two of you.
14 Judge Birotte and I were somewhat shocked. We didn't know what
15 you two were negotiating, if at all. And this involved the
16 City and L.A. Alliance, not the County. You weren't involved.

17 So if this is really good faith and not just my way
18 or the highway, then it's worth our efforts. But if this is
19 the same, you know, years of haggling back and forth between
20 the City and the County, I've made my position clear in what
21 this Court intends. And so --

22 MR. MILLER: I think Your Honor's made your -- the
23 Court very clear. I would agree with that.

24 THE COURT: Okay. We're going to take a number of
25 other speakers, then, because -- and we'll come back to it. So

1 all of you talk informally. And the intervenors get involved
2 also, the Skid Row Advisory Council as well because I do intend
3 to lean more and more on local communities.

4 And to suggest that that's the place that we should
5 be starting -- because Los Angeles is so big that this
6 wonderful mosaic doesn't have commonality, once again, between
7 John Lee's district or even Krekorian's district and Skid Row.
8 Skid Row is its own unique entity. That's one reason why I
9 denied the effort to disperse the 50 percent out of Skid Row
10 and scatter them. And there's a gentrification problem and
11 there's a policing problem down there.

12 MR. MILLER: Your Honor, there's one other thing
13 that I wanted --

14 THE COURT: How hard are you willing to work? Are
15 you willing to work this weekend?

16 MR. MILLER: Pardon me?

17 THE COURT: Are you willing to work this weekend so
18 we know if this is just puffery or serious?

19 MR. MILLER: All I do is work.

20 THE COURT: Good. Then that means you're willing to
21 work this weekend. Is that right?

22 MR. MILLER: I'm available whenever my --

23 THE COURT: Well, where's Mr. Feuer?

24 MR. MILLER: -- client wants me.

25 Your Honor, I just want to make one other thing

1 clear. This is really important to the Board and to the
2 County, and that is the County -- and Supervisor Solis said
3 it -- firmly and strongly believes in care first.

4 THE COURT: Then why aren't you getting this done on
5 behalf of the City, both the City and the County, as well as
6 the plaintiffs because, quite frankly, while the Court's going
7 to remain diligent -- and I'm taking my position now
8 strongly -- this ultimately rests with you. And your inability
9 to reach an agreement is harming the City and it's harming its
10 population and homeless, period. And this has been going on
11 too long.

12 Now I'll turn to Marcus for a moment. Is the City
13 serious about this or is this just puffery?

14 MR. MARCUS: Your Honor, the City has been serious
15 about this for months. As I indicated, we engaged in many
16 negotiations with the plaintiffs. We reached out to the County
17 on several occasions. We now understand that the County is
18 reaching back. We're excited about the possibility.

19 THE COURT: And when would these settlement
20 negotiations begin? Because as soon as everybody leaves,
21 people seem to have amnesia. When would these settlement
22 negotiations begin?

23 MR. MARCUS: The City is ready whenever the County
24 is, Your Honor.

25 THE COURT: If not now, when?

1 MR. MILLER: Well, I just heard --

2 THE COURT: When would these settlement negotiations
3 begin?

4 MR. MILLER: I just heard that the councilmembers
5 and supervisors have arranged a meeting. I just heard that
6 from Mr. Marcus. I did not know that.

7 Is that correct?

8 MR. MARCUS: Yes. I believe the meeting's been
9 scheduled sometime the first week in June.

10 THE COURT: No. That's not serious.

11 MR. MARCUS: Those are the dates that we got from
12 the County, Your Honor.

13 THE COURT: But they'll take their lead oftentimes
14 from lawyers. And you're going to be intimately involved in
15 these discussions. In fact, you may be even driving these
16 discussions or non-discussions with the advice you give your
17 clients.

18 Okay. Let's leave that on the table for now and
19 we'll see.

20 All right. Then we're going to go back to
21 structural racism. And when Mr. Galperin gets here, we'll --
22 we'll stop for just a moment.

23 We've had a number of letters -- and I'd like to
24 start with the Downtown Women's Center, with Amy for a
25 moment -- you were kind enough to submit to the Court this

1 morning, and I also received your letter. So if you'd like to
2 come forward, please, make whatever comments you'd like to.
3 But this was the request concerning racial -- I'm sorry,
4 structural racism and the Court's opinion concerning that. So
5 please.

6 MS. TURK: Good morning. Honorable Judge Carter and
7 Special Master Michele Martinez, thank you so much for the
8 opportunity to address you today. I'm Amy Turk, the CEO of the
9 Downtown Women's Center.

10 For over 43 years, the Downtown Women's Center has
11 been dedicated exclusively to serving unhoused women in the
12 Skid Row community and beyond. At the heart of what we do is
13 listen. We listen to women's voices, opinions, and
14 perspectives.

15 By hearing and heeding the voices of women in
16 Skid Row, we have been taking responsibility to address
17 homelessness, equitably and effectively. This is how we have
18 become a social service provider that women can trust.

19 Judge Carter, in your April 20th injunction, you
20 powerfully called attention to the needs of unaccompanied women
21 and domestic violence survivors and specifically those who live
22 unsheltered in Skid Row. And we are so glad that you did. And
23 we are so glad that you have a firsthand experience of the
24 plight of people living in the Skid Row community.

25 Unaccompanied women and domestic violence survivors

1 have long been invisible to policymakers and have largely
2 slipped through the cracks of underfunded programs.
3 Unaccompanied women, women experiencing homelessness without
4 children, or other dependents make up 65 percent of all
5 unhoused women in Los Angeles.

6 Your injunction also makes clear that homelessness
7 is disproportionately endured by black women which reflects the
8 racism, engendered inequalities that have for too long been at
9 the heart of Los Angeles; that black women are upward of
10 60 percent of all women in Skid Row is simply unacceptable.

11 And that is why we are proud to stand before you,
12 the assembled government leaders and our fellow service
13 providers, to formally introduce Downtown Women's Center's --
14 Downtown Women's Center's Every Woman Housed Action Plan.

15 With your support --

16 (Telephonic interruption.)

17 THE COURT: Carol, it's okay. Don't worry about it.
18 Just a minute, Amy. Just hang on.

19 (Pause in the proceedings.)

20 THE COURT: Carol, it's not going to bother anybody,
21 so come on right back. Okay?

22 Amy, go ahead. Sorry.

23 MS. TURK: To introduce our plan, the Downtown
24 Women's Center's Every Woman Housed Action Plan. With your
25 support, Judge Carter, and that of the City, County, and

1 community partners, we can permanently end homelessness for
2 600 women and 55 families who are unsheltered in Skid Row today
3 as counted in the last homeless count.

4 The proposal also centers regional coordination and
5 builds up preexisting systems in the way that we have been
6 ending homelessness for women for decades that have also been
7 developed with local and regional partners for over the past
8 several years.

9 The Every Woman Housed Action Plan consists of
10 both -- and let me emphasize -- short-term responses that will
11 immediately eliminate the potential for additional death and
12 suffering on the streets and the long-term solutions necessary
13 to ensure that these women remain housed and fully supported
14 with necessary services.

15 So here is our plan. Downtown Women's Center will
16 expand our Skid Row access center to include mobile outreach
17 that will triage and intake women each day in partnership with
18 community-based organizations and City and County outreach
19 teams.

20 From there, with the assistance of the City and
21 County, the plan requires 200 landlords for women already
22 enrolled in Downtown Women's Center's funded housing program.
23 These women could move into apartments tomorrow. Finding a
24 willing landlord is rather challenging.

25 THE COURT: Amy, could you stop and just explain

1 that to me a little bit more slowly, and that is 200 landlords,
2 women already enrolled, and they could move in tomorrow. So
3 help me. And I apologize. When I don't understand something,
4 I want to humbly ask.

5 MS. TURK: Sure.

6 We have a number of contracts, including Rapid
7 Rehousing contracts, Housing for Health, which is paid through
8 Measure H. We have a federal contract to house domestic
9 violence survivors in a Rapid Rehousing model. We have about
10 six different contracts, different funders.

11 THE COURT: Amy, are they located in the Skid Row
12 area or close by so people, if they have community, aren't
13 being displaced?

14 MS. TURK: Right. Yes.

15 THE COURT: In other words, they don't have to make
16 the hard choice of, you know, I've got to move ten miles away.
17 In other words, a woman might have -- you might have space for
18 200 women, landlord available, in or very close to the Skid Row
19 community.

20 MS. TURK: You know, it's really about the woman's
21 choice of where she wants to live permanently.

22 THE COURT: Okay.

23 MS. TURK: So if it is available in Skid Row and
24 that's comfortable to her, that's fine.

25 THE COURT: Okay.

1 MS. TURK: May I proceed?

2 In addition, linkages, we need 100 mental health and
3 substance use treatment beds so that when we do outreach, we
4 know that those will be some of the needs of women living in
5 Skid Row. And to have immediate access to that level of
6 inpatient treatment can support them.

7 THE COURT: And, Amy, once again, if there's detox
8 needed or mental health, I don't need to know location, but is
9 that somewhat centralized so Ron Sherin -- or Jon Sherin can
10 get his resources there? Because he's having a difficult time
11 going, you know, tent to tent throughout the city.

12 MS. TURK: Right. And these treatment beds could be
13 in existing facilities right now and we could help with
14 transportation to get women there. I'm not asking to, like,
15 build us a Downtown Women's Center or anything.

16 THE COURT: Okay.

17 MS. TURK: An additional 200 interim housing beds
18 possibly to the conversion of unused commercial space or
19 hotels. And then, most critically, an expansion of our housing
20 justice program. This was piloted last year as Project 100.
21 And this can permanently house the 300 that would be placed in
22 treatment beds and interim housing. So for those that we're
23 placing into short-term responses, we have a pathway into a
24 long-term permanent solution.

25 THE COURT: Okay. Amy, let me stop you. There's

1 been a little bit of conflict in the past over Project 100 and
2 some of the community leaders. Explain to me what -- I've
3 heard from the community. I'd like to hear from you about
4 Project 100.

5 MS. TURK: Yes. This came about after Downtown
6 Women's Center's involvement in both ad hoc committees
7 facilitated by LAHSA, the women experiencing homelessness
8 committee back in -- what was that? -- 2016 and the black
9 people experiencing homelessness.

10 In bringing all those recommendations of those
11 reports together, the Mayor's Office approached us to find a
12 way to offer housing that's in a more culturally responsive
13 manner and ensures that black women in particular stay housed.

14 The reports at the time showed that black women were
15 finding permanent housing proportionate to their experience of
16 homelessness, but they were more likely to fall out of
17 homelessness.

18 And so we have sat at the table with women with
19 those experiences from the beginning of the creation of this
20 model, and we have found permanent housing for 57 of the women
21 that have been enrolled in the program.

22 THE COURT: Now, let me stop you for just a moment.
23 I'm really concerned about the rain. What drew part of my
24 order concerning these time periods, whether I'm right or wrong
25 about those, was just seeing the -- I don't even know the word

1 for it concerning the rain -- women just standing there, let
2 alone men. You have to see it to believe it. And when you do,
3 if you're not moved by it, you completely just lost your soul.

4 My bottom line is I don't know if it's 90 days or
5 120 days, but I'm not backing away from this order. Can you
6 help get women off the street in 90 to 120 days? And if so,
7 walk that through me. Or at least be able to offer them
8 something, even if it's an interim basis and they decide, I
9 don't like it, I'm going to go back and live in a box, just
10 break the cycle. What can you do?

11 MS. TURK: So the plan involves -- you know, we do
12 need help finding landlords. And we could move the women that
13 are enrolled in our program -- we're calling landlords all the
14 time. But I do believe there could be more City and County and
15 political support to raise awareness to the landlords to
16 provide -- to raise awareness about the incentives that exist
17 for landlords. And for those women, we could resolve it within
18 the next couple weeks.

19 With easier access to interim beds -- you know,
20 after you brought awareness in January -- at the January
21 hearing, that drove more Project Roomkey beds for women. And
22 in partnership with LACAN and other outreach programs through
23 the county and through LAHSA, we placed -- don't totally quote
24 my numbers here -- about 150 women in The Grand, in the
25 Wayfare -- or the Wayfarer, in the new beds that

1 Councilmember de León supported at the Weingart Center. And
2 the Mayor's Office also helped Downtown Women's Center reopen
3 Project Roomkey. And we have 56 women in that Project Roomkey
4 right now.

5 THE COURT: Okay.

6 MS. TURK: So that happened within about two, three
7 weeks after the hearing and served quite a few. Additionally,
8 Councilmember de León's office provided support to SRO Housing
9 which then resulted in them taking the applications of women
10 that we had applied for permanent housing for.

11 THE COURT: How many women do you think -- and I'm
12 going to ask Shayla Meyers this in just a moment as well. How
13 many women do you think are on Skid Row?

14 MS. TURK: The last homeless count showed 600 and
15 that's including the people who identify as trans women.

16 THE COURT: Okay. About 600 women. And of course,
17 all of those are --

18 MS. TURK: Unhoused.

19 THE COURT: Unhoused.

20 MS. TURK: Of course, there are some women living in
21 shelters in Skid Row.

22 THE COURT: Okay. And, of course, all of those may
23 have -- they may have a partner and would not want to go into
24 housing. There may be other reasons, et cetera, but about 600.

25 MS. TURK: Correct.

1 THE COURT: Okay. All right. Please continue.

2 MS. TURK: So again, through this multi-pronged
3 approach of outreach and intake, short-term responses and
4 long-term solutions, and between Downtown Women's Center's
5 existing resources and additional resources provided by the
6 City and County, Every Woman Housed, the plan, can shelter --
7 more to your question here -- 400 women in 180 days and
8 permanently end homelessness for 600 women while providing
9 ongoing housing retention services throughout the next two
10 years.

11 Excitingly, Councilmember Kevin de León has already
12 provided a year's worth of funding for the long-term solutions
13 part of the plan. And as you heard this morning, the County
14 Board of Supervisors' Chair Solis is filing a motion to further
15 explore partnerships and funding resources.

16 We believe that this plan is a historic opportunity
17 for us to end women's homelessness in Skid Row in a way that
18 centers the needs and experiences of these women and without
19 the threat of re-traumatization or further marginalization.

20 That concludes my comments.

21 THE COURT: Amy, thank you very much. Just a
22 moment.

23 Michele.

24 SPECIAL MASTER MARTINEZ: Just one quick question,
25 Ms. Turk. You mentioned the 180 days that you would be able to

1 house 400 women. What's the duration as -- we all know and you
2 also -- you've supported long-term housing. So this is interim
3 housing. Do you have a plan or have you spoken to the
4 councilmember about ensuring that those folks, those 400 women,
5 get transitioned into permanent housing and what that time
6 frame would be?

7 MS. TURK: Yes. So the main question here is:
8 Where could this interim housing be? The conversations I've
9 had with our electeds, de León and Solis's office is helping us
10 identify where those beds could be. And de León has been
11 providing the funding for the permanent housing for the women
12 once they're ready to move from interim housing into permanent
13 housing.

14 SPECIAL MASTER MARTINEZ: But what's the duration?
15 Do you have --

16 MS. TURK: Yes. I think, you know, part of any
17 delay would be the setup, if we were to set up a new interim
18 housing, a new hotel. It wouldn't be a delay, but it would
19 take some time in the setup.

20 And then placing women could happen within, you
21 know -- it takes -- you know, for example, when we were moving
22 women back into Project Roomkey, we could take about 10 to 12 a
23 day, after making sure they qualified for the -- the FEMA
24 intake. And some of them wanted to see the unit first, so we
25 would drive them there. And then, you know, they might come

1 back for their belongings.

2 So it does take time. But I do think we can get at
3 least 400 better situated in 180 days. And then if we had
4 immediate landlords, then it wouldn't take that much longer
5 after those 180 days to get them permanently housed.

6 THE COURT: Okay. I beg you, that if this was going
7 to work -- which I believe genuinely that you believe this and
8 I hope it works -- that we get started; in other words, that
9 400 in 180 days. But you hear me, Amy, I'm terrified of the
10 rain from what I saw.

11 MS. TURK: Yes. Well, and the heat, too, sir. And
12 thankfully more funding has been provided for cooling centers.
13 I believe there are four now slotted to be set up in the
14 Skid Row community. I'm not a part of that, but I read it in
15 public documents.

16 THE COURT: Amy, thank you very, very much.
17 Appreciate it.

18 Could I have Lee Raagas from Skid Row Housing Trust
19 who also is here and submitted a letter.

20 And so, Lee, if you'd like to come up. It's a
21 pleasure meeting you.

22 MS. RAAGAS: Nice to meet you, too.

23 I want to start by echoing a lot of the statements
24 that have already been said and thank the Court, to you,
25 Judge Carter, Judge Birotte, and Special Master Martinez, for

1 bringing awareness to this.

2 Our perspective was a little bit different in the
3 letter that we shared with the Court. And it was really to
4 make sure that one of the largest permanent supportive housing
5 providers showed the support and urgency of making sure that
6 there was more options in housing, that short term, balanced
7 with the long-term need, was being supported by organizations
8 like ours and also partnering with other organizations like
9 ours.

10 We did have an opportunity to talk to a lot of the
11 CEOs in the community and really wanted to make sure that our
12 voice was heard, that funding being disbursed and deployed to
13 shelters, interim housing, whatever is necessary and needed so
14 that people come off the street while developers could develop
15 the units to transition them into permanent supportive housing
16 was very key and critical for us to make sure that we voice
17 that support.

18 In addition to that, addressing the systemic racism
19 and the female issues that are in Skid Row. There is a lot of
20 statistical analysis, there's a lot of information and numbers
21 that are being referenced. And along with Amy, we're here to
22 make sure that we articulate that those statistics, those
23 numbers are real.

24 We have -- Skid Row Housing Trust has about 700,
25 approximately 700 women residents in our permanent supportive

1 housing community. We are building more developments and to
2 ensure the velocity and urgency that this Court kind of brought
3 attention to as well as what we are experiencing in realtime in
4 a pre-COVID, during COVID, and post-COVID time. We are
5 entering into joint ventures with other partners so that
6 preexisting housing stock or unit stock can be leveraged.

7 We are targeting about 300, approximately 300 units
8 that we want to carve out and provide for women in some of
9 those joint venture structures around Skid Row. We believe
10 that we can get that done in about 60 to 90 days. We are
11 working with a private partner of ours to do that.

12 THE COURT: Lee, just let me interrupt you. Do any
13 of those overlap with the discussion Amy had with us?

14 MS. RAAGAS: They do not overlap.

15 THE COURT: So besides the 400 that Amy's looking
16 at, you know, starting, 300 maybe additional that you --

17 MS. RAAGAS: Correct.

18 THE COURT: And walk me through that again, Lee, for
19 one moment. How -- when you say targeted around Skid Row,
20 there's a concern in Skid Row that the community would be
21 displaced. There's a huge concern about gentrification. And I
22 think the fear would be that a woman's given the option of
23 taking housing but she's told that the housing is over in, you
24 know --

25 SPECIAL MASTER MARTINEZ: Arcadia.

1 THE COURT: Yeah, Arcadia. Thank you. Where's
2 Arcadia? I'm just kidding. Okay. I got it. Arcadia. They
3 just had some tiny homes put in, I saw.

4 Describe, not specifically, but are they in
5 Skid Row? Around Skid Row?

6 MS. RAAGAS: Yes. About 100 of them are in
7 Skid Row. So 25 of our 27 properties are actually in Skid Row.
8 And some of the joint venture partnerships that we were trying
9 to rapidly deploy is a block north of Skid Row.

10 THE COURT: Okay. This is not to chide. It's going
11 to sound like I am, so let me apologize because as soon as I
12 say that, it sounds like I'm chiding you.

13 Why hasn't that occurred before? In other words,
14 why is it taking some injunctive relief by a Federal Court to
15 have, I mean, this good faith response? What's happening here?

16 MS. RAAGAS: On the communities?

17 THE COURT: On your part. In other words, if we had
18 these 300 units that we're targeting, where are -- where were
19 we in this process?

20 MS. RAAGAS: So we, as Skid Row Housing Trust, as a
21 developer, we do -- we do develop permanent supportive housing,
22 and 100 of the 300 is in our active portfolio now.

23 THE COURT: Okay. Just a moment. Let me write that
24 down. So 100 is in asset portfolio now.

25 MS. RAAGAS: Correct.

1 THE COURT: Okay.

2 MS. RAAGAS: And the new model that we were pursuing
3 happened, I think, about two to three months into COVID. Kind
4 of echoing and talking about the concerns that you brought up
5 is: What is the community going to look like in a post-COVID
6 world and how can we produce more units outside of the
7 traditional mechanism that could bring them online faster?

8 In that joint venture initiative, we tried to
9 solicit the private side or other housing stock to dedicate to
10 interim, transitional, permanent, whatever it was, whatever
11 could pencil or whatever could be structured or whatever could
12 be subsidized. And we were successful in that about four or
13 five months ago. So we are in the final phases of that and
14 we're hoping to repeat that model because that's something that
15 is within our control.

16 So as we're developing, we also wanted to find new
17 opportunities, new structures while also providing support to
18 our other community leaders, like LACAN, like Weingart, like,
19 you know, Downtown Women's Center, including all of the
20 shelters and missions and saying if there is a pot of funding,
21 how can -- how can it get distributed equally among all of us
22 so that we can solve the challenge and rising challenge in
23 Skid Row.

24 THE COURT: Excellent. Excellent.

25 Do you have questions?

1 SPECIAL MASTER MARTINEZ: Lee, a quick question.
2 Judge Carter spoke about the potential conversations that folks
3 have had on Skid Row in regards to gentrification,
4 displacement. Have you had the opportunity to speak to
5 business owners within the Skid Row area to find partnerships
6 there?

7 We know that there are a lot of property owners.
8 The City and County may not own a lot of land on Skid Row, but
9 there are private property owners. Have there been
10 conversations being had about partnering with them so that we
11 ensure that there isn't displacement?

12 And obviously, there are going to be some folks in
13 Skid Row that want to move out of Skid Row. Right? But we
14 want to make sure that those options are provided and that we
15 do everything we can to ensure that if there is housing
16 available within Skid Row and there's private partners that are
17 willing to partner with folks like yourselves, that should be
18 opened and brought to the table.

19 MS. RAAGAS: Yes. So there's -- there's a couple of
20 things to unpack there, is there are ongoing conversations with
21 business owners. If they're property owners, that could be
22 converted, you know, to us. Those take a little bit longer
23 because typically it's legacy ownership. But those are ongoing
24 discussions.

25 From a business operator, it's very interesting

1 because that was in the position papers as well. You know, not
2 only are we, along with, you know, the community compatriots of
3 ours is -- yeah, we're business owners as well. You know, we
4 manage assets, we do portfolio management, we have case
5 managers doing services.

6 And I really, really respect and honor the
7 perspective that you brought, you know, on the rights of women
8 because there are also women employees. You know, there are
9 also women residents that are -- they are housed, but they are
10 experiencing similar -- similar stories to what you shared
11 because of the rising concentration that's occurring.

12 So it was -- like, you know, just using Skid Row
13 Housing Trust or LACAN or Downtown Women's Center, we are a
14 service provider. We are a business operator. We are
15 committed to the community. So there's a lot of different
16 lenses that we want to share with the Court, that we want to
17 share with those listening to us, you know.

18 So those ongoing conversations do occur, but there's
19 also -- that's one of the reasons why we also try to become a
20 little innovative because the initial conversations prior,
21 actually, to this ruling which -- which was embraced because of
22 the urgency it brought to it. The urgency was being discussed
23 in the community already because we were trying to play out
24 what the scenarios were going to be in a post-COVID world.

25 We were in that community. Like, we didn't get to

1 leave. We didn't get to self-isolate, you know. We saw the
2 increase in women. We -- we can subjectively support that
3 information. We can objectively support that information, you
4 know.

5 And then when you have more women, you have
6 different types of crime. And when those crimes happen, like
7 the assaults and rapes that you mentioned, now you have
8 increased trauma that you need programs and services for, even
9 when you do get them housed.

10 So we want to go as far upstream as possible and get
11 everyone as quickly off the streets. We want them to be
12 indigenous in Skid Row if they want to be. We want to transfer
13 them if they don't want to be. And then we also want to do
14 some kind of calculation, which I was really excited to see the
15 analysis that was done, you know, financially because there's a
16 little bit of forecasting that's needed as well.

17 You know, so there's 6,000 individuals on the street
18 right now. What's the female-male split? How long have they
19 been on the street? Can interim housing help them so they
20 don't land in permanent supportive housing?

21 And as a permanent supportive housing developer, we
22 want to be around for those that need us in the future. But if
23 it's anyone's goal, it would probably be organizations like
24 ours that if you don't develop more PSH, it means we're solving
25 homelessness, you know. So we encourage that mindset and that

1 perspective as well.

2 SPECIAL MASTER MARTINEZ: Thank you.

3 MS. RAAGAS: Thank you very much. Thank you for the
4 time.

5 THE COURT: Yeah. It's enlightening and, quite
6 frankly, refreshing. Thank you.

7 MS. RAAGAS: Thank you.

8 THE COURT: Jeff, do you feel comfortable now and,
9 if not, wait? Or Shayla or Carol or Brooke?

10 GENERAL JEFF: I always feel comfortable,
11 Your Honor.

12 THE COURTROOM DEPUTY: We need a break.

13 THE COURT: Okay. My clerk just said we need a
14 break. That means we need a break.

15 Thank you. So listen, we'll come back in
16 15 minutes. Fair enough? There's restrooms downstairs. See
17 everybody in 15 minutes.

18 (Break taken.)

19 THE COURT: We're going back in session.

20 We'd like to call upon Manny Abascal, if he'd be so
21 kind, as the next speaker. And General Jeff was kind enough to
22 delay for just a moment.

23 First of all, good morning.

24 MR. ABASCAL: Good morning, Your Honor.

25 THE COURT: Nice to see you.

1 MR. ABASCAL: Thanks very much for allowing me to
2 speak today.

3 Just as background, I represent Union Rescue
4 Mission, a friend of the Court in this matter. Also
5 personally, this is a matter that's very important to me. I
6 chair the Board of Martin Luther King Hospital, a Safety Net
7 hospital in south L.A., that treats hundreds, thousands of
8 homeless patients every year. And we've been doing that since
9 we opened six years ago.

10 So, of course, the issue is near and dear to my
11 client who's been serving the homeless and Skid Row for over a
12 century and then to myself and all the people at MLK who we
13 serve, the underserved.

14 I would strongly encourage, Your Honor, for the
15 parties to reach a settlement and that's what I'd like to
16 address today. I'm thrilled to hear Mr. Miller say that the
17 County is interested in settlement.

18 I've worked with the County for 11 years. I know
19 how great the people are at the County, how skilled they are at
20 serving the underserved. We deal with them every day at the
21 hospital. And I'm thrilled to hear that the City's interested
22 as well.

23 We have put together a settlement proposal that I
24 have circulated to various people at the City and the County.
25 It's just a proposal from us with no pride of authorship, just

1 would hopefully be a basis for discussion for the parties. And
2 I'd like to briefly describe it.

3 Your Honor, I think this litigation provides really
4 an opportunity for the two agencies, the City and County, to do
5 something they've struggled to do for some time, which is to
6 collaborate on this issue of homelessness. So the litigation
7 is a terrific opportunity where the City and County could set
8 goals, establish responsibilities for each other, and then have
9 a mechanism, when there's impediments to progress, to have
10 those impediments solved. And that would be through the court
11 process.

12 So our proposal, if I could describe it briefly --
13 and I'm happy to circulate it to anybody in the courtroom, to
14 the Court, to Judge Birotte, to the Special Master. Our
15 proposal would call for a one-to-one ratio of temporary housing
16 and permanent supportive housing. And the reason for that is
17 we need to have the long-term housing that provides dignity to
18 people and that is a permanent solution. But that's taking
19 time, years, and people don't have that time. They're dying.

20 So in the meantime, while this is being built and
21 while there are reforms being put in place to bring it to the
22 market faster, we would have some shelter opportunities made
23 available more immediately.

24 We want it to be clear, it's one-to-one because we
25 don't want the temporary shelters to be the permanent answer.

1 THE COURT: Right.

2 MR. ABASCAL: We would ask that the most vulnerable
3 be prioritized. We very much respect the Freeway order, the
4 Skid Row order, and we understand the reasons for that. But I
5 think what could be improved is to have a countywide focus on
6 the most vulnerable, those that are ill, those that are
7 elderly, those that are subject to violence could get what they
8 need right away, regardless of geography.

9 Our proposal would recognize the legislative
10 autonomy of the City and the County, so it sets really
11 high-level goals -- this many beds, this much permanent
12 supportive housing over this period of time. But it's up to
13 them to decide and the experts to decide in what form.

14 THE COURT: And would you restate that to me one
15 more time. I want to make sure I heard that correctly.

16 MR. ABASCAL: Yes. The proposal we want the parties
17 to think about is for the City and County to set high-level
18 goals in terms of the amount of beds, shelters, and permanent
19 supportive housing over a set period of time. But I'll give
20 them discretion to decide in what form, whether that be
21 sanctioning encampments, whether it be tiny houses, let the
22 experts decide what is the most feasible to do right away and
23 respecting their legislative autonomy but holding them
24 accountable so that the parties agree on what they think they
25 can accomplish and set those goals and have to come in and

1 report every quarter. That would be either to a joint monitor
2 that they could select that would report to the Court or
3 directly to the Court.

4 So we suggested having a monitor in place that could
5 help, you know, resolve the smaller issues and then, if
6 necessary, then go to the Court for larger issues if a monitor
7 can't resolve it.

8 We'd also propose that they look at improving the
9 process for permanent supportive housing and re-looking at the
10 way it's financed, why it takes so long, why it takes so long
11 to get approvals but not wait, you know, for the -- for those
12 blue ribbon reports to be finished but to get meaningful
13 progress now.

14 The proposal also advocates for not re-allocating
15 any HHH money or H money. And the reason for that, Your Honor,
16 is that there are a lot of non-profits that have entered into
17 contracts that are in the process of building things and it
18 would be very disruptive to them.

19 Now, maybe the money wasn't spent in the most
20 efficient way, maybe the deal could have been cut differently.
21 But there are deals in place that are making progress. It may
22 be slow, it maybe could be faster, but they're making progress
23 and to re-allocate the money to disrupt -- not just existing
24 deals but future deals because investors coming in can say,
25 well, I'll sign here but if it could be upset and the money

1 could be taken away later, there would be less of an incentive.

2 And finally, I would say that our proposal has no
3 enforcement mechanism. We do not believe that people should be
4 prosecuted for being poor. And I'm not going to advocate for
5 any enforcement. Now, I understand that may be part of the
6 conversation from some of the parties, but we would not support
7 any enforcement of camping laws or other laws for someone who's
8 poor and just can't afford to live anywhere else.

9 I have no pride over this proposal. It's something
10 that we thought would be important to put on paper, send to the
11 parties, and have them start talking about it. I think if they
12 want to change it, that's terrific. If they have a better
13 idea, that's great. But what I think is not excusable is to
14 not discuss it. You know, to just continue litigation for
15 years and years on this issue can only be distracting and
16 damaging.

17 And I think getting to a deal, making progress,
18 solving the problem, and using this court process and
19 Your Honor's commitment to the issue and genuine concern to the
20 issue -- you know, using you, Your Honor, to help facilitate
21 progress, solve problems and keep everyone on track is the way
22 to go.

23 So I could view this as a historic opportunity to
24 really make change. I can say it's a very challenging issue.
25 This is harder than looking back, harder than building a

1 Safety -- new Safety Net hospital, I really do think it is.
2 Because as hard as it was to build our hospital, we have one
3 partner, the County. You know, we didn't have to work with the
4 City and the County and multiple different City organizations.
5 We didn't have that much. We had some politics but not as much
6 as is involved in this issue.

7 So it's a challenging issue. And that's why I think
8 this is a unique and historic opportunity because we have a
9 mechanism that will force collaboration among the City and the
10 County, a mechanism to create goals and to maintain progress
11 because if there's not progress, then Your Honor's gavel can
12 make sure that the problems are solved and the progress
13 continues.

14 So I really encourage -- I'm speaking here,
15 Your Honor, to the parties. I use this opportunity to try to
16 get to a solution. And I think it will make a historic impact
17 on the City and the County.

18 THE COURT: Thank you.

19 Michele, do you have any questions?

20 SPECIAL MASTER MARTINEZ: No questions.

21 THE COURT: Thank you very much.

22 Let me compliment a number of things first. I've
23 heard about so many three- to five-year projects. And I'm
24 going to joke with you, but it means the person making that
25 proposal is now out of office and not responsible.

1 I love this idea of milestones along the way because
2 then the person making that proposal is responsible during
3 their political term, whether it's two years, four years,
4 whoever we're dealing with.

5 Second, I love the informality of trying to resolve
6 this through some process that avoids litigation because
7 everything changes. This is such a dynamic process that a
8 Court's ruling today is the law of the land for awhile until
9 the next litigation comes in ten years later and so we're
10 stuck, in a sense, with no movement until a case or controversy
11 comes before us.

12 And so this opportunity to work together, you know,
13 in terms of that problem-solving along the way maybe solved
14 eight out of ten, nine out of ten, or six out of ten. But
15 whatever, it's so much better than the adversarial process, at
16 least I think, with homelessness. And it allows us to make an
17 effort and make mistakes. And unless everybody in this room is
18 willing to try and sometimes make mistakes, we're not going to
19 accomplish anything. It's the recognition of those mistakes
20 and backing up on them and making it right.

21 (Pause in the proceedings.)

22 THE COURT: You've given this -- you've given this
23 to the parties, but I would be humbled if you would give this
24 proposal to us.

25 MR. ABASCAL: We'll file it today, Your Honor.

1 THE COURT: And I'd file it on the docket. I know
2 when we started entering into the negotiations a year ago --
3 quite frankly, I want them transparent. At that time, people
4 on behalf of the City objected to it.

5 MR. ABASCAL: We'll file it this afternoon,
6 Your Honor.

7 THE COURT: Okay. And I appreciate it. And then
8 we'll see where that leads, acquiescence or not or agreement.
9 Because there's going to be a lot of modifications, I'm sure, a
10 lot of back and forth. This has been going on for decades.

11 Manny, unless it happens now, I'm just afraid we're
12 going to read about this in the papers ten years from now,
13 going on and on and on. It's been going on for decades. And
14 it's exacerbating itself to the point that I'm getting very
15 concerned that whatever the Court's involvement is, that it
16 can't possibly replace an agreement by the parties on behalf of
17 the city. It's the best mechanism in a sense.

18 But with the death spiral rate -- you're hearing me,
19 I hope, loud and clear -- there's just no way that this Court
20 is going to become complicit in what's happening in this
21 present structure, Manny. And by now, understanding this, I'm
22 not willing to buy into the parties' present positions when
23 this amount of death is occurring and this amount of
24 degradation.

25 So I humbly thank you very much for being here.

1 MR. ABASCAL: Thank you, Your Honor. Thank you very
2 much for allowing me to speak.

3 THE COURT: Ron Galperin?

4 MR. MARCUS: Can I have a moment, Your Honor?

5 THE COURT: Certainly.

6 And, Marcus, through no embarrassment, he said be
7 here at 11:45. But if he's not here, we'll wait. I just
8 didn't want to get in the middle of talking with General Jeff
9 and then an interruption and he says he has to go someplace.

10 MR. MARCUS: I understand. I'm just checking.

11 THE COURT: And, Jeff, thank you for being so
12 patient. I really very humbly appreciate it.

13 And are there any other members of the public who
14 wish to speak in terms of structural racism?

15 Now, Pastor Cue, let me come right back to you, just
16 a moment. Okay?

17 MR. MARCUS: Not yet, Your Honor. I'm sorry. He's
18 not here yet.

19 THE COURT: Well, then, General Jeff -- and we're
20 not going to interrupt you. Ron can wait for awhile. Please.

21 And then, Pastor Cue, if you'd like to speak next
22 right after Jeff.

23 Good morning.

24 GENERAL JEFF: Good morning, Your Honor. Thank you
25 for the opportunity to speak, to be a part of this process. I

1 also want to acknowledge the Honorable -- Honorable Birotte and
2 Special Master Martinez.

3 My name is General Jeff. I am speaking in this
4 capacity of -- as spokesperson for the Skid Row Advisory
5 Council.

6 Heavy is my heart. Just so that we all can put this
7 in proper context, we are two days from the one-year -- two
8 days after the one-year anniversary of George Floyd's murder.
9 So racial injustice should have been heavy on our hearts two
10 days ago and it should also continue to this day.

11 Before I begin, I want to speak to a couple of
12 things that I heard while sitting in the back of the audience
13 of this courtroom.

14 Special Master, when speaking to the CEO of Skid Row
15 Housing Trust, nonchalantly mentioned, made reference to people
16 in Skid Row who just simply may not want to live there and that
17 should be a viable option, which is all understandable.

18 As a Skid Row community leader for 15 years now,
19 that line of logic is absolutely problematic for us because if
20 Skid Row is this healthy and vibrant community, why would
21 anybody want to leave? Why would anybody not want to live
22 there, which automatically means the conditions that Skid Row
23 is in right now are not sufficient enough if people want to get
24 the heck out of there.

25 So rather than embrace a mindset where, oh, it's

1 okay, we fully understand that people want to leave, the
2 mindset should be the exact opposite, more needs to be done in
3 Skid Row so that people will want to stay.

4 Also, too, mentioned earlier today county counsel
5 with this smug arrogance, like we've done -- we've done all we
6 can do. What more can we do? We're providing the services.

7 According to LAHSA's own homeless count at face
8 value, there's double-digit entries in homelessness every year
9 for at least the last five years, if not longer. And I've
10 never seen any paperwork or any data statistics where the
11 County has services that they provide, have reflected to
12 provide double-digit entries in their services, specifically in
13 the Skid Row area.

14 So when you say, "What more can we do?" hell, talk
15 to the -- excuse my language because I'm very passionate about
16 this -- come talk to the Skid Row Advisory Council or other
17 Skid Row community leaders, which there are many numerous
18 Skid Row Advisory Council members in the audience right now, in
19 attendance right now. We're not hard to find.

20 If you really want to have answers to those
21 questions of what more you can do, oh, trust and believe
22 there's a whole heck of a lot more that you can do, both the
23 City and the County.

24 And also, while -- the county counsel has also said,
25 oh, they don't want to argue institutional racism. Well, guess

1 what, the Skid Row Advisory Council does. Because when you
2 look at Federal Judge David O. Carter's 110-page preliminary
3 injunction, housing is the secondary issue that needs to be
4 discussed. The primary issue is this systemic racism and
5 systemic oppression that how conveniently both the City and the
6 County are -- are just conveniently ignoring, as if the
7 insulting of black people for generations doesn't matter or
8 it's convenient to just not speak on it.

9 Well, the Skid Row Advisory Council's going to speak
10 on it. And so in response to Judge Carter's 110-page
11 preliminary injunction, we, the Skid Row Advisory Council,
12 issued a response, which I'll read into the record now.

13 I read from a letter with the letterhead of Skid Row
14 Advisory Council, dated May 6th, 2021. It's addressed to
15 Federal Judge David O. Carter, City of Los Angeles, County of
16 Los Angeles, and Los Angeles Police Department.

17 "In light of the intricately detailed, in-depth
18 historical analysis within the 110-page preliminary injunction
19 issued recently by Federal Judge David O. Carter which clearly
20 identifies the roles both the City of L.A. and the County of
21 L.A. played in masterminding structures of racism through
22 policies, laws, ordinances, and more that all combined to
23 create a web of deceit, bias, and prejudice against black
24 individuals and families that have continued for generations
25 across the city and county, can be directly attributed as the

1 main component in the widespread systemic racism, housing
2 discrimination, systemic oppression, and more which all have
3 greatly contributed to the black homeless epidemic in Skid Row
4 and across the City and County of L.A. Our official Skid Row
5 Advisory Council's response is as follow:

6 "Because of the intentional egregious and malicious
7 acts towards black Angelenos, the Skid Row Advisory Council
8 DEMANDS an acknowledgment of said acts and a public apology
9 from both the City of Los Angeles and the County of L.A. prior
10 to any attempts to convene a working relationship in any
11 capacity as so ordered by Federal Judge Carter in his
12 preliminary injunction.

13 "How can the Skid Row Advisory Council sit across
14 the table from both the City of L.A. and the County of L.A. in
15 efforts to create housing solutions when both the City and the
16 County played significant roles in the oppressive containment
17 of black homeless people in Skid Row?

18 "Similarly, we DEMAND an apology from the
19 Los Angeles Police Department for the generations of
20 'containment-style' policing towards black homeless people in
21 Skid Row as LAPD's way to keep a unified front regarding the
22 daily distribution of systemic racist agendas against black
23 people in Skid Row.

24 "It is the position of the Skid Row Advisory Council
25 that the true reason both the City and County of L.A. filed for

1 stays against said preliminary injunction so quickly is solely
2 because each of these government entities attempted to create a
3 diversion that would take the focus completely away from all of
4 the many systemic racist and systemic oppressive acts
5 identified by Federal Judge Carter in his masterful work with
6 his preliminary injunction."

7 Props to his law clerks too.

8 "It must be noted that neither the City nor County
9 even attempted to be appalled by Federal Judge Carter's
10 findings. Just a total ignoring of arguably thee most
11 compelling presentations of undisputed proof of systemic
12 racism, systemic oppression, and more in our lifetime at the
13 hands of a network of cohorts all connected to both the City
14 and County of L.A.

15 "How can all other Angelenos remain silent at this
16 time? In an era where people of all creeds and colors, all
17 walks of life have bonded together to 'take it to the streets'
18 and shout 'Black Lives Matter' at the top of their lungs, yet
19 the widespread silence on these issues directly affecting black
20 homelessness is eerily deafening.

21 "How then can black homeless people in Skid Row even
22 consider a court-ordered offer of housing from the very
23 entities whose systemic racist and systemic oppressive tactics
24 led them on a downward spiral by design to begin with?

25 "The amount of trauma is beyond measure and at this

1 point beyond a simple public apology (even though we still want
2 it!)

3 "Before any efforts to move forward can materialize,
4 both the City and County, as well as the LAPD, MUST first move
5 forward with efforts to heal all the trauma they've caused
6 black homeless people across L.A.

7 "It must also be stated that any attempts to
8 'decompress' Skid Row's residency of black homeless people by
9 any measure is also an attempt to undermine Skid Row's black
10 population in the form of gentrification of which then falls
11 directly in line with the aforementioned systemic racist and
12 systemic oppressive tactics that have continuously plagued
13 black residents of Skid Row for generations. Any additional
14 tactics which appear identical or even similar to
15 criminalization and/or displacement MUST be immediately
16 eradicated and frowned upon by the Courts, followed by the
17 implementation of additional protections by the Court in order
18 of protecting black homeless individuals and families from the
19 collective systemic racist and systemic oppressive wrath of
20 both the City of L.A. and the County of L.A.

21 "The Skid Row Advisory Council strongly believes
22 that all of the aforementioned issues MUST be addressed prior
23 to any discussions regarding housing of any nature.

24 "To completely omit the Skid Row Advisory Council's
25 DEMANDS to appropriately address the widespread systemic racism

1 and systemic oppression by both the City of L.A. and the County
2 of L.A. prior to any other actions would be akin to completely
3 ignoring the 'generational rape' of the black community.

4 "With vigor," signed by the Skid Row Advisory
5 Council, General Jeff, spokesperson.

6 And I want to say that, Your Honor, not -- not one
7 person within the city of Los Angeles high-ranking, rank and
8 file, or other has even attempted to contact the Skid Row
9 Advisory Council with any efforts to try to address this letter
10 which, again, was addressed directly to them. And now we're
11 talking about the 15 members of the city council,
12 Mayor Garcetti, City Attorney Mike Feuer, any of their staff,
13 we have not heard from anybody within the City of Los Angeles.

14 Now, as far as the County of Los Angeles, I hold
15 this letter in my hand, we did hear from the Chair of the Board
16 of Supervisors, Supervisor Hilda Solis. And I will not read
17 her entire letter into the record. I will allow her to do that
18 or someone from the County to do that on her behalf if that is
19 what they wish to do.

20 THE COURT: I'm filing all of these letters as well
21 on the docket for the Circuit. So if you want to submit that
22 in response to your letter, I'll file that on the docket with
23 it.

24 GENERAL JEFF: Thank you, Your Honor. But for now,
25 what I do want to read is a portion of the letter, which exists

1 in my hand, is a Board of Supervisors, County of Los Angeles
2 letterhead, Hilda Solis, Chair, Board of Supervisors,
3 Supervisor First District, dated May 10th, 2021.

4 "Dear Skid Row Advisory Council:

5 "Thank you for your letter and your continued
6 leadership in righting the wrongs that have brought us to our
7 current homelessness crisis. As Chair of the Board of
8 Supervisors, I want to acknowledge that historic harms must be
9 corrected, past trauma must be addressed, and oppressive
10 systems must be deconstructed. The County is committed to
11 participating with the Skid Row Advisory Council and
12 communities of color across the county to address the
13 underlying structural and systemic factors which have
14 contributed to disproportionate rates of black people
15 experiencing homelessness in Los Angeles."

16 And there are three additional paragraphs. And
17 again, you know, we will allow the County to speak to that
18 themselves. But this is the only communication that the
19 Skid Row Advisory Council has received from anyone from the
20 County.

21 And so, again, it is paramount that while both the
22 City and the County, even the plaintiffs -- it's convenient for
23 them to negotiate or have -- express their desire to enter into
24 settlement talks about housing options when Your Honor -- your
25 110-page preliminary injunction, the majority of it speaks to

1 systemic racism and systemic oppression. And we're not talking
2 about just ideology. We're talking about specific policies by
3 name, specifically including the Skid Row containment zone.

4 So again, while county counsel has this smug
5 arrogance about all these services they're providing to
6 Skid Row, yeah, it's a part of the Skid Row containment zone.
7 You play the part. That was basically a semi-confession that
8 the County has played a part in it, along with all the other
9 missions and so-called social service providers.

10 We need to audit the social service providers as
11 well if we're going to audit. Let's keep it going. Let's get
12 to it because the problem is -- and I want to thank you,
13 Your Honor, for acknowledging that I myself coined the term the
14 "homeless industrial complex" because the poverty pimping of
15 these said non-profits and government entities is alive and
16 well in this very room today.

17 And we can look to that as examples because of the
18 minimal efforts that both the City and the County are speaking
19 to which, like, there's this minimal obligation to -- to
20 address homelessness. When we have, you know, tens of
21 thousands of homeless folks, we don't have solutions at a
22 significant enough rate that it would make sense to equate to
23 any type of sense of urgency, the necessary sense of urgency
24 needed to significantly reduce the double-digit increase of
25 homelessness.

1 And I don't know what -- what more needs to happen.
2 You know, we applaud, you know, Your Honor's efforts to light
3 fire to the feet of both the City and the County to get them to
4 do more. But to have this smug arrogance as if they're doing
5 something -- all I know is the death ratio on Skid Row
6 pre-COVID was two-to-one and now it's arguably four- or
7 five-to-one. Where's that data? You know, let's get -- if we
8 want to play the data game, well, let's really play the data
9 game.

10 And so, you know, I don't want to go on and on
11 because there's so much that I can, like, lay out right now.
12 But I strongly feel, as well as the rest of the Skid Row
13 Advisory Council, that a public apology is in order, a public
14 acknowledgment of all these policies -- and we're talking about
15 housing discrimination, redlining, exclusionary zoning,
16 systemic racism, systemic oppression at the hands of the City
17 of Los Angeles and the County of Los Angeles, which they don't
18 want to even argue, which is basically an admission that --
19 that it stands.

20 And because it stands, that means for generations --
21 and I'm a homegrown Angeleno. I was born here. I've got
22 family here. My aunts and uncles, you know, still live here,
23 died here, have struggled to own -- for homeownership. And
24 now, to find out through Judge Carter's 110-page preliminary
25 injunction, it wasn't us. Stop victim blaming. It wasn't

1 black people's fault. It was the -- the undermining of -- by
2 the -- at the hands of the City of Los Angeles and the County
3 of Los Angeles.

4 So before we can get started and talk about housing
5 solutions and tiny homes and padded homes, somebody needs to
6 owe black people an apology publicly, a public acknowledgment
7 of all the -- all these failed policies.

8 And I close with this, it's just gotten to the point
9 where we understand the status quo. We understand that the
10 existence of one homeless person creates jobs. We understand
11 that homelessness widespread across the City of Los Angeles and
12 across the County of Los Angeles has created jobs for
13 practically everybody in this very courtroom. So now it's
14 about doing the -- the bare minimum just to keep the jobs going
15 for them, yet we're dying on these streets.

16 So it's clear that the status quo can now be called
17 a racist quo. And I pound the podium and wave my -- wag my
18 finger at each and every one of you in disgust. You ought to
19 be ashamed of yourselves.

20 Thank you for your time. Nothing further.

21 THE COURT: General Jeff, we're going to file that
22 response --

23 SPECIAL MASTER MARTINEZ: It's already been filed.

24 THE COURT: It's already been filed, Kelly?

25 SPECIAL MASTER MARTINEZ: It's already been filed.

1 THE COURT: The response from the County?

2 SPECIAL MASTER MARTINEZ: The Hilda Solis?

3 THE COURT: Hilda Solis. We're going to file that.
4 Your letter, as well as everybody who wrote to the Court, is
5 already filed on the docket. If you would like that response,
6 we can talk to --

7 Skip Miller, that came from Hilda Solis. You're
8 aware of that?

9 MR. MILLER: Yes.

10 THE COURT: Why don't we file that response.

11 MR. MILLER: That's fine.

12 THE COURT: Okay. We'll have that filed also.

13 Thank you.

14 GENERAL JEFF: Thank you, Your Honor.

15 THE COURT: Pastor Cue.

16 PASTOR CUE: Good afternoon, Your Honor.

17 As it relates to institutional racism, it still
18 persists even today. Who died disproportionately during
19 COVID-19? If you really want to know about institutional
20 racism, just look around the room.

21 I'm going to let one of my other folks from the
22 community explain what I mean when I say "look around the
23 room."

24 With the cost of housing rising to astronomical
25 levels, who's left out? It doesn't take a rocket scientist to

1 know that institutional racism exists. Who can afford housing
2 in Los Angeles? And we know that housing has increased even
3 more during COVID-19. Some people can afford it. They say
4 that generational poverty cannot be inherited but that
5 generational wealth can be inherited. I find that interesting.

6 Look at how many people are being pushed out of
7 housing each and every day. They're not falling into
8 homelessness, by the way. They're being pushed into
9 homelessness because they're continually being pushed into
10 homelessness without a solution in sight. And the culprit is
11 still institutional racism.

12 They refuse to house people by any means necessary,
13 excluding enforcement. And that is due to systemic racism.
14 The fact that there's no robust solution in place to house our
15 people with respect and dignity and equity. You see, tiny
16 homes may be a solution to getting people off the street but it
17 does not address the root problem.

18 Some people's urgency is to get people off the
19 street as quick as possible. Our urgency is to get people
20 housed as quick as possible because, see, the urgency to get
21 people off the street as quick as possible can fall into this
22 idea of getting people out of sight and out of mind as soon as
23 possible. But we know that if you get people out of sight and
24 out of mind, oftentimes housing becomes out of mind because
25 that's the way institutional racism works.

1 We know that during World War II that black folks
2 were free. And I'm talking about institutional racism. I'm
3 going to show you from 19 -- from the 1940s till 2021 how
4 institutional racism works.

5 We know that in the 1940s black folks who had been
6 enslaved were migrating from the south, to the north and the
7 west, moving into South Central, fleeing lynching,
8 institutional racism, fleeing lynching.

9 By the way, it was legal for police to -- we call it
10 slave catchers, to go get folks who were free and bring them
11 back. Right?

12 Fleeing institutional racism. They moved into
13 Los Angeles, into South Central. And at the same time, the
14 same system that was lynching our people -- they say if you go
15 to our institutions today, our educational institutions, these
16 people were fleeing because they were looking for jobs. But
17 they forgot that they were fleeing lynching. And so we tell
18 half of the story.

19 But at the same time, in 1942 or in the 1940s during
20 World War II, the Japanese were unjustly evicted from their
21 homes in Little Tokyo right down the street. And the black
22 folks who were in South Central migrated down Central Avenue --
23 come on, somebody, I didn't come to preach today, but I will --
24 migrated down Central Avenue to occupy those buildings that the
25 Japanese were evicted from unjustly, I might add. And three

1 years later, four years later, Japanese came back. It was
2 called Brownsville when black folks moved there. Japanese came
3 back.

4 And so the dominant culture said to black folks,
5 "You got to move out." We know that Skid Row -- some of those
6 folks ended up in Skid Row even in the 1940s.

7 It's the same system. The system has not changed.
8 The system has given us the outcome, the exact outcome it was
9 designed to give us. It is not broken, but it is flawed by
10 design. And the flaw is institutional racism.

11 Come on, somebody. Stay with me now.

12 You see, more people are being pushed into
13 houselessness because the system keeps giving us the same
14 outcome. And when the Mayor had the opportunity to respond to
15 the negative -- negative outcomes of COVID-19 on black and
16 brown communities, you know what he did? Institutional Racism
17 101. He cut all other city services and gave the LAPD or
18 wanted to give the LAPD a \$200 million raise. Institutional
19 racism at work.

20 Because logic would tell me or my moral compass as a
21 pastor would tell me, well, we need to take care of the grocery
22 store workers because those are the folks I saw during
23 COVID-19. I was happy to see them, the delivery workers, those
24 who delivered my food. Come on, somebody, I wish I could
25 preach.

1 But instead, we keep doing the same thing with law
2 enforcement we're doing with homelessness. We respond to the
3 system. We respond to the inadequate system. We respond to
4 the system that is flawed by racism with more racism.

5 Now, I'm not the only expert on race --
6 institutional racism because, by experience -- we should have
7 had some scholars up in this joint, some black scholars to
8 really tell y'all about institutional racism, those who are in
9 our brightest institutions, HBCUs and all of those institutions
10 to tell us about racism. But maybe some of you guys have read
11 about it somewhere.

12 You see, it is a privilege to be dismissive about
13 institutional racism. It's a privilege because it means you
14 don't see it. No, you see it. It just means you don't feel
15 it. That's why it's a privilege, because you don't feel it.

16 And so the thought hasn't left me, the same way we
17 deal with houselessness and homelessness is the same way we
18 deal with everything else. We respond to crime. We respond to
19 homelessness. But we are not willing to abolish and dismantle
20 the systems that cause it.

21 We respond to it, but we're not willing to go
22 upstream and say who's putting Moses in the water and Pharaoh's
23 daughter has to fish him out of the river. We're not asking
24 that question. We only want to keep fishing, find creative
25 ways to fish Moses out of the water. We don't want to go

1 upstream to stop Pharaoh from putting Moses in the water to
2 begin with because if we do that, that means we're going to
3 have to deal with the institution. And some of us are so -- we
4 love the institution so much, we can't imagine anything outside
5 of it.

6 You're not going to deal with houselessness with
7 enforcement. The only way we're going to deal with
8 houselessness, we need an immediate and a long-term solution.
9 Because when I drive around L.A., we don't have a housing
10 shortage, we have an institution of racism problem. Because if
11 I go to South Park and I got 3 grand, I guarantee you I can get
12 a loft.

13 That's it.

14 THE COURT: Pastor Cue, thank you.

15 There was an article written recently, Pastor Cue,
16 the community and the advocates and the parties in the
17 *Los Angeles Times*. And I had hoped that Mark Ridley-Thomas
18 would be here today as head of the homeless and poverty
19 committee. It's a fascinating article. I haven't been able to
20 delve in behind that article as I was able to delve in when we
21 wrote this opinion.

22 By the way, ask my law clerks how late they were up
23 because they didn't literally sleep for --

24 THE LAW CLERK: Days, days.

25 THE COURT: They went all night. Trust me, we read

1 every exhibit each one of you submitted to us, the three law
2 clerks, two externs. And they didn't sleep.

3 It's a fascinating article about PPP. It's a
4 fascinating article about the -- and I don't know if Doug wrote
5 it or Ben, I'm not sure. I've got my notes right here, and I
6 don't want to be discourteous and turn my back and get the
7 notes. But I -- it's about the ratio of PPP loans, two to four
8 to one.

9 PASTOR CUE: Uh-huh.

10 THE COURT: And white business establishments and
11 the criteria that if you're a minority, usually having a sole
12 business, you couldn't apply because you didn't have X number
13 of employees.

14 PASTOR CUE: That's right.

15 THE COURT: So that came out after my opinion that
16 I'd hoped to discuss with Mark Ridley-Thomas or Mr. Feuer -- or
17 Mr. Feuer or the Mayor or anybody else that chose to be here
18 today.

19 Going forward, what does that look like? I mean,
20 can Wells Fargo take that position? I didn't say Wells Fargo,
21 did I? But I did. Wells Fargo. Because when you read that,
22 it's a continuation and it talks about the same issues that
23 seem to be historic.

24 I'll leave that on the table. And I don't want to
25 read from my notes, but I commend it to you. And I'm going to

1 look behind that and see what their data is at some point
2 because it's compelling that it's happening right now.

3 PASTOR CUE: And, Judge, if I may, we are addicted
4 as a society to the negative outcomes of our system because we
5 keep doing these counts every year, we keep looking at all
6 these inequities, oh, brown folks are dying at a
7 disproportionate, alarming rate. And we're addicted because we
8 never do anything to mitigate those issues.

9 THE COURT: I want to thank you.

10 And Ron Galperin -- I saw Ron walk in, I believe,
11 and --

12 SPECIAL MASTER MARTINEZ: Yes, he's to the right.

13 THE COURT: Thank you for joining us. It's a
14 pleasure to have you.

15 I've been reading and I'm going to refer you,
16 instead of asking you to make a statement, to two documents
17 you've already published. You'll have them memorized. And if
18 you don't, I'll put them up on the board for you.

19 I certainly don't know where this journey goes from
20 this point forward. But a large part of this will lie in the
21 elected officials' hands eventually because a true settlement
22 is the agreement that will bring the County and the City in
23 perpetuities to something meaningful along with the parties.

24 You've got a 2019 report that you made as Controller
25 called "The High Cost of Homeless Housing, Review of

1 Proposition HHH," 2019. It's fascinating. And another report
2 that you put out, "Meeting the Moment: An Action Plan to
3 Advance Proposition HHH," 2020, City of Los Angeles, Controller
4 Ron Galperin.

5 And I heard a fascinating proposal today earlier by
6 Councilman Abascal about a one-to-one ratio, et cetera. He's
7 going to submit that to the Court and to Judge Birotte and to
8 the Special Master, which I'm fascinated. I take no position
9 on that because that's a negotiating portion for the parties,
10 but it's fascinating. And it's good to see the community
11 getting involved.

12 I want to turn to 19. And up there, it talks about
13 what we already know, about a \$1.2 billion amount and 10,000
14 supportive housing units. And at the time, I noted that there
15 were 114 projects across Los Angeles to provide at that time
16 5,873 supportive units for homeless residents and another 1,767
17 for affordable units.

18 And 19 of those projects were under construction and
19 two were scheduled when you wrote the report to open in the
20 coming months. And it was clear that the City's HHH program is
21 not keeping pace with the growing demand for supportive housing
22 and shelter. According to the greater Los Angeles homeless
23 count at that time, the City has increased by 40 percent to
24 more than 36,000 people.

25 There's currently lack of clarity, you stated,

1 surrounding the City's goal for the number of supportive
2 housing units to be built using HHH funds. And we already
3 received letters from the union president saying that there was
4 a lot of concern on the union's part about bidding, et cetera.
5 That's unrelated to your report.

6 And the high costs and slower-than-expected
7 predevelopment construction timelines have significantly
8 hindered the City's ability to achieve the ballot measure's
9 intentions.

10 And then you went through some statistics.
11 \$350,000, to remind you, for a small studio or one-bedroom unit
12 and 414,000 for a larger unit as projected in 2016, a median
13 cost of about 531,000 per unit today. More than 1,000 HHH
14 units are projected to exceed 600,000 with one project topping
15 700,000.

16 What was fascinating to me besides this was when we
17 turned to the second page -- so if you go to page 20. And I
18 want to tell you that I don't want to have her have this on
19 record but judges make mistakes. And I formed a -- an opinion
20 before I was talking to the union president.

21 SPECIAL MASTER MARTINEZ: Ron Miller.

22 THE COURT: Ron Miller and others.

23 SPECIAL MASTER MARTINEZ: And Robbie Hunter.

24 THE COURT: And Robbie Hunter, yeah. I had come to
25 believe that the high cost in housing was the land. And so

1 what I had done as part of the remedy section is you'd have to
2 be foolish to see if the Court wasn't exploring commandeering
3 city property.

4 And I had reached out at that time and written a
5 section saying, you know, lay out all the city property you
6 have. And I didn't know how far that would go, whether the
7 parties were going to control this, if I had to think about a
8 receivership, where this was going. I didn't know where the
9 journey would take me, but I know I'd drawn a line in terms of
10 a death rate now.

11 It was fascinating reading this. The cost of
12 building many of these units exceeds the median sale price of a
13 market rate condominium in the city of Los Angeles and a
14 single-family home in Los Angeles County.

15 So Question 1 -- and don't answer it -- why don't we
16 just buy -- I'm not joking. If this is market rate and we can
17 turn people in to housing immediately and we can get the
18 funding out of the Biden Administration, why aren't we just
19 buying instead of developing and getting people off more
20 quickly? That's Question 1. And I'm not being facetious about
21 that.

22 And No. 2, this is what I didn't understand. And I
23 humbly say this to you and thank you. An unusually high 35 to
24 40 percent of costs are so-called soft costs, development fees,
25 consultants, financing compared to just 11 percent for actual

1 land costs.

2 Ron, I have it backwards. I would have told you six
3 months ago that I initially had the impression that 40 percent
4 were land costs. And I knew that there was a bureaucratic
5 factor in there. I didn't know how much. And I knew there was
6 a development take, if you will, some kind of profit.

7 Is that correct, 40 percent in these development
8 fees?

9 CONTROLLER GALPERIN: It's not every single project
10 has that kind of high soft cost.

11 THE COURT: Okay.

12 CONTROLLER GALPERIN: You've identified projects
13 that do. And you have to look at the reasons why this occurs.
14 The City of Los Angeles provides part of the financing for
15 these projects, but they also very much depend also on private
16 financing. They may have money that comes from state funds or
17 from tax credits that are put into the deal.

18 And the more different factors that you have and the
19 more levels of approval that you need, the longer that it
20 takes. And I've spoken to many of these developers who report
21 that it can take -- and we know that it can take three to six
22 years to get something done. The carrying costs on three to
23 six years in terms of interest, in terms of everything else can
24 be crushing and can kill a deal, truth be told.

25 THE COURT: And I'm going to turn in a moment to the

1 next year's report because you actually state that in your next
2 audit.

3 We were told and we don't know by --

4 Who's the state president? Hunter?

5 SPECIAL MASTER MARTINEZ: Robbie Hunter.

6 THE COURT: Robbie Hunter.

7 SPECIAL MASTER MARTINEZ: From the Building Trades.

8 THE COURT: From Building Trades.

9 SPECIAL MASTER MARTINEZ: State.

10 THE COURT: State.

11 You know, Judge, if we could get union folks back to
12 work, if we could put 600 shovels in the ground, if we could
13 undertake, you know, a real Renaissance in building, our costs
14 are about 15 to 20 percent. That's our wage. But we on the
15 union side get blamed for these, you know, exorbitant costs.

16 I was stunned when I read this because I saw it was
17 Michele Martinez when she was the Vice Mayor of Santa Ana do
18 something that I had never seen before or since, and that was
19 she gathered all that bureaucracy in Santa Ana and literally
20 put them in the complex courtroom next door to mine and it was
21 a bloodbath. I walked out because there was a lot of tough
22 talk.

23 But one of the things that they decided was this,
24 that they would take the permit issuer and have them sit at a
25 chair at the building site. And so what happened when they had

1 a problem, they walked up and said, "Hi, permit issuer, here's
2 what we'd like you to sign off. I know you've done this wrong.
3 Go back and correct it." And they went over there and
4 corrected it and came back.

5 And one of the things that occurred was that there
6 was a speed in implementation to that that stopped that
7 paperwork going into an office where it disappeared for three
8 days or three months or three years and that product just
9 moved.

10 When you said development fees, I understand that.
11 Consultants, I understand that. Financing, I think I
12 understand. What lowers that cost figure? What lowers that
13 percentage?

14 CONTROLLER GALPERIN: Well, I think that we really
15 need, first of all, to bring together not just city officials
16 but also those from the state that are very much involved in
17 this process. That's the first.

18 The second -- and I don't know whether the Court has
19 had an opportunity to speak with some of the developers who
20 were actually doing this project, these projects, and I have on
21 numerous occasions. And they also can provide often a laundry
22 list of the ways in which the process has been slowed down and,
23 in fact, stymied.

24 And we've been talking about this for many, many
25 years in the City of Los Angeles, both in terms of planning, in

1 terms of building and safety, in terms of the financing that is
2 involved from other sources.

3 But bringing all these parties together, I think,
4 could be a very productive endeavor if done in the right way.
5 Moreover, I think talking to some of the -- some of these
6 developers -- mind you, some of them are making some very good
7 money doing this, but they also have their own frustrations
8 about the length of the process.

9 THE COURT: We're going to turn to the 2020 report
10 for just a moment. We're actually going to put it up, at least
11 the first two pages.

12 And on page -- or No. 22 -- this is going to take
13 some higher math. Okay? You'll see there are 5,522 supportive
14 units and now 1,557. So watch.

15 If you would go back, ask my wonderful clerks, to
16 Slide No. 19. And if we could take the figure you tossed out
17 to us, you had 5,873 supportive units in 2019, but we've
18 decreased to 5,522 units. And that's 351 units. That's a lot
19 of units in a year. And when I take my affordable housing, we
20 come out with well over 500 units between affordable and
21 supportive that have just gone down from our original 10,000.
22 What's happening? Because we went from 10,000 down to 7,000
23 down to -- we keep moving down.

24 And what I'm afraid of is this, Ron. You go to
25 Home Depot at all?

1 CONTROLLER GALPERIN: I love going there.

2 THE COURT: Yeah. Cost of plywood, two-and-a-half
3 times to three times right now. Building is up. And so when
4 I'm looking at these figures today, I'm terrified that as we
5 try to get housing out there, that I'm going to see a decrease
6 in these numbers next year and even the next year and so what's
7 being presented today in good faith to me by the City and the
8 County is going to turn out to be fiction. And I'm concerned
9 that we all wake up ten years from now -- and Proposition HHH,
10 which is a great program if we can do it, and we're not going
11 to be anywhere near the 5,000-some-odd-hundred that we have
12 today because we're already plummeting downward.

13 Help me. Am I wrong? Will the cost of the building
14 materials not affect our future?

15 CONTROLLER GALPERIN: Absolutely. Look, I'm not an
16 economist, nor am I a construction expert. But I think we all
17 know that costs increase. Time is not necessarily on our side.
18 And certainly, the cost of construction materials, we know, has
19 increased significantly. The cost of land has increased
20 significantly in Los Angeles just even over the last year, even
21 amidst the COVID crisis that we have. So the longer that it
22 takes to do, the more expensive it becomes.

23 THE COURT: Okay.

24 CONTROLLER GALPERIN: And a concern of mine, which
25 was laid out in these audits and which still remains to be the

1 case, is that HHH provided us for up to \$1.2 billion in bonding
2 capacity. We've only issued at this point \$362 million of
3 those bonds. We haven't spent all of that yet. And there is,
4 as part of the Mayor's budget, a plan to, in fact, issue more
5 bonds and spend more of that money. That's a good thing. But
6 we have to find ways, I believe, to speed this process up.

7 THE COURT: Okay. The next page -- oh, I'm sorry.
8 The bottom of page -- I'm going to say 22.

9 And then, Ellie and Alexa, we're going to flip to
10 23.

11 "COVID-19's impact on these already lengthy
12 timelines is not clear but will certainly extend them. And it
13 is possible that some projects in the pipeline today may never
14 come to fruition." It's that last portion I'm interested in.
15 Help me with what you were stating there.

16 CONTROLLER GALPERIN: Well, because these projects
17 depend on multiple financing sources, that can take a very long
18 time and sometimes those financing sources may not come
19 through. And if that happens, we -- we provide a -- a
20 preliminary commitment to fund a certain amount of money for
21 these projects, but that's also based on other, as it were,
22 ducks being lined up. Sometimes they are and sometimes they
23 are not.

24 And one of the things that I've really been wanting
25 tremendously to see is the -- the outliers in terms of time and

1 also a realistic assessment of are there some that may be
2 having problems in terms of ever coming to fruition and is
3 there an opportunity to perhaps look at repurposing some of
4 that money.

5 I'm not suggesting that we pull the rug out from
6 under projects that are, in fact, underway, even ones that may
7 be cost outliers. But we do need to look realistically at
8 whether there's some projects that are just having a little bit
9 too much difficulty coming to fruition.

10 THE COURT: When I requested an audit -- I'm sorry,
11 ordered an audit, I'm not particularly interested in a
12 placement audit. I was particularly interested in what we were
13 seeing before you got here and the possibility that
14 documentation wasn't being submitted and not through the City,
15 through the County with Measure H that would document what the
16 provider was doing. That didn't mean skulduggery. It just
17 meant you need documentation, you need to show us a date, you
18 need to show us what you're doing and that way we can see what
19 you're doing and what the milestone should be, et cetera.

20 But there are two things that occurred. And one is
21 that, in my opinion, I stayed away from the Huizar matter
22 because I didn't like the idea of Judge Walter presiding on
23 Huizar and Judge Carter writing on the opinions, so I just
24 alluded to it someplace in the opinion.

25 But I was really concerned about two incidences that

1 I think you called to our attention and one was what I call a
2 buyback. One was for \$6 million and then it turned around and
3 the person with HHH purchased it for 12 and then 8 and 8, I
4 think. And you can find at your convenience that portion in
5 our opinion.

6 I don't want to undertake, you know, a goose chase
7 over \$14 million. But by the same token, if we've got a
8 problem, then I need a forensic audit. And I trust you
9 immensely, but I need to find out if this is more than just
10 these two incidences that were picked up in the press and that
11 we looked at.

12 Do you have any thoughts or comments about that?
13 Because I can limit these audits. I'm pretty flexible about
14 that. I know one thing, I am concerned about Measure H and I'm
15 somewhat not concerned about your position in terms of
16 placement. I'm concerned about the forensics out there with
17 HHH.

18 And I don't want to kill the golden goose. In other
19 words, I want to complete that, I want to see those projects go
20 through, and I want the solidarity of your investors to have --
21 so I drew back on that. I stayed that portion of my opinion to
22 make certain.

23 But you can also see, I'm also thinking if this
24 keeps spinning up, am I going to be in the position eventually
25 of seriously looking at a receivership? Am I going to have to

1 be in the position eventually of looking at city land or
2 hotels?

3 And I thought Mr. Barham was going to be here
4 because I wanted, once again, to hear how much the City has
5 contributed to the hotels in terms of tax opportunities and
6 breaks and whether that shouldn't, in fact, be retrieved -- and
7 it shouldn't have been retrieved, quite frankly, during
8 COVID-19.

9 So I don't know if everybody needs to stay at the
10 Ritz-Carlton. And I did get a little concerned about, you
11 know, what's the fair value of that, if the Ritz-Carlton came
12 back and said, well, it's \$485 per night. But everything's on
13 the table for me. I mean everything.

14 So let's talk about land for a moment. I got the
15 silliest response from the City a federal judge could ever ask
16 for last summer about, golly gosh, Judge, we just don't have
17 any land. And I can read it to you, but it's embarrassing.

18 But Ms. Sobel jumped up and said, you know, we've
19 got 15- to 17,000 pieces of property, you know, city-owned.
20 And when you first hear that drama, that sounds like an awful
21 lot, Ron.

22 At the same time, I'm being confronted with the
23 promise from Caltrans that we have 300 pieces of property that
24 the City is going to get -- you know, here we are, City -- and
25 then they have to explain to me that we're down to 21 and then

1 down to 18 and down to three and down to none. So you could
2 think what I'm thinking. I can't spell the word, but you'll
3 get it.

4 So I'm watching this -- this go on with these
5 promises of 300 pieces of property and Caltrans is in here with
6 the drama of explaining how they're entering into leases. And
7 it turns out to be nothing, zero. I need your help.

8 First of all, I would think that if the City and the
9 County are going to enter into these good faith negotiations
10 that they think -- that they're telling us about, then we will
11 want geographical dispersion. We wouldn't want to download
12 into Skid Row, nor would we want to disperse. We'd want to
13 build it up.

14 Number two, we had a whole struggle over Los Angeles
15 Street which gave everybody a heart attack apparently because
16 we might put with equality something up on Los Angeles Street
17 instead of Skid Row for a change, a particular piece of
18 property. Folks pushed back on it.

19 Do I have some geographical dispersity? Because I
20 was told you had 81, approximately, pieces of property that you
21 were looking at. So help me. I don't need the exact locations
22 right now, I trust you.

23 CONTROLLER GALPERIN: Well, let me address a number
24 of things that you just brought up, if I may.

25 First of all, you began by discussing a particular

1 example of a property and some transactions that had happened
2 in connection thereto. And I don't believe that that is
3 necessarily indicative of other transactions that have happened
4 regarding these properties, but certainly we can look further
5 into this.

6 Now, mind you, we have auditors and the best
7 anywhere, I might add, but we also have limiting -- limited
8 auditing resources, not a lot of people who can actually do
9 this. So we have to choose what it is that we're going to
10 invest our time in. And right now, we're investing a lot of
11 that time specifically in terms of identifying potential
12 properties.

13 I will come back to that in one second.

14 You also mentioned the issue of hotels. And I had
15 actually issued a report specifically on this issue and about
16 close to \$1 billion in various, dare I say, tax breaks -- it
17 depends on how you actually characterize it -- that were given
18 to some of the largest hotel projects.

19 The argument is that they needed these projects in
20 order to be feasible. And there is other consultants that are
21 hired to come up with a feasibility gap. And if there's a
22 feasibility gap and they make that case, then the City helped
23 to fill that feasibility gap.

24 But I do think that for some of those projects,
25 there is nothing wrong. And it's, in fact, appropriate to look

1 at whether there may be some opportunities to say are there
2 ways to give back, especially in this time where we face the, I
3 believe, existentialist crisis of Los Angeles, which is what
4 we're here for, which is the crisis of homelessness on our
5 streets.

6 As to land, this has, of course, always been a great
7 interest of mine. And even before becoming Controller, I -- I
8 was a real estate attorney, among other things. And so this
9 was of great interest.

10 And it was shocking to me years ago that there was
11 no list of all the properties the City owned. And so we sought
12 to put it together from a variety of different sources. We
13 came up with the property panel, as you know, which identifies
14 properties owned by a number of different jurisdictions,
15 including the City of L.A., about 7700. Although, at our
16 latest count, it's actually perhaps closer to 8100.

17 Now, having said that, let's be honest about what
18 many of these properties are. Some of them are medians, some
19 of them are inaccessible hillside properties, some of them are
20 municipal buildings, are parks, and some of them are other
21 kinds of facilities the City uses that are not at all
22 appropriate for -- for the kinds of uses that we are discussing
23 here.

24 But I have long believed that there are a variety of
25 them that could be used for perhaps interim or more permanent

1 purposes when it comes to housing or -- or some other use that
2 can be helpful with this crisis.

3 Let me just briefly tell you the sources which we
4 are trying to gather information from right now as we seek to
5 take all those large number of properties and actually make
6 sense of them.

7 We have our own property panel, as I mentioned, but
8 there are many different sources of this information. And
9 putting them all together is no small task, including GSD,
10 which is our General Services Department, the CAO's office, the
11 AssetWorks system of the City. We're consulting with brokerage
12 firms, uh, with, um, our emergency management department, with
13 rec and parks, council offices, the Mayor's office, looking at
14 prior reports, and also some work that was done by the Mayor's
15 Bloomberg team a number of years ago.

16 And what I've also found is that there are many
17 cooks that have been in this kitchen at various times. Among
18 them, looking at some of the entities that have had a role in
19 this -- again, the CAO, the Housing + Community Investment
20 Department, there's a Property Working Group, an asset
21 management team, an Integrated Asset Services division, a
22 Roadmap Working Group, the AssetWorks database. And I'm not
23 even sure that that is the full list.

24 But what we're trying to do is to actually gather
25 information from all these disparate sources, all of which are

1 well-intentioned and have worked on these issues at various
2 times. But I think that there is a real opportunity to look at
3 this.

4 And then the third component is the vetting process.
5 And we're not really in my office equipped to do that
6 comprehensive vetting. But some of the issues, of course, that
7 are going to have to be looked at when it comes to properties
8 are what are the current and contemplated uses. There are also
9 restrictions of ADA, fire department, pollution, the FAA, the
10 Coastal Commission, power lines, access to water and power,
11 proximity to services and transportation. Some of these
12 properties are owned by proprietary departments that we don't
13 necessarily have a right to use, even though they are part of
14 the City of Los Angeles.

15 So we're trying to take all of those things into
16 account so that we can come up with a somewhat, hopefully,
17 intelligent list of properties that are the best targets for
18 looking into for the uses that are the exact ones that you are
19 contemplating.

20 THE COURT: I'm going to pause for a moment because
21 I haven't asked the City, while these witnesses are here, if
22 you'd like to present any evidence concerning structural racism
23 or the lack thereof. In other words, I've spoken to the County
24 about this. Now I'm speaking to the City.

25 MR. MARCUS: Thank you, Your Honor. Scott Marcus

1 for the City.

2 No, the City does not intend to present any
3 evidence. The City did not request a hearing -- contrary to
4 how it was described in the amended stay order, the City did
5 not request a hearing on the findings. The City pointed out
6 the lack of opportunity to discuss the evidence or the law upon
7 which the Court based its order was one of the flaws of the
8 order, and that's one of the bases for the appeal.

9 THE COURT: Do you have any questions, by the City
10 or the County, of the Controller? Or the advocates. And I
11 apologize.

12 MR. MILLER: No questions for the County,
13 Your Honor.

14 THE COURT: Shayla Myers, Brooke, any questions of
15 the Controller?

16 MS. WEITZMAN: No, Your Honor.

17 THE COURT: Because it's like *The Rocky Horror*
18 *Picture Show*. We started to hear a year and three months ago
19 with the statement there were 15,000 pieces of property, and we
20 started with the 300 Caltrans properties at that time.

21 And, L.A. Alliance, do you have any questions?

22 MS. MITCHELL: Excuse me, Your Honor?

23 THE COURT: Do you have any questions of the
24 Controller?

25 MS. MITCHELL: No.

1 THE COURT: Do any of you have any questions of any
2 other witnesses that have appeared here today? Manny Abascal,
3 I see you're still here. General Jeff's here. Pastor Cue is
4 here. I think everybody's still here.

5 MR. UMHOFFER: No. No.

6 THE COURT: Okay. I think the last thing that --
7 well, amongst many things that struck me about your report is
8 I'm wondering how far I need to go outside the system in
9 ordering an audit. And I'm not too certain I need to go very
10 far outside the system in dealing with you.

11 In other words, you may have that capability of
12 undertaking a forensic audit, just -- just for transparency, to
13 make sure that HHH is moving along and that we don't have any
14 future concerns.

15 CONTROLLER GALPERIN: Let me add, by the way, that
16 we are doing annual audits of HHH because those are actually
17 provided for and required by the language of the measure.

18 THE COURT: I saw that. I wasn't certain, though,
19 if those were placement audits. And I believe that they were
20 placement audits at the time and not forensic audits.

21 SPECIAL MASTER MARTINEZ: Program audits.

22 THE COURT: I mean program, I'm sorry. Placement --
23 I'm sorry. Program audits. My apologies.

24 CONTROLLER GALPERIN: Well, they are somewhat of a
25 hybrid between a financial audit and a performance audit, as we

1 might call it.

2 And again, there's limitations to the amount of
3 resources that we have to look in-depth at each and every
4 single property. But we've tried to do our best to look at
5 both the finances and what the results may be.

6 THE COURT: Okay. Let's wait to see what happens
7 with the administrative stay or if the parties reach a
8 settlement in this matter in the interim period of time. But
9 we'll get back with you to discuss that thoughtfully and how we
10 save resources and get the best information.

11 I don't have anything further.

12 Judge, do you?

13 THE HONORABLE JUDGE BIROTTE: No.

14 THE COURT: Do you?

15 SPECIAL MASTER MARTINEZ: No.

16 THE COURT: I want to thank you very much.

17 CONTROLLER GALPERIN: My thanks to the Court as
18 well. Thank you.

19 THE COURT: Thank you.

20 Oh. And one last thing before you go. Yes, I did
21 have one more, just one more little underline that I had
22 forgotten.

23 It's in the 2020 -- it would be on page 23. The
24 last thing I noticed was -- well, we went from 10.8 percent --
25 and it's going to be in the third full paragraph. We went from

1 10.8 percent in our 2019 audit to units costing more than
2 \$600,000 to 28. -- I think I'm doing that by memory --
3 28.5 percent. It tripled in terms of our units costing 600,000
4 or more in one year.

5 What happened?

6 CONTROLLER GALPERIN: Well, of course, costs only
7 increased with everything, as we know. And there are, of
8 course, concerns about inflationary pressures right now,
9 particularly on building materials. And we're already seeing
10 that manifest. But this is why I have been undertaking these
11 audits and doing so on an annual basis so that everybody can
12 see what these numbers are.

13 I do think that we could accomplish a great deal
14 with much better coordination between the City and other
15 government and other entities that are a part of the financing
16 and approval process. I think that we could accomplish things
17 by yet further seeking to streamline approval processes within
18 the City of Los Angeles.

19 And I think we also have to examine what it is that
20 we are building, the paradigm. There are many different
21 paradigms in terms of what gets created and in terms of what
22 kind of spaces they have and square footage and so much more,
23 what are some ways that we can examine the paradigms that we've
24 created and are there ways to do it more cost effectively and
25 more -- more expeditiously.

1 You asked the question, actually, very early on
2 about simply buying properties and why not just do that. And
3 the reality is, as we know, the real estate market is pretty
4 hot in Los Angeles right now. There's not a huge amount that
5 is available. Moreover, there's certainly not much that's
6 available that is vacant that we would then be able to house
7 people who are not already housed, which is why there is an
8 important imperative to create more units.

9 But we also have to look at how we in the interim
10 can find imperfect solutions, dare I say, to at least save
11 lives and to help get people off the street and into whatever
12 may be the next stage to hopefully improve the current state of
13 affairs.

14 THE COURT: I'm always curious when -- what the
15 square footage is and the dollar cost. So I look at Zillow.
16 And I see a house on the market, it's X dollars per square
17 foot. When I look at Skid Row in particular and especially the
18 timeline I've got concerning this rain, I don't assume there
19 are a lot of three-bedroom homes down there that I've seen. I
20 haven't seen any.

21 What in particular with Skid Row gets people into
22 shelter or housing or housing and shelter down there on this
23 timeline that I've set? In other words, give me some advice.
24 What do I do if I'm not willing to countenance or be complicit
25 any longer in this -- these conditions?

1 CONTROLLER GALPERIN: Well, I believe that you and
2 this Court have previously listed a number of different options
3 and options that have been discussed among various people
4 within our city and within our county. Because let's be
5 honest, we don't have all of the permanent supportive housing
6 units today that are actually needed. And they're going to
7 take quite a bit of time in order to create.

8 And even if all the HHH units are finished tomorrow,
9 which we know is not happening, that still is not going to be
10 enough; although, it certainly makes a dent and changes lives
11 in very meaningful ways.

12 I think we have to better understand, first of all,
13 what do we mean by "permanent" and what do we mean by
14 "supportive." Different people need a different sense of
15 permanency. Different people need different levels of
16 supportive services. And the first priority, it seems to me,
17 is: How do you get people from our sidewalks into something
18 better?

19 I know there's been a lot of discussion and I happen
20 to be very supportive of this, for safe tenting and safe
21 parking areas, for areas of trailers, for shed housing, for
22 other kinds of ways in which we can help to transition people
23 off the streets more quickly.

24 I'll be the first one to say that I think we know
25 there are multiple problems related thereto and multiple

1 difficulties. But when I see what is happening in terms of the
2 tragedy that has unfolded on our streets and the number of
3 people who are dying and who are getting worse and worse on a
4 daily basis, I think that even some of these more temporary
5 solutions can be an improvement, especially when really coupled
6 with services, when coupled with showers, when coupled with
7 bathrooms, laundry services, all of those things.

8 I mean, I think about myself. If I had to go even
9 just a couple of days, any of us in this room, a couple of days
10 without the opportunity to just take a basic shower or to be
11 able to launder one's clothes, what would that do for our
12 mental state. It would be devastating. And there are people
13 who have been dealing with this for years.

14 So I think there are some really humane and
15 expeditious ways that we can at least make things better.

16 THE COURT: Let me take Skid Row for a moment
17 because when I walk around, I see lots of buildings. In fact,
18 a lot of vacant buildings, frankly.

19 I want to pick on John Lee's district again or -- a
20 lot more land out in the Valley, what appears to be. Skid Row,
21 if you had something interim, how do you turn that into
22 something permanent?

23 In other words, what I saw with the tiny homes was
24 almost a joke. It was starting with, oh, here's a tiny home
25 and \$140,000. Well, what the City did is they tacked in all of

1 the long-term costs and built up the cost of the tiny home to
2 \$140,000. Now it's 70,000 or working south very quickly.

3 But in a sense, I liked the concept because if you
4 got an interim structure in and you did get the plumbing and
5 electrical in and you could take that same site and then
6 convert it, you know, into 3-D homes or whatever, that's the
7 best of all -- both worlds because we're not duplicating that
8 infrastructure.

9 But I'm feeling like Skid Row, when I'm treating it
10 almost like its own city in my remedy section, that I've got an
11 entirely different problem. And there, it is building up where
12 I call it almost condos in a sense within buildings. And I
13 don't know what the cost of a square foot is, I don't know if I
14 care if the money is there from the Government.

15 Help me with that. How do we invigorate, let's say,
16 enhance Skid Row without scattering folks?

17 CONTROLLER GALPERIN: Well, I'm not an expert on
18 development, nor will I claim to be an expert on what's
19 happening in Skid Row. And, of course, there's a long history
20 of what has transpired in what we call Skid Row which, of
21 course, has really grown over the course of the last couple of
22 years.

23 But certainly, as you correctly state, there is not
24 a lot of land there. There's not a lot of parking lots there.
25 There's not a lot of empty space. It's about how it is that we

1 can take what might be there and hopefully repurpose it in some
2 fashion and in a way that will be saving lives.

3 And that's looking not just at properties that are
4 owned by any particular government entity; although, that's a
5 very important component of it. But there's also plenty of
6 properties that are owned by the private sector. And are there
7 ways that we can make it desirable for them to do something?

8 There are many property owners down there also that
9 are very concerned about what has occurred. Their own property
10 values have been impacted. They're having trouble getting
11 tenants in many cases. So perhaps they may be more amenable
12 today than they might have been in a year or two years past in
13 terms of what -- what might go into a property that they might
14 own.

15 THE COURT: I promise, last question.

16 I watched in various parts of the city the influx of
17 trailers that came in in so many different locations that we
18 visited, hundreds of trailers, initially marshalled out in the
19 Valley and different places. And then they went in for
20 COVID-19. And a lot of infrastructure went in there, but it
21 went in inexpensively.

22 I was surprised at the cost of getting the
23 electrical and sewage in, compared to what I was seeing with
24 even these interim tiny homes. They were so much more
25 expensive.

1 And the second thing is I was wondering why, once we
2 had them in this location for COVID-19, we were tearing all of
3 that down, putting trailers up on a hill and not just leaving
4 those trailers as they were out in the Valley at different
5 locations for the homeless.

6 Were you part of that decision-making process, or do
7 you -- can you enlighten me on this?

8 CONTROLLER GALPERIN: That's not a decision-making
9 process that I was part of. And there's certainly a number of
10 locations where that has occurred. I don't know how
11 appropriate those are or aren't for transitioning into
12 something else.

13 THE COURT: Just a moment. They were good enough
14 for COVID --

15 CONTROLLER GALPERIN: There were a lot of
16 trailers --

17 THE COURT: Hold on. They were good enough for
18 COVID-19 and they went up really quick. And I saw the sewage
19 and I saw the lights and it looked terrific. And then it got
20 torn down. And I'm thinking, well, why not homeless?

21 CONTROLLER GALPERIN: Well, that's something
22 certainly that we have not had the opportunity to look at in my
23 office.

24 THE COURT: Okay. So you're not part of that
25 process.

1 CONTROLLER GALPERIN: We have not been part of that
2 process; although, I think it's certainly worth looking into.

3 THE COURT: Okay. I want to thank you very much for
4 your appearance today. Very much appreciate it.

5 CONTROLLER GALPERIN: Thank you so very much,
6 Your Honor.

7 THE COURT: Now, Counsel, any other questions?
8 Questions?

9 MR. MILLER: No.

10 THE COURT: Questions?

11 MR. UMHOFFER: No.

12 THE COURT: Questions? Okay.

13 CONTROLLER GALPERIN: Thank you.

14 THE COURT: Well, give us one minute, then.

15 (Pause in the proceedings.)

16 THE COURT: Ellie, Alexa -- I'm checking with my
17 esteemed law clerks to make certain I'm done.

18 Let me turn to L.A. Alliance. Questions or anything
19 you'd like to say, address the Court, any concerns? This is
20 your opportunity. And then I'll turn to each of the parties.

21 MR. UMHOFFER: Nothing further from the plaintiffs,
22 Your Honor.

23 THE COURT: Let me turn to the City. Marcus, on
24 your behalf.

25 MR. MARCUS: Nothing further from the City,

1 Your Honor.

2 THE COURT: Skip, on your behalf, the County.

3 MR. MILLER: Your Honor, I think my partner,
4 Ms. Hashmall, wants to just clarify one point.

5 MS. HASHMALL: Good afternoon, Your Honor.

6 THE COURT: Good afternoon.

7 MS. HASHMALL: Mira Hashmall for the County.

8 I just wanted to sort of make sure that I was --
9 clarified a conversation we were having earlier about the
10 audits and your injunction order.

11 THE COURT: We'll discuss that with my Special
12 Master. She's had a number of conversations. They've been
13 just satisfactory so far. Why don't we have that private
14 conversation. Thank you.

15 MS. HASHMALL: Okay. Thank you, Your Honor.

16 THE COURT: Let me turn to Shayla Myers or Brooke or
17 Carol or all three.

18 MS. MYERS: Your Honor, I just want to say just one
19 thing because I think there's been a fair amount of
20 conversation today, first of all, about structural racism and,
21 second of all, about a settlement agreement.

22 And we just want to be very, very clear. We talk
23 about where this case came from and where this case is going;
24 that we are not, if this case continues down this path, in any
25 way addressing the structural racism that Your Honor

1 identified, that Pastor Cue spoke incredibly eloquently about
2 today in this courtroom.

3 This case -- and we have to be clear about Skid Row
4 and the history of Skid Row. We have to be clear about what
5 containment policies have meant in the city of Los Angeles.
6 And we have to be clear of the implications of what both the
7 Court's injunction means and also what the proposals that are
8 on the table to settle this agreement mean for the people of
9 Skid Row, for the people who have been disproportionately
10 impacted by the City and County's history of structural racism
11 that continues today.

12 This case was brought last year by property owners
13 in Skid Row to address what every case in Skid Row has been
14 about, which is the visible impact of homelessness on property
15 owners in Skid Row.

16 This case is not about eliminating the wrongs of
17 structural racism. It is at its worst a demand to continue the
18 racist policies that got us here in the first place.

19 This case, when we look at it as reflected in the
20 pleadings, take issue with Skid Row and the impact on property
21 owners. This case and the plaintiffs take issue with the
22 impact of homelessness by discussing the impact on landlords
23 and property owners. It does not talk about the impacts of
24 structural racism on the people who are disproportionately
25 impacted.

1 This case is -- to the extent that Your Honor
2 addressed structural racism in its preliminary injunction, we
3 just want to be clear that structural racism and the impacts
4 of -- on Skid Row are not reflected in the plaintiffs' factual
5 allegations and that the history of Skid Row and the history of
6 the containment policy in Skid Row is the history -- is about
7 gentrification and nothing more.

8 When we talk disparagingly about a containment
9 policy that was adopted in 1976, it was to preserve the largest
10 stock of affordable housing that exists in the city of
11 Los Angeles.

12 When Your Honor listens to Skid Row Housing Trust
13 and SRO Housing, those entities exist because in 1976 the City
14 of Los Angeles agreed to preserve affordable housing in
15 Skid Row.

16 That is what the containment policy was about. It
17 was about preserving affordable housing, which is why today the
18 largest stock of affordable housing that exists in Los Angeles
19 exists in Skid Row. That is the history of Skid Row, that is
20 the history of containment, and that is what we have to talk
21 about when we are talking about Skid Row.

22 We also have to understand that when this Court
23 orders and when the plaintiffs ask for the clearing of
24 Skid Row, we are not talking about eliminating structural
25 racism. We are talking about continuing the policies that got

1 us here in the first place.

2 It should not come as a surprise to anyone, let
3 alone this Court and certainly not to the intervenors, that
4 nine days after the Court issued its preliminary injunction,
5 there was an announcement that one of the representative
6 members of the L.A. Alliance for Human Rights, Larry Rauch, is
7 the principal land owner of a \$2.4 billion property development
8 in the heart of Skid Row.

9 This case is about gentrification. It has always
10 been about gentrification.

11 I want to talk just briefly about the settlement
12 discussions.

13 The intervenors have been willing to come to the
14 table since the beginning. I believe everyone who has been in
15 the room has heard us say it as the representatives, has heard
16 our clients, the intervenors say that we are willing to come to
17 any table that is willing to discuss housing and true and
18 honest solutions to the City's affordable housing crisis.

19 But the conversations to date have never been about
20 that. The conversations in this case about settlement have
21 focused on enforcement. And when the last settlement
22 conversations broke down in September, they broke down because
23 the conversation could not move beyond enforcement.

24 This case is not about structural racism, but it
25 does not mean that a settlement agreement that looks deeply at

1 addressing these issues could not start to address some of the
2 issues that Your Honor has sought to identify. But the reality
3 is if we continue down this path, we will be re-inscribing the
4 racist policies that have for so long defined this City. We
5 will be doing nothing to address them.

6 THE COURT: Give us just one moment.

7 (Pause in the proceedings.)

8 THE COURT: We're going to conclude in just a moment
9 with our best wishes towards all of the parties.

10 SPECIAL MASTER MARTINEZ: Carol wishes to speak.

11 THE COURT: Oh, I'm sorry. My apologies. I saw
12 Shayla and -- Carol, please, I'm sorry.

13 MS. SOBEL: That's okay. I just wanted to echo --

14 THE COURT: And would you move the mic closer,
15 Carol? You don't have to stand, just so we can hear.

16 MS. SOBEL: Okay. Yes.

17 And, Your Honor, Pete White, who is the intervenor
18 from L.A. County, would also like to address the Court.

19 But let me just say quickly that it -- the proposal
20 that has been put on the floor, the proposal that has been
21 discussed by the Court, I agree fully with Shayla Myers that it
22 will just further institutional racism and structural racism.
23 But more importantly, it will use up the money that is
24 available probably once in our lifetime to create real
25 solutions about housing in this city.

1 The evidence -- and this is, you know, the Lawson
2 study. This is Ron Galperin's study. No one -- almost no one
3 moves from shelters to housing in this city because there is no
4 housing.

5 And if the Court wants to look at the recent report
6 put out by Sage about south L.A., the property being built up
7 by the corporate -- being bought up by all the corporate
8 owners. And if you look back to 2008 and the property bought
9 up by One West Bank, we don't have private property owners
10 anymore here. We have corporate owners.

11 I know that you had a long discussion earlier about
12 finding landlords. We cannot find landlords who will take
13 Section 8 housing.

14 And I know that Councilmember Cedillo has attempted
15 to and has successfully negotiated some extensions of these
16 Section 8 housing. But we knew in L.A., we knew in 2013 at
17 least -- that was the last time we filed the general plan --
18 that there were going to be close to 20,000 units of Section 8
19 housing that would expire by last year.

20 And that means that that is -- that subsidized
21 housing is no longer available. That is really critical in a
22 city where there is a ten-year waiting list for subsidized
23 housing.

24 So all of these things have to be considered. And
25 just putting people in shelters will waste money, will

1 demoralize people, will contribute to the deterioration of an
2 unhoused population, and will not reach real solutions. We
3 have this opportunity now.

4 I would just add one other thing. When Ms. Myers
5 talked about the 1976 order, in 1986, Mayor Bradley issued a
6 moratorium on the destruction of low-income units on Skid Row.
7 Despite that, there was no enforcement of that. So by the time
8 that the *Jones* case was filed, just 16 years later, we had
9 lost -- I believe it was close to half of the previous
10 affordable units on Skid Row because no one paid attention to
11 the moratorium.

12 When we -- around the time that we filed *Jones*, the
13 Cecil and the Bristol became available. They are two very
14 large tourist hotels, 1,000 units, I think, in one or the
15 other. And the County Board of Supervisors, the person who was
16 then over that district, did not want to buy them, buy either
17 one of them because homelessness was viewed as a black problem
18 in Los Angeles.

19 And that is just furthering the racism that has
20 affected this -- impacted this issue throughout Los Angeles's
21 long history. So I think that we need to think about those
22 things.

23 I'm not going to go into what happened with the
24 Metro and the gentrification and the destruction of stable
25 communities of color in this city. You can't ignore that. But

1 I'm just trying to deal with the last ten years of the City's
2 policies.

3 What Ms. Myers raises about that development project
4 is really critical because what has happened throughout this
5 city, not just Skid Row, throughout this city is the issuance
6 of permits to redevelop in once stable communities of color,
7 taking out those units. We have a huge -- you know, a lot of
8 these places were large green spaces. So there is a lot of
9 land there. And we have high-end developers coming in, they're
10 close to Metro stops now. Those are not going to the people
11 who lived in those communities for years. Those are going to
12 the upper-class white people who now think it's fashionable to
13 move into the Crenshaw District.

14 So I think that we need to -- you know, if we want a
15 real solution, we need to understand what the problem is.

16 THE COURT: I'll let Pete White come forward. And I
17 apologize. I didn't realize -- I saw you, but I didn't know if
18 you were speaking or not.

19 MR. WHITE: No apologies necessary.

20 Thank you for this opportunity. And I'm going to
21 strive for brevity here. But thank you for this opportunity to
22 address the Court, Judge Carter, Judge Birotte, and Special
23 Master Martinez.

24 I think one of the things -- I think one of the
25 problems in conversations like this is that there is an

1 assumption when we use terms like "structural racism" and
2 "racists" and "racist attitudes," that we all believe we are
3 talking about the same thing. Right?

4 So just to be clear about what we're talking about
5 when we're talking about structural racism, we're talking about
6 a system in which public policies, institutional practices,
7 cultural representations, and other norms work in various and
8 often reinforcing ways to perpetuate racial group inequity.
9 We're talking about a system. We're talking about policies and
10 cultural representations. It's not something that a few people
11 choose to do or institutions choose to practice. Instead, it's
12 been a feature of the socioeconomic and political systems in
13 which we exist.

14 And so when I hear the city and the county counsel
15 flippantly say, well, structural racism isn't in the pleadings,
16 it's all in the pleadings. It's mired, it's inextricable.

17 But we have to be careful because it has become
18 quite easy to acknowledge structural racism. We hear it every
19 day from every podium, from every hall of power, we heard it
20 this morning from county supervisors. And I think it creates a
21 problem for county counsel and city counsel when the Mayor
22 comes out and says we are responsible or we acknowledge the
23 role of structural racism.

24 However, acknowledgment without action simply adds
25 to the trauma and harm experienced by the victims. So as

1 quickly as someone sits up here and says, oh, yeah, it exists
2 and does nothing about it, it further victimizes and
3 re-entrenches the system.

4 I've sat uncomfortably in this room all day
5 listening to filibusters enshroud responses to the reality of
6 structural racism because the portraits that adorn the walls of
7 this courtroom serve as a stark reminder of how structural
8 racism has flourished and remained a feature of socioeconomic,
9 legal, and political systems.

10 Gary Blasi reminds us that the law represents the
11 voices of those in power. Everyone in this courtroom who's
12 talking about the situations and the issues and those in power
13 aren't folks who look like me. And we, we are far -- we have
14 far enough resilience to do that.

15 The remedies offered -- let me just say this. The
16 remedies offered continue to center whiteness and a nexus to
17 criminalization reinforcing said structural racism. Tool sheds
18 and parking lots, masquerading as housing and whose perimeters
19 are patrolled by the police is a carceral arrangement rooted in
20 structural racism.

21 Assertions that people are service-resistant and
22 don't want housing is as racist as the welfare queen tropes and
23 are dangled for public consumption to destroy the already
24 meager minuscule safety nets. And it's also a tenet of
25 structural racism.

1 There continues to be little conversation about
2 repair.

3 If we look to Evanston, Illinois, recently admitted
4 the role of -- here we go, Illinois recently admitted the role
5 of structural racism in housing. And as a way to begin to
6 repair the harm, they've offered \$25,000 to those black
7 families that can prove that they were -- that they once lived
8 in the communities before they were forced out.

9 So we continue to play these games and we continue
10 to run away from terms, but we need to get to repair. We need
11 to talk about what repair looks like. And it's not tent
12 villages because we're worth more than that. It's not pallet
13 sheds because we're worth more than that. It's not enforcement
14 zones -- right? -- that takes us back to segregated communities
15 and gated communities because we're worth more than that.

16 Let's get to what we're really talking about here.
17 Thank you, Your Honor.

18 THE COURT: All right. Thank you very much.

19 You wanted to respond on behalf of L.A. Alliance --

20 MS. MITCHELL: Yes. Thank you, Your Honor.

21 THE COURT: -- to Ms. Myers.

22 MS. MITCHELL: Yeah. I just wanted to clarify the
23 record because there's just been a lot about us both in the
24 media and here today about the Skid Row property owners and
25 it's just brought by Skid Row property owners. And it's,

1 frankly, not true.

2 There are property owners, there are mom-and-pop
3 shops, there are residents. We have individuals who are
4 currently living in Skid Row in wheelchairs that can't go
5 outside of their home because it's completely covered. There
6 are people that have been attacked, victims of crime. You have
7 moms who can't walk in the street with strollers.

8 I mean, we really -- the L.A. Alliance filed this
9 case and continues to represent a very broad spectrum of
10 individuals that are looking for a balanced approach, not
11 enforcement, not sweeping people off of the sidewalks but
12 increasing housing, building both interim emergency permanent
13 beds by the thousands as well as wraparound services, which is
14 where the County comes in, as well as regulation of public
15 spaces. All three of those have to work together.

16 And we want to be very clear because somehow being a
17 property owner is -- is -- you know, we're sort of portrayed as
18 these greedy individuals. But the reality is every single
19 person in this community, rich or poor, has been affected by
20 this crisis. I mean, you certainly -- people dying on the
21 street. We represent currently unhoused individuals living in
22 Skid Row who are desperate to get out of Skid Row because of
23 the devastation and the travesty that they experience on a
24 daily basis.

25 So to say that what we're trying to do is just sweep

1 people off of the risers, this is somehow perpetuating systemic
2 racism by what we are trying to do I think is nonsensical.
3 People are trying to live right now. And that is the
4 devastation that we see in Skid Row.

5 And I think, actually, I want to echo what Mr. White
6 just said, who is one of the intervenors in this case, is that
7 while structural racism was not identified by phrase in our
8 Complaint, it is implicit throughout the Complaint. And, in
9 fact, the facts of structural racism that we have heard today
10 are undisputed by the City and the County as a cause for the
11 issues identified in the Complaint.

12 So we just want to be very clear about what our
13 goals are. Certainly, we're not here to talk about
14 confidential settlement discussions. We're not permitted to do
15 that, despite the fact that *The Times* published some of it
16 without context.

17 But what is needed and what we feel that the Court
18 has found is a balance of both permanent and temporary
19 solutions, as well as regulations of public spaces that are
20 best for the entire community and saves the most lives and ends
21 this devastation that we see on the streets on a daily basis.

22 THE COURT: Let's wish you all well in this journey.

23 And once the County -- or the notice of preliminary
24 injunction the County filed, we've tried to cease all
25 discussion with all of you, going back to the, you know, more

1 traditional role where you gave us our faith and trust to talk
2 to whatever list of people you decided to. I choose not to
3 from this point forward.

4 But I would ask, if we do have permission, to speak
5 to you if it's involving settlement. In other words, if it's a
6 call that comes in, do I have permission to talk to you about
7 potential issues involving settlement if you're so inclined?
8 And if not, that's fine.

9 The second thing is, before I even take that step or
10 Judge Birotte, the reason we were having the conversation is
11 you have to generate it to us. We want to know that you're
12 really serious in terms of picking up the phone call, that this
13 just isn't a huff and puff spontaneous diatribe on your part
14 that you're playing public games with, that you aren't willing
15 to enter into a settlement conference.

16 And if you are and you generate that, we're wide
17 open, night and days, Saturdays, Sundays. You know my hours.
18 We'll talk to you until we've exhausted every possibility.
19 Because I do believe this, the Court's going to stay diligent
20 and involved. And I've drawn that line now, it is the rainy
21 season. I'm telling you that and I'm not budging on that.
22 There's too much death out there. And it's women and families
23 and eventually it's Skid Row. And that's it.

24 So take it up to the Ninth Circuit. But when you do
25 that, regardless of what the Ninth Circuit does, it's coming

1 back to my court eventually. And the question is: In what
2 form and then how long?

3 And eventually -- you control this -- the Court's
4 only involved because you couldn't reach an agreement, an
5 omnibus agreement on behalf of all the citizens -- the
6 homeless, the public. And therefore, the Court will stay
7 involved until -- or if you do, or we're heading for
8 litigation. And I wish you the best on this journey.

9 But, Judge Birotte, are you available so I have that
10 confirmation?

11 THE HONORABLE JUDGE BIROTTE: If the parties want to
12 talk, I'm available. But it has to be -- sorry. But it has to
13 be a sincere effort. I mean, I'll stay up all day or night.
14 I've done it before. But if it's just basically we're doing
15 everything we can, there's not much more to do, that's probably
16 not going to be a productive conversation.

17 THE COURT: Yeah.

18 Michele?

19 SPECIAL MASTER MARTINEZ: I concur with
20 Judge Birotte.

21 I think -- and I just want to state this for the
22 record, Judge Carter. I've been volunteering my time as a
23 Special Master for a year and five months, not because I enjoy
24 hanging out with Judge Carter and Judge Birotte. It's because
25 it's the right thing to do. As a former elected official, I

1 did all I possibly could in my hometown.

2 And the reality is this, there comes a moment in
3 time when you put humanity first. We are all humans. And so
4 when he asked if I would help, I said yes. And so I continue
5 to say yes because it's the right thing to do.

6 And I will end with this, that if the County and
7 City are not willing to move past the bickering as it pertains
8 to mainstream services and/or housing folks and it only stems
9 in conversation on criminalization, I think we're not going to
10 move past the ability to help those that I think everyone in
11 this room wishes to help.

12 And at the end of the day, whether I remain as a
13 Special Master or not, I think it's important for you all to
14 understand that the work that all of you are doing -- good,
15 bad, or indifferent -- and whatever group thinks that the
16 City's doing the right thing or the County's not doing the
17 right thing or doing the right thing, the reality is this,
18 there are people dying on the streets every single day in the
19 city of Los Angeles and in this entire region. And we have to
20 ask ourselves this question: Are we willing to do what's right
21 for the people that are unhoused or are we not?

22 Thank you, Judge.

23 THE COURT: Well, you hold the future of the city in
24 your hands. And if you don't reach an agreement that's an
25 omnibus and expand this citywide and countywide, unfortunately

1 that's a real mark of failure on all of our parts. This is if
2 not now, when; and if not us, who?

3 So I wish you the best. And Judge Birotte and
4 Michele and I stand at your beck and call.

5 Court's in recess.

6 (Pause in the proceedings.)

7 THE COURT: The Court wants to apologize to Mira --
8 the Court wants to apologize to Mira. I was just informed of
9 the following.

10 SPECIAL MASTER MARTINEZ: Yes. That Skip Miller's
11 office did contact me and said they would check with their
12 clients in regards to the audit. And so I wanted to make that
13 very clear.

14 THE COURT: So you have my public apology on the
15 record. I didn't know that.

16 MS. HASHMALL: Thank you, Your Honor.

17 (Proceedings concluded at 1:33 p.m.)
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CERTIFICATE OF OFFICIAL REPORTER

COUNTY OF LOS ANGELES)
)
STATE OF CALIFORNIA)

I, MYRA L. PONCE, FEDERAL OFFICIAL REALTIME COURT REPORTER, IN AND FOR THE UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA, DO HEREBY CERTIFY THAT PURSUANT TO SECTION 753, TITLE 28, UNITED STATES CODE THAT THE FOREGOING IS A TRUE AND CORRECT TRANSCRIPT OF THE STENOGRAPHICALLY REPORTED PROCEEDINGS HELD IN THE ABOVE-ENTITLED MATTER AND THAT THE TRANSCRIPT PAGE FORMAT IS IN CONFORMANCE WITH THE REGULATIONS OF THE JUDICIAL CONFERENCE OF THE UNITED STATES.

DATED THIS 30TH DAY OF MAY, 2021.

/S/ MYRA L. PONCE

MYRA L. PONCE, CSR NO. 11544, CRR, RDR
FEDERAL OFFICIAL COURT REPORTER