

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

CIVIL MINUTES – GENERAL

Case No. 2:20-cv-02291-DOC-KES

Date: January 2, 2025

Title: LA Alliance for Human Rights et al. v. City of Los Angeles et al.

PRESENT:

THE HONORABLE DAVID O. CARTER, JUDGE

Karlen Dubon
Courtroom Clerk

Not Present
Court Reporter

ATTORNEYS PRESENT FOR
PLAINTIFF:
None Present

ATTORNEYS PRESENT FOR
DEFENDANT:
None Present

**PROCEEDINGS (IN CHAMBERS): ORDER ON JANUARY 7, 2025
HEARING**

The hearing set in this matter on January 7, 2025, at 9 a.m. will take place in Courtroom 1 at the First Street Courthouse in Los Angeles, CA. The Parties should be prepared to address the following issues at the hearing.

City of Los Angeles Matters:

1. LA Alliance’s Motion for Settlement Agreement Compliance (Dkt. 767)
2. City Controller's Audit: The Court requests that the City Controller present a review of the recent audit conducted on the City’s permanent housing programs. The Court requests a detailed summary of findings and recommendations to post on the public access page.

The Court is specifically interested in:

- A. What factors contribute to the ineffectiveness of the permanent supportive housing program?
- B. Why does the majority of the city's permanent housing funding come from time-limited subsidies, particularly given their expiration?

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C. Are recipients of the time-limited subsidies receiving support services from the County, and if so, what are those services?

3. Audit Progress: The Court will inquire whether the City and all Parties are satisfied with the progress being made by A&M in the ongoing audit.

4. Special Master Update: The Special Master will provide an update on the ongoing dispute resolution discussions between the City and LA Alliance. The focus will be on addressing specific concerns raised by LA Alliance regarding the City's bed plan for homeless individuals, along with outlining any agreed-upon next steps.

6. City Public Access Website: The Court will discuss the need for improvements to the City's website (<https://cao.lacity.gov/Homeless/HSC/AllianceSettlement.htm>) focusing on enhancing clarity and accessibility of posted information. The Court invites public comment on this issue.

County of Los Angeles Matters:

1. Recouping Funds: The Court requests an update on efforts to recoup \$51.8 million in funds from service providers since the last hearing, per the County Controller's report. This update should detail any progress made by the County and/or LAHSA. *See* Exhibit 1 attached here.

2. County and LA Alliance Update: The Special Master will provide an update on ongoing discussions between the County and LA Alliance about resolving disputes related to the County's quarterly status reports.

3. Audit Progress: The Court will inquire whether the County and all Parties are satisfied with A&M's audit progress.

4. Update from A&M: A&M will provide an update on their progress in obtaining all final data required for the audit. They will address any concerns or issues they are encountering in this process including ensuring that required information is transparent and accessible.

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5. County Public Access Website: The Court will discuss the need for improvements to the County's website (<https://lacounty.gov/alliance/>) focusing on enhancing clarity and accessibility of posted information. The Court invites public comment on this issue.

The Clerk shall serve this minute order on the parties.

MINUTES FORM 11

Initials of Deputy Clerk: kdu

CIVIL-GEN

EXHIBIT 1

County of Los Angeles Department of Auditor-Controller
 Los Angeles Homeless Services Authority - Finance, Contracts, Risk Management, and Grants Management Review
 Measure H Working Capital Advances

No.	Subcontractor	Total Advances Issued as of 7/8/2024	Advances Recouped as of 7/8/2024	Advance Balance as of 7/8/2024	Recouped date of advances in Column D	Recoupment Letter Issued Date	Recoupment Letter Returned by Provider	Date of additional Recoupment through FY23-24	Additional Recoupment amount
1	1736 Family Crisis Center	\$ 914,593	\$ 60,266	\$ 854,327	7/16/2024	12/18/2023	1/5/2024	6/4/2024	\$ 97,637
2	211 LA County	\$ 73,938	\$ 73,938	\$ -	11/3/2021	N/A	N/A		\$ -
3	Coalition for Responsible Community Development	\$ 268,421	\$ -	\$ 268,421		12/15/2023	12/22/2024	6/12/2024	\$ 7,500
4	Community Partners fbo Safe Place For Youth	\$ 64,274	\$ 3,570	\$ 60,704	5/1/2024	12/18/2023	1/11/2024	8/21/2024	\$ 5,355
5	Covenant House California	\$ 491,468	\$ 13,652	\$ 477,816	7/3/2024	12/15/2023		8/21/2024	\$ 54,608
6	First to Serve	\$ 755,528	\$ -	\$ 755,528		12/18/2023	1/9/2024	7/16/2024	\$ 41,974
7	Harbor Interfaith Services, Inc.	\$ 2,229,945	\$ 10,603	\$ 2,219,342	6/30/2019	12/18/2023	1/29/2024	8/7/2024	\$ 308,346
8	Hathaway-Sycamores Child and Family Services	\$ 1,128,937	\$ -	\$ 1,128,937		12/15/2023	12/19/2023	6/21/2024	\$ 125,437
9	Home at Last Community Development Corporation	\$ 797,681	\$ -	\$ 797,681		12/18/2023	5/1/2024		\$ -
10	Homeless Health Care LA	\$ 299,682	\$ 5,344	\$ 294,338	7/20/2024	1/11/2024	1/22/2024		\$ -
11	Hope of the Valley Rescue Mission	\$ 68,250	\$ -	\$ 68,250		12/15/2023		8/13/2024	\$ 11,375
12	Jovenes, Inc.	\$ 449,117	\$ 92,425	\$ 356,692	6/4/2024	12/18/2023	12/19/2024	6/21/2024	\$ 21,618
13	L.A. Family Housing Corporation	\$ 6,373,401	\$ 629,807	\$ 5,743,594	12/16/2023	1/12/2024	1/16/2024	8/7/2024	\$ 1,240,954
14	Lamp Community, Inc.-Now The People Concern	\$ 2,464,714	\$ 26,623	\$ 2,438,091	4/6/2021	12/18/2023	12/19/2023		\$ -
15	National Health Foundation	\$ 52,317	\$ 52,317	\$ -	6/5/2024	12/18/2023	12/18/2023		\$ -
16	New Directions, Inc.	\$ 34,347	\$ -	\$ 34,347		12/18/2023			\$ -
17	Ocean Park Community Center dba The People Concern	\$ 453,868	\$ -	\$ 453,868		12/18/2023	12/19/2023		\$ -
18	People Assisting the Homeless	\$ 8,274,239	\$ 40,581	\$ 8,233,658	8/26/2022	12/20/2023	7/2/2024		\$ -
19	Rainbow Services	\$ 118,317	\$ -	\$ 118,317		12/15/2023	1/24/2024		\$ -
20	Sanctuary of Hope	\$ 344,884	\$ 96,280	\$ 248,604	3/20/2024	12/18/2023	1/19/2024	8/21/2024	\$ 28,412
21	Special Services For Groups, Inc.	\$ 6,674,335	\$ 814,377	\$ 5,859,958	4/23/2024	12/15/2023	1/10/2024	8/21/2024	\$ 306,982
22	St. Anne's Maternity Home	\$ 326,067	\$ 50,289	\$ 275,778	2/13/2024	12/18/2023	1/28/2024	8/13/2024	\$ 32,444
23	St. Joseph's Center	\$ 2,930,300	\$ 120,005	\$ 2,810,295	5/15/2020	2/28/2024		8/7/2024	\$ 156,128
24	Testimonial Community Love Center	\$ 388,684	\$ -	\$ 388,684		1/11/2024	1/31/2024		\$ -
25	The Midnight Mission	\$ 448,950	\$ -	\$ 448,950		12/19/2023			\$ -
26	The People Concern	\$ 893,505	\$ 22,766	\$ 870,739	6/30/2023	12/18/2023	12/19/2023		\$ -
27	The Village Family Services	\$ 869,561	\$ 70,915	\$ 798,646	6/7/2024	12/15/2023	12/21/2023	8/21/2024	\$ 88,738
28	The Whole Child	\$ 914,426	\$ -	\$ 914,426		1/22/2024	1/23/2024		\$ -
29	Union Station Homeless Services	\$ 2,035,055	\$ 45,203	\$ 1,989,852	2/12/2024	12/15/2023	12/22/2023		\$ -
30	United Friends of the Children	\$ 783,533	\$ 43,530	\$ 740,003	3/1/2024	12/18/2023	1/10/2024	8/13/2024	\$ 87,060
31	United States Veterans Initiative, Inc.	\$ 229,119	\$ -	\$ 229,119		12/15/2023			\$ -
32	Upward Bound House	\$ 262,105	\$ 56,197	\$ 205,908	7/20/2002	1/22/2024			\$ -
33	Valley Oasis (formerly Antelope Valley Domestic Violence Council)	\$ 2,684,614	\$ 24,669	\$ 2,659,945	10/24/2023; 1/16/2024	12/15/2023	12/21/2023	8/30/2024	\$ 450,012
34	Volunteers of America of Los Angeles	\$ 5,050,169	\$ 135,725	\$ 4,914,444	5/1/2024	12/18/2023	12/21/2023	8/13/2024	\$ 678,625
35	Weingart Center Association	\$ 436,051	\$ -	\$ 436,051		1/22/2024			\$ -
36	Whitter Area First Day Coalition	\$ 206,833	\$ -	\$ 206,833		12/18/2023	12/29/2023	8/21/2024	\$ 23,000
	Total	\$ 50,791,228	\$ 2,489,083	\$ 48,302,145					\$ 3,766,206

The 12 of the 36 Service providers sampled are highlighted above \$ 34,583,554



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Los Angeles, CA 90017
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November 26, 2024

Honorable David O. Carter
U.S. Courthouse
350 West 1st Street
Los Angeles, California 90012

Subject: Update on Recoupment of Measure H Working Capital Advances

Dear Judge Carter:

This letter provides an update on the recoupment of Measure H working capital advances, further to the analysis previously submitted to the court. Included with this letter is a spreadsheet detailing the current status of each organization's advance balance and recent payments.

As noted in the analysis provided to the Court on November 21, most recoupment happened in the first years of Measure H. Under new leadership, LAHSA began sending letters to service providers to restart the recoupment process. Of the 36 organizations that received Measure H advances, 35 had outstanding balances as of the end of 2023. In December 2023, LAHSA began sending these 35 service providers a letter outlining a plan to begin recoupment of these funds. LAHSA sent 28 letters in December, six letters in January 2024, and one letter in February 2024. Most providers returned their signed Recoupment Letter to LAHSA within a month, acknowledging receipt of the plan.

Key Findings from the Analysis:

- **Providers:** 36 providers received Measure H working capital advances.
- **Advance Amounts:** The total amount of advances provided is documented in the analysis.
- **Recoupment Status:** At the time of the audit, \$2.5 million had been recouped. The analysis includes the date of these recoupments.
- **Outstanding Balances:** The analysis details the outstanding advance balance for each provider at the time of the audit.
- **Recoupment Letters:** Documentation includes the dates recoupment letters were sent to service providers and the dates signed letters were returned. Copies of these letters are provided.
- **Additional Recoupments:** An update as of November 21, 2024, details additional recoupments received.

- **Sample of Providers:** The analysis highlights 12 providers, with a combined outstanding balance of \$34.6 million.

Progress on Recoupment

Since the County audit, LAHSA has recouped an additional \$3.8 million, bringing the total recouped in the past year to \$6.3 million. This reduces the outstanding balance to \$44.5 million.

LAHSA's Plan for Future Recoupment

LAHSA is committed to the recoupment of the remaining \$44.5 million as outlined in the provider recoupment notices. This will be achieved through:

- **Reduced Payables:** Offsetting future payments to service providers against their outstanding balances.
- **Direct Payments:** Providers making direct payments to LAHSA.

Internal Controls

To improve financial management and oversight, LAHSA is implementing the following internal controls:

- **Dedicated Account:** LAHSA is working with Los Angeles County to establish a separate, interest-bearing account for cash advances.
- **Regular Reconciliation:** Measure H advances and other funding source advances will be reconciled on a quarterly basis.

Sincerely,



Dr. Va Lecia Adams Kellum
Chief Executive Officer