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11 UNITED STATES DISTRICT COURT
12 CENTRAL DISTRICT OF CALIFORNIA

13 LA ALLIANCE FOR HUMAN
14 RIGHTS, *et al.*,

15 Plaintiffs,

16 v.

17 CITY OF LOS ANGELES, *et al.*,

18 Defendants.

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

Assigned to Judge David O. Carter

**NOTICE OF OBJECTIONS TO
CITY'S BED PLAN AND UPDATED
MILESTONES AND DEADLINES**

Before: Hon. David O. Carter
Courtroom: 1

19
20 Plaintiff LA Alliance for Human Rights ("Plaintiff") files this notice to object to
21 the City's Notice of Submission of Defendant City of Los Angeles' Updated Bed Plan
22 and Milestones, [Dkt. No. 1040](#), filed October 3, 2025. Plaintiff's primary objection is
23 to the use of Time Limited Subsidy ("TLS") slots in the forthcoming bed plan due to
24 historical lack of transparency and accountability with the City's TLS program which
25 was well documented through A&M's assessment and during the parties' seven-day
26 evidentiary hearing. Plaintiff requested the City provide assurance that issues identified
27 in the Assessment and during the hearing would be addressed before Plaintiff could
28 agree to the use of TLS slots to fulfill the City's bed plan obligations moving forward.

1 The City has been unable to provide Plaintiff with the necessary assurances that the
2 program would be run any differently from the defective TLS program under the
3 Roadmap Agreement and therefore Plaintiff objects to the use of those beds to meet its
4 obligations under the Settlement Agreement.

5 **I. Historical Documentation of TLS Issues**

6 On March 6, 2025, Alvarez & Marsal (“A&M”) publicly filed its Second
7 Amended Draft of the Alvarez & Marsal (A&M) Assessment of Los Angeles City
8 Homelessness Programs ([Dkt. No. 870](#)) which identified for the first time multiple
9 issues with the City’s Homelessness Response system including the TLS program
10 under the Roadmap Agreement:

- 11 • More than half of the funding came from sources outside the City of Los
12 Angeles. *Id.* at 63.
- 13 • Discrepancies with expenditures and contracts, with LAHSA¹ identifying 95
14 contracts associated with the City’s TLS program, but 70% of those
15 contracts showing no expenditures. *Id.* at 64. A&M ultimately “could not
16 validate the reported number of TLS beds or the ~~total~~total expenses necessary
17 to support those beds.” *Id.*
- 18 • Unable to identify the number of TLS slots provided. *Id.* at 105; *see also*
19 testimony of Lara Frost, Hearing Tr. May 29, 2025, [Dkt. No. 949 at 224:7-](#)
20 [20](#).
- 21 • Inability to “confirm which participants were served through the TLS
22 housing interventions established under the Roadmap Program” which
23 precluded “verifying whether participants received the intended case
24 management and rental subsidy services” and “heightened [the] risk in
25 accurately assessing the quality and effectiveness of these services.” Dkt
26 870 at 111.

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¹ LAHSA operated the City’s TLS program under the Roadmap Agreement.

1 Following the public release of the draft assessment, the City met with A&M
2 ostensibly to correct any factually inaccurate information. Yet the City still failed to
3 verify the TLS slots or correct any of the issues identified by A&M with the TLS
4 program. As a result, A&M released its final version of the assessment which included
5 these same findings. *See generally* Independent Assessment of City-Funded
6 Homelessness Assistance Programs, Dkt. No. 905.

7 Following the release of the final assessment, the parties participated in a seven-
8 day evidentiary hearing where the TLS program came up frequently. Lara Frost,
9 director at A&M, confirmed A&M's findings and inability to verify TLS beds; the
10 Court cited Ms. Frost's testimony in describing the disfunction in the City's TLS
11 program:

12 At the heart of this evidentiary record lies a persistent problem:
13 the inability to verify the City's reported data. Laura Frost, a Director
14 at A&M who helped lead the A&M Assessment, testified that neither
15 the City, nor LAHSA provided adequate documentation showing that
16 the reported TLS beds were newly created. Tr., 18, June 3, 2025.² She
17 explained that approximately 70% of the contracts LAHSA initially
18 identified as creating new beds lacked any associated spending
19 details. *Id.* This was compounded by inconsistent internal contract
20 data that failed to specify how many beds were authorized, created, or
21 utilized. *Id.* at 19. Further, the reported address and site rosters failed
22 to align with the number of beds reported; in some cases, the
23 addresses even overlapped with those also being reported under the
24 Alliance Settlement. *Id.* at 19, 99.

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28 ² This is likely a typographic error and is meant to refer to Ms. Frost's testimony on
June 5, 2025.

1 These verification issues are not new, in fact they were raised in
2 open court months prior to the Evidentiary Hearing. During a hearing
3 on March 27, 2025, these issues were openly discussed, and the
4 Parties were invited to discuss the findings of the A&M Assessment
5 with A&M or provide the missing data. *See* Tr., 108, March 27, 2025.
6 But even after this hearing, the Chief Administrative Officer (“CAO”)
7 of Los Angeles still failed to provide A&M with the data necessary to
8 confirm whether the TLS beds had been created under the Roadmap
9 Agreement. Tr., 179, June 3, 2025. The evidentiary record also
10 contains no testimony or exhibits from the City directly addressing or
11 rebutting these concerns. Instead, the evidentiary record reflects a
12 consistent lack of cooperation and responsiveness—an unwillingness
13 to provide documentation unless compelled by court order or media
14 scrutiny. And rather than spending taxpayer dollars on finding the
15 missing data or striving to provide verification, the City fought with
16 the findings and methods of the A&M Assessment, the same methods
17 they agreed to and paid for.

18 ...

19 In an effort to preserve resources, the Court provided the City
20 with one final opportunity to cure its evidentiary deficiencies. After
21 the close of evidence, it issued an Order directing the City to produce
22 a comprehensive spreadsheet containing key data for each of the
23 2,679 TLS slots and 130 scattered-site beds it claimed to have created
24 under the Roadmap Agreement. Amended Order Requiring City
25 Verification of TLS Reporting ([Dkt. 967](#)). This data—long requested
26 by A&M but previously withheld—was finally produced only by
27 Court Order. In disclosing this data, the City also came clean that
28 there was some double counting or false reporting. *See* Declaration of

Matthew W. Szabo re Court’s Directive (“Szabo Decl.”) ([Dkt. 980](#)) at 1-2.)

Order Granting in Part and Denying in Part Plaintiffs’ Motions for Settlement Compliance, [Dkt. No. 991](#).

II. City’s Updated Bed Plans Includes 1,800 TLS Slots

On August 6, 2025, the City first raised with the Alliance the issue of counting TLS as an appropriate shelter solution under the Settlement Agreement and asked Plaintiff to agree those slots would count towards the City’s obligation. In response, the Alliance raised concerns regarding the issues that came out in the Assessment and the Hearing:

- “Funding: it isn’t clear to us at all that the City has the right to count all the beds it counted under the Roadmap Agreement. The County/State/Federal funding to our understanding was going to fund those TLS slots *regardless* of anything the City was doing. Those were not matching funds, they weren’t grant funding that the City applied for and obtained, and they weren’t under a program organized by the City. It appears LAHSA was getting money directly from various sources, combining them into a single account, and the City was counting all of the beds funded therefrom as City beds.³ While the Court ultimately declined to find a violation based on this issue, the Alliance will not recognize these slots unless **the City can identify what role the City has had in obtaining and increasing**

³ The City has never presented testimony or evidence to dispute the fact that a number of slots the City counted under the Roadmap Agreement would be funded regardless of the City’s participation.

1 **the number of beds from what would be in existence regardless.**

2 **If you can get that plan to us, we will consider it.”⁴**

- 3 • “Tracking: there needs to be a better mechanism in place than what
4 we’ve witnessed so far. LAHSA’s data is unquestionably a mess.

5 **Please provide us the plan for tracking these beds that will**
6 **actually allow us/the court to verify the existence of those beds.”⁵**

7 The City thereafter, without responding to or engaging with the Alliance on
8 these issues, created a plan to include 1,800 TLS slots, out of 2,130 total interventions,
9 or 84.5% of all new interventions, in its proposed bed plan.

10 After a further meet-and-confer and multiple emails on the subject, the City has
11 yet to assuage the Alliance’s significant concerns; in contrast, the Alliance has even
12 more concerns about the City’s proposed process for funding and tracking the TLS
13 beds. Specifically:

- 14 • The City will use a “fiscal agent” to “verify and track the TLS placements” –
15 specifically HOM, Inc. which appears to be an Arizona-based housing
16 organization. The City has not yet determined “whether the fiscal agent will
17 contract with LAHSA or the City.”⁶ And the City has not explained what
18 this “fiscal agent” will do and how it will oversee the TLS program to ensure
19 fiscal and substantive accountability and transparency.⁷

22 ⁴ Email from Plaintiff’s counsel, Elizabeth Mitchell, to counsel for the City of Los
23 Angeles, dated August 14, 2025, at 2:05pm; email available to the Court upon request.

24 ⁵ *Id.*

25 ⁶ HOM, Inc. displays on its home page a LAHSA graphic, with the text “Proudly
26 partnering with LAHSA to deliver efficient, transparent support for TLS housing
27 programs—helping Angelenos exit homelessness with dignity.” HOM, Inc.,
28 <https://www.hominc.com/> (last visited Oct. 13, 2025).

27 ⁷ Email from Tim Biche, associate with Gibson, Dunn & Crutcher on behalf of the City
28 of Los Angeles, received by the Alliance October 10, 2025 at 3:02pm; email can be
provided to the Court upon request.

- The City has not determined “how to allocate the Time Limited Subsidies” and therefore cannot identify “which providers are getting which slots.” Given the serious discrepancies identified *supra*, including absurd lack of alignment of funding, bed slots, utilization, and contractual obligations for the TLS beds funded under the Roadmap Agreement, the City’s lack of planning for oversight and accountability over beds very susceptible to fraud is unacceptable.
- The City claims it will “only report [TLS] that are in use” but **provides no details about what mechanism it intends to use to validate or verify the beds are occupiable or occupied.**
- The City refuses to identify how the County will be able to report services rendered to these slots under the Agreement.
- The City has never denied that it used funds to pay for Roadmap TLS slots which would have existed and paid for TLS slots regardless of City participation. The City has again indicated its intention to use county, state, and federal funds to pay for TLS slots but again has failed to indicate what role the City will have in obtaining those funds such that the City is “create[ing]” new beds under Section 3.1 of the Settlement Agreement.

While TLS beds creatively use existing infrastructure to provide housing for a percentage of the population which desperately needs it, the City’s plan fails to address the significant concerns raised by the proceedings on the TLS program to date and leaves it wholly open to fraud, waste, and abuse. Without a more defined plan to ensure the beds align with contracts, are actually occupiable, only occupied beds are reported, funding is traced to City action, and the program overall has more accurate reporting with more accountability and transparency, the Alliance cannot agree with this plan.

1 **III. Objections to New Proposed Milestones and Deadlines**

2 The Alliance brought the pending litigation to spur urgency to an unquestionable
3 humanitarian crisis. While the City’s new proposed milestones are more evenly
4 allocated than original milestones for the last two fiscal years, because 84.5% of the
5 new proposed beds will be very temporary in nature—as opposed to creation of actual
6 infrastructure—should the Court accept the TLS bed proposal or should the City
7 present additional information to address the Alliance’s significant concerns as
8 articulated herein, the City should be required to either front-load the TLS beds into
9 the 2025-2026 fiscal year—to be open and occupiable through the remainder of the
10 Agreement—or attest the identified slots will be funded, occupiable, and occupied to
11 the extent possible for at least one year after the slot begins. Doing otherwise would
12 fundamentally defeat the purpose of the Agreement.

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14 Dated: October 13, 2025

Respectfully submitted,

15 /s/ Elizabeth A. Mitchell

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18 *Attorneys for Plaintiffs*