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7
8 UNITED STATES DISTRICT COURT
9 CENTRAL DISTRICT OF CALIFORNIA

10
11 LA ALLIANCE FOR HUMAN
12 RIGHTS, *et al.*,

13 Plaintiffs,

14 v.

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

16 Defendants.
17
18

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

Assigned to Judge David O. Carter

**PLAINTIFF LA ALLIANCE'S
RESPONSE RE ISSUES RAISED
BY COURT ON MARCH 27, 2025;
POINTS AND AUTHORITIES IN
SUPPORT**

Before: Hon. David O. Carter
Courtroom: 10A

19
20 Plaintiff LA Alliance for Human Rights ("Plaintiff" or "LA Alliance") hereby
21 files the following Points and Authorities in support of it's oral motion for the court to
22 issue an Order to Show Cause re Receivership and in response to issues raised by the
23 Court at the last hearing. Plaintiff hereby incorporates by reference the entire record in
24 this case in support hereof.
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Minute Entry, *Plata I Docket*, No. C01–1351 (N.D. Cal. Dec. 16, 2024),
ECF No. 39423

1 In light of the City’s failures to meet the terms of the Agreement, the continued
2 constitutional and statutory violations that plague this City, and having exhausted the
3 full panoply of remedial measures within the Court’s authority, no further options
4 remain but receivership. The appointment of a receiver over the City’s homelessness
5 response, as a final and extraordinary remedy, is now the sole recourse available to
6 promptly and efficiently ensure compliance with the Settlement Agreement and
7 address the constitutional and public welfare crisis unfolding in Los Angeles, where
8 nearly seven people perish daily on the streets and the homeless population continues
9 to languish. Furthermore, Plaintiff respectfully submits this Court does have
10 jurisdiction over the Los Angeles Homeless Services Authority (“LAHSA”). In truth,
11 because LAHSA is a joint powers authority whose only members are properly before
12 this court, this court does have jurisdiction over the JPA.

13 The LA Alliance takes each issue separately:

- 14 • This Court has authority to appoint a receiver if the City fails to create and
15 promptly execute plans which would immediately bring it into
16 compliance.
- 17 • The Court has jurisdiction over the Los Angeles Homeless Services
18 Authority (“LAHSA”) and/or the City and County may consent to the
19 Court’s jurisdiction on LAHSA’s behalf.

20 **I. This Court Has Authority to Appoint a Receiver if the City Fails to Create**
21 **and Promptly Execute Plans to Bring It Into Compliance.**

22 This Court possesses broad equitable authority to appoint a receiver to enforce
23 the Settlement Agreement and remedy the City’s breaches, particularly given the
24 ongoing humanitarian crisis. Federal courts have inherent power to fashion equitable
25 remedies, including receiverships, to address constitutional and statutory violations or
26 enforce judicial orders. The Supreme Court and Ninth Circuit precedent, notably
27 *Brown v. Plata* (“*Plata II*”), [563 U.S. 493](#) (2011), confirm this authority.

1 **a. Brown v. Plata**

2 In *Plata II*, the Supreme Court upheld a three-judge panel’s order requiring
3 California to reduce its prison population to remedy Eighth Amendment violations due
4 to inadequate medical care, requiring the release of over 40,000 prisoners. *Id.* The
5 Supreme Court recognized that “[i]f government fails to fulfill [its constitutional]
6 obligation, the courts have a responsibility to remedy the resulting [] violation.” 563
7 U.S. at 510–11. While *Plata II* addressed constitutional violations under the Prison
8 Litigation Reform Act, its principles apply to the City’s breaches here, which implicate
9 constitutional and statutory claims. Moreover, the litigation history of *Plata*, including
10 actions and findings by the District Court prior to appointment of the three-judge
11 panel, provides a comprehensive roadmap for the Court’s actions here.

12 Plaintiffs in *Plata I* filed a class action in 2001 alleging constitutionally
13 inadequate care in California state prisons. *Plata v. Schwarzenegger* (“*Plata I*”), No.
14 C01–1351, 2005 WL 2932253, at *1 (N.D. Cal. Oct. 3, 2005). In 2002, Defendants
15 entered into a consent decree which required significant acts by the state, including
16 implementation of medical policy reforms. *Id.* At the same time, Defendants agreed to
17 court-appointed medical experts (“Court Experts”) to assist the court in oversight of
18 the parties’ agreement. *Id.* at *2. In 2004 the Court Experts identified an “emerging
19 pattern of inadequate and seriously deficient physician quality in CDC facilities.” *Id.*
20 (citation omitted). In response, the Court ordered the defendants to engage an
21 independent entity to evaluate the physicians, provide training to deficient physicians,
22 and undertake a series of other measures. *Id.* Defendants failed to meet the terms of the
23 order even with extensions of time. *Id.* In May, 2005, the district court issued an OSC
24 re receivership and civil contempt. *Id.* Over the course of six days, the court held an
25 evidentiary hearing in which the parties presented evidence, including testimony from
26 the Court Experts. *Id.* After the evidentiary hearing, on June 30, 2005, the court issued
27 an oral ruling that it would “take control of the medical delivery system of the
28 [California Department of Corrections and Rehabilitation].” *Id.* Three months later, on

1 October 3, 2005, the district court issued its Findings of Fact and Conclusions of Law
2 re Appointment of Receiver. *Id.*¹

3 The similarities in evolution of the *Plata I* case in the district court and this case
4 are striking: both involved massive constitutional crises resulting in the death of
5 thousands of individuals: in *Plata* one every six-to-seven days² in *LA Alliance* six-to-
6 seven per day.³ Both cases resulted in consent decrees⁴ where a public entity agreed to
7 significant performance and oversight. In both cases experts and neutral third parties
8 were appointed to help inform the court about Defendants' compliance: in *Plata* it was
9 medical experts and an "independent entity"; in *LA Alliance* it was Special Master
10 Martinez, the myriad of informal and formal meetings undertaken by the district court,
11 the City Controller, and ultimately a third-party auditing firm, Alvarez & Marsal
12 ("A&M"), who spent nearly a year reviewing data and completing a financial and
13

14
15 ¹ The district court declined to appoint a temporary receiver at the outset due to
16 the "wholesale systemic reform" required, and instead undertook a "professionally
17 organized national search for a Receiver" which ended with appointment of a receiver
18 on February 14, 2006. *Plata I*, 2005 WL 2932253, at *34. Defendants did not appeal
19 this order. In 2007, in response to Plaintiffs' motion, the district court convened a
20 three-judge court to consider a prisoner-release order. Order, *Plata I Docket*, No. C01-
21 1351 (N.D. Cal. July 23, 2007), ECF No. 780. On August 4, 2009 after full discovery
22 and a trial, the three-judge panel issued an order to release 46,000 prisoners which was
23 thereafter appealed by Defendants. Order, *Plata I Docket*, No. C01-1351 (N.D. Cal.
24 Aug. 4, 2009), ECF No. 2197. The August 4, 2009 release order is the subject of the
25 Supreme Court decision in *Plata II*, 563 U.S. 493 (2011). Crucially, the receiver was
26 still in place—having been replaced at different periods of time by different
27 individuals—throughout the appeals and remains in place today as control for medical
28 care in the state's prison system is slowly and systematically being returned to
29 Defendants. Minute Entry, *Plata I Docket*, No. C01-1351 (N.D. Cal. Dec. 16, 2024),
30 ECF No. 3942.

31 ² *Plata I*, 2005 WL 2932253 at *1.

32 ³ Doug Smith, *Homeless deaths in L.A. County are leveling off but still nearly*
33 *seven per day*, Los Angeles Times (Mar. 6, 2025, 12:22 PM),
34 [https://www.latimes.com/california/story/2025-03-06/homeless-deaths-in-l-a-county-](https://www.latimes.com/california/story/2025-03-06/homeless-deaths-in-l-a-county-are-leveling-off-but-still-nearly-seven-per-day)
35 [are-leveling-off-but-still-nearly-seven-per-day](https://www.latimes.com/california/story/2025-03-06/homeless-deaths-in-l-a-county-are-leveling-off-but-still-nearly-seven-per-day).

36 ⁴ While the Settlement Agreement is not titled "consent decree" historical
37 briefing has demonstrated the Settlement Agreement is more akin to a consent decree
38 than a traditional settlement agreement. See, e.g. *United States v. State of Oregon*, 913
39 F.2d 576, 580 (9th Cir. 1990) ("A consent decree is 'essentially a settlement agreement
40 subject to continued judicial policing.'") (citation omitted).

1 performance review. And in both cases, three years into the consent decree, the public
2 entities in question demonstrated not only failures to hit targets but also a irreparably
3 broken infrastructure incapable of independent reform. (Hr’g Tr. 44:25–45:2, Mar. 29,
4 2025, ECF No. 878 “I knew the system was broken” (Bass); *id.* at 50:7 “the system is
5 broken” (Barger); *id.* at 57:21–22 “the system is broken and we are out of patience”;
6 *id.* at 58:1–4 “In 2019, HUD and the controller and the County and the City all
7 identified these issues and nothing has changed, because the system is broken. Because
8 the culture is broken”.) “By all accounts, the California prison medical care system is
9 broken beyond repair.” *Plata I*, 2005 WL 2932253, at *1.

10 The Supreme Court in *Plata II* emphasized the breadth of equitable powers
11 available to courts: “Once invoked, ‘the scope of a district court’s equitable powers . . .
12 is broad, for breadth and flexibility are inherent in equitable remedies.’” 563 U.S. at
13 538 (quoting *Swann v. Charlotte-Mecklenburg Bd. of Ed.*, 402 U.S. 1, 15 (1971)); *see*
14 *also Morgan v. McDonough*, 540 F.2d 527, 533 (1st Cir. 1976); *Washington v. Wash.*
15 *State Com. Passenger Fishing Vessel Assoc.*, 443 U.S. 658, 695–96 (1979) (district
16 court has power to “assum[e] direct supervision” of state property “if state
17 recalcitrance or state-law barriers should be continued[,]” and that the court may
18 “displace local enforcement of [the court’s] orders if necessary to remedy the violations
19 of federal law found by the court.”); *Turner v. Goolsby*, 255 F. Supp. 724, 730 (S.D.
20 Ga. 1966) (receiver for county school system); *Morgan*, 540 F.2d at 533 (approving
21 temporary receivership of Boston High School). The district court in *Plata I* appointed
22 a receiver to manage the prison medical system after finding the State’s “Failure to
23 Provide Constitutionally Adequate Medical Care” caused “Extreme Harm.” *Plata I*,
24 2005 WL 2932253, at *3.

25 In evaluating whether a receivership may be appropriate when an entity has
26 failed to meet its obligations, courts evaluate the following factors: (i) “Whether there
27 is a grave and immediate threat or actuality of harm to plaintiffs;” (ii) “Whether the use
28 of less extreme measures of remediation have been exhausted or prove futile;” (iii)

1 “Whether continued insistence that compliance with the Court’s orders would lead
2 only to confrontation and delay;” (iv) “Whether there is a lack of leadership to turn the
3 tide within a reasonable period of time;” (v) “Whether there is bad faith;” (vi)
4 “Whether resources are being wasted;” and (vii) “Whether a receiver is likely to
5 provide a relatively quick and efficient remedy.” *Id.* at *23 (citing *Dixon v. Barry*, 967
6 F. Supp. 535, 550 (D.D.C. 1997)).

7 Each of these elements weighs heavily in favor of receivership in this case:
8 *First*, the “grave and immediate threat” to Plaintiffs and the unhoused community writ
9 large has been well-documented in the media and throughout this litigation. *Second*,
10 the Court has tried less extreme measures of remediation—including use of a special
11 monitor, third party auditors, threat of sanctions, and repeated opportunities for the
12 City to course-correct; all have failed. *Third*, for the same reasons “continued
13 insistence” on “compliance” is likely to be fruitless; the parties and the court have
14 endured years of City foot-dragging, delay, and non-compliance. Indeed, the recent
15 budget proposal and subsequent hearings showed no significant shift in funding or
16 priorities has been offered.⁵ *Fourth*, like the Governor in *Plata I*, the LA City Mayor
17 has “inherited many of the problems . . . from past administrations” which has both
18 caused and worsened the intractable—yet solvable—issue of unsheltered
19 homelessness. 2005 WL 2932253, at *30. Yet for all the platitudes and promises to do
20 better, the current City administration has done little to address the systemic issues
21 undergirding this crisis, much of which was discussed in depth in the A&M report.
22 (Second Amended A&M Audit Report (“A&M Audit”), Mar. 6, 2025, ECF No. 870.)
23 Apart from leasing and acquiring a thousand or two motels rooms at wasteful prices,
24 without services cooperation from the County, the Mayor’s strategy has largely been
25 business-as-usual—meaning thousands are left to suffer and die on the streets. *Fifth*
26 while it is difficult to assign malintent to any one person, the decades of
27

28 ⁵ City of Los Angeles, Proposed Budget for the Fiscal Year 2025–2026 (Apr. 2, 2025), https://clkrep.lacity.org/online/docs/2025/25-0600_misc_4-2-25.pdf.

1 mismanagement evidenced by nearly a dozen audits repeatedly identifying the same
2 systemic issues, and this court case placing a spotlight on the massive structural
3 problems, all without real attempts to overhaul the infrastructure to become functional,
4 leaves little else to be concluded. *See also Plata I*, [2005 WL 2932253](#), at *26
5 (discussing the problem of “trained incapacity” wherein “[s]tate officials have become
6 so inured to erecting barriers to problems that appear to threaten the bureaucracy (or
7 that at least appear to require the bureaucracy to bend or flex) that the officials have
8 trained themselves into a condition of becoming incapable of recognizing, and acting
9 in response to, true crisis.”) *Sixth*, there is no doubt that resources—hundreds of
10 millions of dollars at least—have been wasted (A&M Audit, [ECF No. 870](#)); *see also*
11 *Plata I*, [2005 WL 2932253](#), at *31 (“[S]pending over one billion dollars annually on a
12 system that far too often neglects, mistreats, and at times literally kills those it is
13 intended to serve is a massive waste of money and, more importantly, life.”). *Seventh*,
14 while Plaintiff doubts a receiver could provide a “quick” remedy, due to the
15 monumental and complicated nature of the task, a receiver could no doubt—with the
16 backing of the Court—break through bureaucratic barriers and complicated regulatory
17 issues, and put politics entirely aside, in a way that current leadership is unable to do.
18 Such ability is necessary to correct the systemic failures in a way that sets the City, and
19 the entire Continuum of Care, on a correct trajectory to end unsheltered
20 homelessness—the very point of the City and County settlements in the first place.

21 Here, the City’s repeated failure to meet bed production milestones, provide a
22 viable plan, and accurately report encampment reductions mirrors the systemic
23 inaction in *Plata*. Likewise, the difficulty in getting the “system” to work properly,
24 with cooperation between the City, LAHSA, and the County—as demonstrated in
25 numerous audits, informal meetings, hearings in this case, and the recent listening
26 sessions hosted by the Special Master—evidence the broken structural system causing
27 the ongoing crisis. The Court’s prior orders, including the March 24, 2025,
28 clarification on encampment reductions ([ECF No. 874](#)), have not spurred compliance.

1 As in *Plata II*, where the Court noted that “courts have substantial flexibility when
2 making these judgments” (563 U.S. at 538), this Court can appoint a receiver to
3 oversee the City’s homelessness programs, leveraging its equitable authority to address
4 a public health and safety emergency.

5 Additional Ninth Circuit precedent supports these principles. In *Rodde v. Bonta*,
6 the court affirmed an injunction requiring Los Angeles County to maintain services at
7 a rehabilitation center, noting that when “[f]aced with[] a conflict between financial
8 concerns and preventable human suffering, we have little difficulty concluding that the
9 balance of hardships tips decidedly in plaintiffs’ favor.” 357 F.3d 988, 999 (9th Cir.
10 2004) (citing *Lopez v. Heckler*, 713 F.2d 1432, 1437 (9th Cir. 1983)). Similarly, in
11 *Harris v. Board of Supervisors*, the court upheld an injunction against closing county
12 hospitals: “A lack of funds is no defense to a county’s obligation to provide statutorily
13 required benefits.” 366 F.3d 754, 764 (9th Cir. 2004) (citing *Cooke v. Superior Ct.*,
14 213 Cal. App. 3d 401, 413–14 (1989)). These cases underscore the Court’s power to
15 impose structural remedies, including receiverships, to prevent harm and enforce legal
16 duties, even against budgetary objections.

17 The most significant factor in the propriety of appointing a receiver is whether
18 any other remedy is likely to be successful. *Dixon*, 967 F. Supp. at 550 (citing *Shaw v.*
19 *Allen*, 771 F. Supp. 760, 762 (S.D. W.Va. 1990) (“When more traditional remedies,
20 such as contempt proceedings or injunctions, are inadequate under the circumstances a
21 court acting within its equitable powers is justified, particularly in aid of an
22 outstanding injunction, in implementing less common remedies, such as a receivership,
23 so as to achieve compliance with a constitutional mandate.”)). Here, the City’s
24 consistent failure to comply with this Court’s orders demonstrates that no alternative
25 remedy is likely to succeed, thereby justifying the appointment of a receiver as the sole
26 remaining means to ensure adherence to the Court’s directives.

b. The City Has Breached its Obligations Under the Settlement Agreement

As briefed thoroughly heretofore (*see* LA Alliance’s Mot. for City Settlement Agreement Compliance, Feb. 20, 2025, ECF Nos 863; City’s Opp’n, Mar. 6, 2025, ECF No. 871; LA Alliance’s Reply, Mar. 13, 2025, ECF No. 872), the City has breached and continues to be in breach of the Settlement Agreement by:

- Failing to demonstrate it has used its *best efforts*⁶ to achieve its bed production milestones;
- Failing to produce a complete bed plan; and
- Failing to appropriately engage, clean, and reduce encampments, and track those reductions

The City is required to use its “best efforts” to meet milestones, and has flat-out failed to do so. Some examples of “best efforts”: the 28-day shelter build demonstrated by Special Master Martinez in Santa Ana,⁷ the establishment of refugee camps in Syria within nine days,⁸ or even the rapid identification and building of interim shelters that the City engaged in to meet its nine-month bonus target under the Roadmap Agreement. (Settlement Term Sheet, June 18, 2020, ECF No. 136.)

⁶ The Agreement, executed on May 24, 2022, required the City to develop plans, milestones, and deadlines for creating shelter and housing for at least 60% of unsheltered persons experiencing homelessness (PEH) in each Council District and citywide, and for encampment engagement, cleaning, and reduction. The City was to **“promptly employ its best efforts to comply with established plans, milestones, and deadlines.”** (City Settlement Agreement § 5.2 at 8:24-25, ECF No. 429-1 (emphasis added).)

⁷ Allison Norlian, *To Help End Homelessness In Her City, She Had a Radical Idea: Sue Us*, Forbes (July 21, 2021, 10:41 AM), <https://www.forbes.com/sites/allisonnorlian/2021/07/21/to-help-end-homelessness-in-her-city-she-had-a-radical-idea-sue-us/>.

⁸ UNHCR The UN Refugee Agency, *Making the Za’atari refugee camp a community* (June 17, 2017), <https://www.unrefugees.org/news/making-the-za-atari-refugee-camp-a-community/#:~:text=Within%20nine%20days%2C%20the%20UN, later%20on%2C%20with%20prefabricated%20homes.&text=As%20soon%20as%20tents%20were,to%20their%20friends%20and%20relatives.>

1 These circumstances demonstrate that when there is actual urgency behind an
2 effort, great things can be accomplished in minimal time. By contrast, some of the City
3 projects have suffered years of delay with zero urgency by the City to meet its
4 obligations: an astonishing **46 projects** representing **2,845 beds** were noted as “in
5 process” in 2022 ([ECF No. 516-1](#)) and remain “in process” today (892-01). This
6 cannot possibly be construed as the City using its “best efforts.”

7 A party’s “best efforts” “requires a party to make such efforts as are reasonable
8 in [] light of that party’s ability and the means at its disposal and of the other party’s
9 justifiable expectations” *Samica Enters., LLC v. Mail Boxes Etc. USA, Inc.*, [637](#)
10 [F. Supp. 2d 712, 717](#) (C.D. Cal. 2008) (citations omitted) (noting “best efforts” is
11 “more exacting” than a “good faith” standard); *see also Cal. Pines Prop. Owners Ass’n*
12 *v. Pedotti*, [206 Cal. App. 4th 384, 395](#) (2012) (“best efforts” means “the promisor must
13 use the diligence of a reasonable person under comparable circumstances.”). While
14 “best efforts” is a subjective and fact-specific analysis, there is no doubt that here,
15 where the City has spent itself into a budget crisis while allowing housing and shelter
16 projects to languish, “best efforts” cannot be demonstrated. Under the deadlines the
17 City itself created, by December 2024, the City should have created 6,714 beds but
18 reported only 4,815, a shortfall of 1,899 beds or nearly 30%. (City Quarterly Status
19 Report at 5, Jan. 22, 2025, [ECF No. 858-1](#).) This pattern persists across all reporting
20 periods with shortfalls ranging from 29% to 62%. (*See* City Quarterly Status Reports,
21 Jan. 17, 2023 – Oct. 18, 2024, ECF Nos. 516-1, 539-1, 598-1, 652-1, 660-1, 728-1,
22 757-1, 797-1.) The City’s explanation—run-of-the-mill delays in housing and shelter
23 production— cannot possibly be considered “best efforts” in this circumstance,
24 especially given the urgency of the crisis where shockingly six people die a day on the
25 streets of Los Angeles. **To the extent there is a factual dispute about whether the**
26 **City has demonstrated its “best efforts”, LA Alliance requests the court hold an**
27 **evidentiary hearing on this issue.**
28

Moreover, the City has never provided a plan for all 12,915 beds as required. (Settlement Agreement, May 24, 2022, ECF No. 429-1.) The Mayor released her proposed budget on April 21, 2025, which still reflects no plan for meeting the remaining 1,913 beds required to hit the 12,915 commitment.⁹ More than a year ago, the Special Monitor highlighted “budget deficits, especially in the fiscal years 2025-2026” that threaten compliance, yet the City did not change course accordingly. (Independent Monitoring Report at 7, Feb. 29, 2024, ECF No. 674.) Now it faces a significant budget crisis, and has cut crucial spending on CARE and CARE+ by more than 75%, threatening basic sanitation efforts of the City. The City previously wrongly reported those routine sanitation activities as “encampment reductions” thereby misleading the Court and Plaintiffs into believing it was meeting its encampment reduction numbers—now it is unclear whether any compliant “encampment reduction” efforts will be or have been made at all.

c. The City Has Breached Its Obligations Under the Roadmap Agreement

Since at least June 30, 2021 the City has been reporting funding and opening thousands of Rapid Rehousing/Shared Housing/Time Limited Subsidy beds (known collectively as “TLS” beds), contained at “scattered sites” (City Status Reports re MOU, July 15, 2021, ECF No. 342-1 (944 open TLS); Oct. 15, 2021, ECF No. 356-1 (1,224 open TLS); Apr. 22, 2022, ECF No. 414-1 (1975 open TLS); Oct. 14, 2022, ECF No. 482-1 (1521 open TLS); Jan. 26, 2023, ECF No. 523-1 (1424 open TLS); Apr. 21, 2023, ECF No. 538-1 (1323 open TLS +484 emergency housing vouchers); July 17, 2023, ECF No. 599-1 (1263 open TLS +484 emergency housing vouchers); Oct. 16, 2023, ECF No. 651-1 (781 open TLS + 484 emergency housing vouchers);

⁹ City of Los Angeles, Budget Hearings, YouTube (May 1, 2025), <https://www.youtube.com/watch?v=L2mjXRyQoPk> (54:10: Matthew Szabo: “[W]e do have 11,002 beds that are either open and occupiable or in progress. That breaks down as 6724 beds that are open and occupiable currently, and another 4278 beds which are in progress. So that leaves a Delta of just shy of 2000 beds for our remaining two year obligation.”)

1 Jan. 16, 2024, [ECF No. 661-1](#) (943 open TLS); Apr. 17, 2024, [ECF No. 729-1](#) (1,786
2 open TLS); July 15, 2024, [ECF No. 756-1](#) (2,293 open TLS); Oct. 18, 2024, [ECF No.](#)
3 [796-1](#) (2,479 open TLS); Jan. 22, 2025, [ECF No. 857-1](#) (2,424 open TLS); Apr. 15,
4 2025, [ECF No. 891-1](#) (2,679 open TLS).)

5 Alvarez & Marsal specifically looked at the beds reported on the City's
6 Quarterly Report ending on June 30, 2024 which identified 2,293 "Scattered Sites"
7 (2,163 Rapid Rehousing/Time Limited Subsidies [line 1]+130 Rapid
8 Rehousing/Shared Housing [lines 61-62] LAHSA identified 95 contracts for these TLS
9 beds but "approximately 70% [of the contracts]" reported no "finances expenditures in
10 FY 2023-24." (A&M Audit at 64, [ECF No. 870](#).) A&M requested additional
11 paperwork but "LAHSA was unable to provide the requested documentation, and
12 instead furnished a memorandum that was not sufficient to permit reconciliation of the
13 identified misalignment in contracts." (*Id.*; see also Declaration of Elizabeth Mitchell
14 ("Mitchell Decl.") Ex. 1, LAHSA Memorandum, Dec. 19, 2024.)

15 Informally, after months of avoiding the question, LAHSA finally explained that
16 in Fiscal year 2023-2024 the City paid LAHSA \$14,870,939 million which only
17 subsidized 673 beds, and that LAHSA "braided" the City funding with "other" funding
18 to "stretch" those funds to get the 2,293 reported scattered sites. But the City only paid
19 for 29.4% of those beds. The real-world equivalent would be if two people decided to
20 pay for 10 pizzas for a total of \$100. Person A paid \$30 and Person B paid \$70;
21 combined they achieved a total purchase of 10 pizzas. But under no interpretation of
22 the event could Person A claim to have purchased and provided all 10 pizzas.
23 Likewise, knowingly or unknowingly, the City was falsely reporting that it paid for
24 and provided all 2,293 beds when it unequivocally did not. And even more shocking is
25 that LAHSA to this day, even during informal discussions referenced *supra*, has failed
26 to produce evidence of any expenditures for the remaining 1,620 beds.

27 The MOU between the City and County addressed funding requirements for
28 these beds: "CITY is responsible for all costs, including capital costs, operating costs,

1 and/or other expenses associated with the 6,000 New Beds and 700 Other Beds
2 described herein.” (MOU at III.E, Oct. 13, 2020, [ECF No. 185-1](#).) Nothing in the
3 MOU allows for “braiding” or counting beds paid for by different entities. And
4 LAHSA monitors the beds separately and can separately identify which beds were paid
5 for by the City because a spreadsheet was produced which identifies City-paid beds as
6 only 673—and nothing more.

7 While the A&M review only looked at FY 23-24, these scattered sites have been
8 reported back to at least to July 2021 and continue to today (City Status Reports re
9 MOU, July 15, 2021, [ECF No. 342-1](#); Apr. 15, 2025, [ECF 891-1](#).) It is reasonable to
10 assume that this same financial mismanagement and mis-accounting has occurred
11 since the inception of the Roadmap Agreement and funding of the Scattered Site beds.
12 We request confirmation from the City and LAHSA regarding the exact number the
13 City paid for versus the number reported. Either way, as these scattered sites account
14 for approximately 1/3 of the Roadmap Beds, with a “missing” 1,620 (27% of the
15 “new” beds requirement under the Roadmap Agreement), the City has breached and
16 continues to be in breach of this agreement as well.

17 **d. The A&M Audit, Historical Audits, Years Of Non-Compliance, And**
18 **Public Records Collectively Demonstrate That The City Is Incapable**
19 **Of Meeting The Terms Of The Agreement Because The Homelessness**
20 **Response Infrastructure Is Incapable Of Supporting The Terms And**
21 **Leadership Is Unwilling Or Incapable Of Changing It.**

22 Beyond the black-and-white failures described *supra*, it has become clear over
23 the last three years that the purpose of the two agreements with the City and County of
24 Los Angeles respectively is not being fulfilled.¹⁰ Despite billions of dollars spent
25 between the two entities on this issue, Los Angeles has barely moved the needle on
26

27 ¹⁰ The purpose of the Settlement Agreement with the City is identified on page
28 2: “to achieve a substantial and meaningful reduction in unsheltered homelessness in
the City of Los Angeles.” (City Settlement Agreement, Recitals 2:10–15, [ECF No. 429-1](#).)

1 unsheltered homelessness. Spot audits, community meetings, and listening sessions
2 have shown that services from the County are still difficult obtain, and shelter and
3 housing provision is rare. The City Controller reports a 25% vacancy rate in City-
4 shelter beds¹¹ yet in meetings outreach workers report 6-8 month wait lists for their
5 clients to be matched to a bed. LAHSA claims a small reduction in unsheltered
6 homelessness based on 2025 raw numbers, but the streets tell a very different story and
7 the point-in-time count is notoriously inaccurate.¹²

8 Plaintiffs entered into both Settlement Agreements with the belief and
9 understanding that there was sufficient infrastructure in place to support the
10 Agreements. The truth appears to be the exact opposite. A review of the A&M audit,
11 the historical audits, and public committee and council meetings demonstrates that the
12 City is not meeting the terms of the Agreement because the homelessness response
13 infrastructure in Los Angeles is broken. The City is not capable of success because its
14 infrastructure cannot support it, and the current administration either cannot or will not
15 fundamentally alter that infrastructure as evidenced by a review of both historical and
16 present events.

17 i. A&M Audit Demonstrates The Broken System

18 To understand why, despite record monetary investment, the needle was not
19 moving, Plaintiffs requested and the Court ordered a third-party audit of both finances
20 and performance of the City of Los Angeles's key homeless initiatives: The Alliance
21 Settlement Agreement, the Roadmap Agreement, and the Inside Safe Program. Several
22

23 ¹¹ Press Release, Kenneth Mejia, City Controller Kenneth Mejia Releases
24 Performance Audit of Pathways to Permanent Housing in LAHSA's and the City of
25 Los Angeles's Rehousing Systems (Dec. 10, 2024),
26 <https://firebasestorage.googleapis.com/v0/b/lacontroller-2b7de.appspot.com/o/Press%20Releases%20Press%20release%20Controller%20Audit%20of%20Paths%20to%20Perm%20Housing.pdf?alt=media&token=f154a67f-c359-4d82-b913-42522dac1847>.

27 ¹² Doug Smith, *Los Angeles homeless count raises doubts about accuracy. Is it*
28 *time for a new way?*, Los Angeles Times (Sept. 24, 2022, 5:00 AM),
<https://www.latimes.com/california/story/2022-09-24/doubts-raised-over-the-los-angeles-homeless-count-is-it-time-for-a-new-way>.

1 organizations submitted proposals, but ultimately all parties—including the City of Los
2 Angeles—agreed that A&M was best suited to the task. The results of the A&M audit
3 are staggering:

4 • **The City does not know how much it’s paying, to whom, and for**
5 **what.** A&M found “[i]nsufficient financial accountability led to an inability to trace
6 substantial funds allocated to the City Programs[,]” making it challenging to “verify
7 spending and the number of beds or units reported by the City and LAHSA, track
8 participant outcomes, and align financial data with performance metrics.” (A&M
9 Audit at 4, [ECF No. 870](#).)

10 • **The City has spent *at least* \$2.3 billion, but probably more.** A&M was
11 “unable to completely quantify the total amount spent by the City for each component
12 of the City Programs” (*Id.*)

13 • **No one knows exactly how to get an unsheltered person, sheltered.**
14 “Multiple siloed referral process and disparate data systems, . . . differing prioritization
15 and matching processing . . . [resulted in a] “fractured system” with “*confusion among*
16 *stakeholders, including service providers, and increased the risk of inequitable and*
17 *inefficient resource allocation, potentially delaying timely shelter and housing*
18 *placements.*” (*Id.* at 5.)

19 • **No verification of services rendered by providers.** City invoicing
20 reviews consisted only of “reconciling aggregate amounts in financial reports, rather
21 than verifying the quality, legitimacy, or reasonableness of expenses. Antiquated
22 systems and manual processes, prolonged budget amendments, inconsistent invoice
23 submission practices” resulted in inefficiencies and delays. (*Id.*) Controls did not
24 always “detect or address potential discrepancies” with a “high level of
25 noncompliance” among service provider contracts. (*Id.*) Neither LAHSA nor LAHD
26 verified “*that the service provider invoices reflected actual services provided*” and
27 every single contract reviewed was executed “*after its stated term had commenced.*”
28 (*Id.*)

1 • **Providers can get paid for nearly anything.** Contracts “contained broad
2 terms without clear definitions, which created ambiguity about the scope and type of
3 service delivered.” (*Id.*) The “multiple funding sources, poorly designed and siloed
4 processes, lack of collaboration, and overlapping responsibilities” between entities, in
5 addition to granting service providers discretion in funding for services added
6 multiple “layer[s] of complexity, accountability and risk” and “reduced transparency,
7 blurred roles, and responsibilities, and impeded effective coordination of
8 homelessness assistance services.” (*Id.* at 6.)

9 • **Fraudulent Charges will go undetected.** “[S]ignificant cost and
10 performance variability across service providers” (for example “*personnel expenses*
11 *ranged from \$67 to \$7, food or meal expenses ranged from \$18 to \$7, and security*
12 *expenses ranged from \$32 to \$2*” per bed per day) combined with the failure by
13 anyone to verify services provided, meant bills could be padded, extra charges added,
14 and made it impossible to compare performance and cost-effectiveness of each
15 intervention. (*Id.*)

16 • **No one knows where the money went and whether it was well-spent.**
17 “Funding and the City’s budget allocations for homelessness assistance services were
18 not routinely reconciled with actual spending or contractual obligations[,]” which “led
19 to confusion about the total amount expended” and made it “challenging to ascertain
20 how budgets . . . were utilized or whether they achieved the intended outcomes.” (*Id.*
21 at 7.)

22 The audit report goes on to explain that LAHSA’s records do not accurately
23 reflect total Roadmap Program costs, which means provider performance cannot be
24 measured and elected leaders cannot make informed decisions about the cost-
25 effectiveness of specific programs. (A&M Audit, Section 3.4 at 50.) Inside Safe is
26 wildly expensive, at up to \$281 per night (\$102,565 per year) for one person in
27 addition to significant repair costs from tenant-caused damage. (*Id.*, Section 3.6 at 68.)
28 LAHSA and the City lack effective management over their contractual payments.

1 Because LAHSA isn't verifying that services are provided, and the City pays LAHSA,
2 the City doesn't know what it's paying for. The process is so cumbersome, that it
3 focuses on paying vendors as soon as possible without taking the time to verify service
4 levels. (*Id.*, Section 3.7 at 75.) The City/LAHSA outreach and shelter system is
5 disjointed and fractured, with various programs failing to communicate with one
6 another. Eligibility criteria are ill-defined and applied inconsistently. This means
7 various programs may be providing services to the same people while counting them
8 as unique. Others receive no services at all. Contracts are written so poorly, the entities
9 don't clearly know how many shelter beds exist. (*Id.*, Section 4.2 at 100.) LAHSA's
10 contracts are vague and virtually unenforceable. Data collection for the wide array of
11 programs is haphazard and inconsistent. This means LAHSA and the City are paying
12 millions of dollars to providers with few meaningful performance requirements. The
13 data that is collected is inaccurate and incomplete. Neither LAHSA nor the City can
14 say with any degree of accuracy how well tax dollars are being used. (*Id.*, Section 4.3
15 at 106.) The City and County do not know how many acute care beds are available.
16 Beds designated for high-needs clients may be occupied by people who do not meet
17 eligibility criteria. This means many unhoused people with a high need for supportive
18 housing do not receive services because no entity accurately tracks bed usage. (*Id.*,
19 Section 4.4 at 112.) The shelter-to-housing system is disjointed, inefficient, and
20 inequitable. Clients in need of housing are at the mercy of a system which largely
21 depends on the personal expertise and commitment of individual case workers. This
22 means the number of people lost back into homelessness is twice the number of people
23 who are housed. Unhoused people with the same needs are treated differently
24 depending on the agency serving them and the name of their case manager. Some
25 people receive the same service more than once, while others receive nothing at all.
26 (*Id.*, Section 4.5 at 116.) There are serious systemic problems with contract and
27 vendor performance monitoring. Because of intersecting leadership and oversight
28 roles, staff may be hesitant to bring LAHSA's problems to the attention of elected

1 officials. Insufficient staffing prevents identification of staff performance issues, as
2 evidenced by the note that 80 percent of the contracts that were examined were
3 noncompliant. This highlights the high risk that LAHSA and the City are paying for
4 services they are not receiving. (*Id.*, Section 5.4 at 135.)

5 ii. Historical and Concurrent Audits Reflect the Same Incompetency

6 • **2001:** A HUD audit of LAHSA's supportive housing program found
7 LAHSA violated the grant agreements by failing to conduct onsite monitoring of sub-
8 grantees and failing to conduct any formal monitoring of subgrantees prior to awarding
9 renewal grants.¹³

10 • **2007:** HUD audit of LAHSA found LAHSA failed to perform required
11 fiscal monitoring, paid for ineligible expenses, and could not provide documentation to
12 support its cash match for other organizations. LAHSA was also criticized for its use
13 of a poor financial management system.¹⁴

14 • **2018:** In 2018 Los Angeles County Auditor-Controller identified 16
15 deficiencies, including problems with sufficient staffing and contract oversight. Many
16 of the same problems identified by A&M and later County auditors was included in
17 these findings: "Retroactive Contracts," "Inadequate Cash Flow to Pay Sub-
18 Recipients," "Lacked Documentation Supporting . . . Cash Advances from Funding
19 Sources", "Fiscal Operations Lacked Management Oversight," as well as various
20 inefficiencies, untimely payments and reimbursement claims, excessive management
21 reviews and approvals, and lack of clarity of roles and responsibilities.¹⁵

22
23 ¹³ Memorandum from the U.S. Department of Housing and Urban Development,
24 Office of Inspector General on Los Angeles Homeless Services Authority, et al. (Mar.
23, 2001), <https://archives.hud.gov/offices/oig/reports/files/ig191803.pdf>.

25 ¹⁴ Audit Report, Joan S. Hobbs, Regional Inspector General for Audit, The Los
26 Angeles Homeless Services Authority, Los Angeles, California, Did Not Perform On-
27 Site Fiscal Monitoring of Its Project Sponsors (June 8, 2007),
<https://www.hudoig.gov/sites/default/files/documents/audit-reports/ig0791013.pdf>.

28 ¹⁵ Los Angeles County, Auditor-Controller, Follow-Up Review of Los Angeles
Homeless Services Authority (June 4, 2018),

1 • **2019:** The LA City Controller reviewed LAHSA’s Outreach program,
2 finding that LAHSA failed to meet seven of nine goals in FY 17-18 and five of nine
3 goals in FY 28-19. These included housing placement rates as low as four percent
4 (target was 10); substance abuse treatment rates of just six percent (target was 25);
5 mental health treatment of just four percent (target was 25), placements from streets to
6 shelter was 14 percent (goal was 20), and LAHSA could not report on the goal of data
7 accuracy. LAHSA blamed data quality from a new system; improved “data quality”
8 did not improve the results. The Controller also found LAHSA improperly aggregated
9 countywide numbers to falsely report placing 21,000 people in housing from the City,
10 and counted the same people multiple times as they moved in and out of the system.¹⁶
11 Also in 2019 the Controller reviewed Proposition HHH finding that money was
12 mismanaged and a lack of accountability within the City of LA “caused confusion
13 during the audit, demonstrated a lack of consistent understanding of the departments’
14 roles and responsibilities, and created unnecessary financial risk.”¹⁷

15 • **2021:** LA County Auditor-Controller released a series of four reports.
16 The reports identify as unresolved the same staffing and oversight issues previously
17 identified. The reports also identified as problems paying providers late, failing to
18 make reimbursement requests, and insufficient financial controls. A report written by
19
20
21

22 [https://file.lacounty.gov/SDSInter/auditor/cmr/1038695_2018-06-](https://file.lacounty.gov/SDSInter/auditor/cmr/1038695_2018-06-04LosAngelesHomelessServicesAuthority-MeasureH-PhaseI-FiscalOperationsAssessmentFollow-UpReview-BoardMotionApril10_2018_Item1.pdf)
23 [04LosAngelesHomelessServicesAuthority-MeasureH-PhaseI-](https://file.lacounty.gov/SDSInter/auditor/cmr/1038695_2018-06-04LosAngelesHomelessServicesAuthority-MeasureH-PhaseI-FiscalOperationsAssessmentFollow-UpReview-BoardMotionApril10_2018_Item1.pdf)
[FiscalOperationsAssessmentFollow-UpReview-BoardMotionApril10_2018_Item1.pdf](https://file.lacounty.gov/SDSInter/auditor/cmr/1038695_2018-06-04LosAngelesHomelessServicesAuthority-MeasureH-PhaseI-FiscalOperationsAssessmentFollow-UpReview-BoardMotionApril10_2018_Item1.pdf).

24 ¹⁶ Ron Galperin, Controller, City of Los Angeles, Strategy on the Streets:
25 Improving Los Angeles Homeless Services Authority’s Outreach Program (Aug. 28,
26 2019), [https://firebasestorage.googleapis.com/v0/b/lacontroller-](https://firebasestorage.googleapis.com/v0/b/lacontroller-2b7de.appspot.com/o/audits%2F2020%2FStrategy-on-the-Streets_Improving-LAHSA's-Outreach-Program_8.28.19.pdf?alt=media&token=6653a96a-ba5b-4900-9e57-8b230aa444bd)
[2b7de.appspot.com/o/audits%2F2020%2FStrategy-on-the-Streets_Improving-](https://firebasestorage.googleapis.com/v0/b/lacontroller-2b7de.appspot.com/o/audits%2F2020%2FStrategy-on-the-Streets_Improving-LAHSA's-Outreach-Program_8.28.19.pdf?alt=media&token=6653a96a-ba5b-4900-9e57-8b230aa444bd)
[LAHSAs-Outreach-Program_8.28.19.pdf?alt=media&token=6653a96a-ba5b-4900-](https://firebasestorage.googleapis.com/v0/b/lacontroller-2b7de.appspot.com/o/audits%2F2020%2FStrategy-on-the-Streets_Improving-LAHSA's-Outreach-Program_8.28.19.pdf?alt=media&token=6653a96a-ba5b-4900-9e57-8b230aa444bd)
[9e57-8b230aa444bd](https://firebasestorage.googleapis.com/v0/b/lacontroller-2b7de.appspot.com/o/audits%2F2020%2FStrategy-on-the-Streets_Improving-LAHSA's-Outreach-Program_8.28.19.pdf?alt=media&token=6653a96a-ba5b-4900-9e57-8b230aa444bd).

27 ¹⁷ Letter from Ron Galperin, The High Cost of Homeless Housing: Review of
28 Proposition HHH (Oct. 8, 2019), [https://controller.lacity.gov/audits/high-cost-of-](https://controller.lacity.gov/audits/high-cost-of-homeless-housing-hhh)
[homeless-housing-hhh](https://controller.lacity.gov/audits/high-cost-of-homeless-housing-hhh).

1 an independent consultant identified an insufficient structure to manage LAHSA's
2 growing responsibilities.¹⁸

3 • **2023:** LA City Controller reviewed LAHSA's real-time shelter
4 availability system which the Authority it was directed to create by the City and
5 County **seven years prior** (in 2016). LAHSA tried twice to create the system and
6 failed both times. The report noted significant problems with data issues and oversight
7 by LAHSA.¹⁹

8 • **2024:**
9 ○ The LA County Auditor-Controller (10 days after the Measure A
10 vote) released a "Review" of LAHSA's "Finance, Contracts, Risk Management, and
11 Grants Management." It again identified 16 deficiencies, finding the cash management
12 process was so bad, it created a recurring cycle of payment and billing crises. It was
13 chronically late in making funding applications which created cash shortages in some
14 restricted funds. LAHSA was chronically late paying providers and sometimes used
15 funds from other sources to make payments, then backfilled the original fund. It failed
16 to recoup advanced funds. It also found LAHSA paid on expired contracts, was
17 regularly making payments to vendors before contracts were finalized, and paying
18 providers without proof of performance.²⁰

19
20
21 ¹⁸ County of Los Angeles, Arlene Barrera, Auditor-Controller, Los Angeles
22 Homeless Services Authority – Measure H – Contracting Operations Assessment
23 Review (Report #X18703) – First Follow-Up Review (Feb. 5, 2021),
24 <https://file.lacounty.gov/SDSInter/bos/supdocs/148452.pdf>.

23 ¹⁹ LA City Controller, Kenneth Mejia, Homelessness Audit: Interim Housing &
24 Shelter Bed Data (Dec. 5, 2023),
25 [https://firebasestorage.googleapis.com/v0/b/lacontroller-
2b7de.appspot.com/o/homelessnessaudit-
interimhousing.pdf?alt=media&token=9c88b2c7-fd89-4613-be66-b0b4cca9b61a](https://firebasestorage.googleapis.com/v0/b/lacontroller-2b7de.appspot.com/o/homelessnessaudit-interimhousing.pdf?alt=media&token=9c88b2c7-fd89-4613-be66-b0b4cca9b61a).

26 ²⁰ County of Los Angeles, Oscar Valdez, Department of Auditor-Controller, Los
27 Angeles Homeless Services Authority – Finance, Contracts, Risk Management, and
28 Grants Management Review (Nov. 19, 2024),
[https://file.lacounty.gov/SDSInter/auditor/cmr/1170598_2024-11-19LAHSA-
FinanceContractsRiskManagementandGrantsManagementReviewFebruary27_20
24 BoardAgendaItem4 .pdf](https://file.lacounty.gov/SDSInter/auditor/cmr/1170598_2024-11-19LAHSA-FinanceContractsRiskManagementandGrantsManagementReviewFebruary27_2024BoardAgendaItem4.pdf).

1 ○ The LA City Controller found that for the five years covered by the
2 audit (dating back to 2019, pre-pandemic), interim housing occupancy rates never rose
3 above 78 percent. Fewer than 20 percent of interim housing clients were moved to
4 permanent housing, and more than half fell back into homelessness. The report also
5 found (once again) that LAHSA's data reliability was low, preventing the Authority
6 from holding underperforming providers accountable and leaving Council members
7 with incomplete data when making important policy and funding decisions.²¹

8 iii. Recent Events Demonstrate Lack of Solutions

9 The A&M audit was publicly released March 6, 2025, though earlier versions
10 had been produced to the parties prior to that. (A&M Audit, ECF 870.) LAHSA
11 responded by agreeing about the data and funding issues, fragmented structure
12 requiring reform, limited oversight and performance monitoring but in large part
13 blamed the City and County's lack of coordination and lack of funding for more staff.
14 (Letter from LAHSA, Mar. 24, 2025, Ex. A, ECF No. 876.) And of course it
15 contained multiple empty promises to do better in the future. (*Id.*) On March 27, 2025,
16 this Court held a hearing regarding the City's failures and the audit results. Mayor
17 Bass, several City Councilmembers, and Board Chair Supervisor Barger were all
18 present in the Courtroom to hear the Court, A&M, and Plaintiffs describe the massive
19 systemic failures identified. They were also present for the Court's presentation
20 regarding historical audits which have reflected the same systemic problems for years
21 without being addressed by LAHSA, the City, or the County. The Court and Plaintiffs
22 pressed the significance of the issues:

- 23 • Court: "I'm going to try to end positively and ask you, can you help our
24 public and the Court, so I'm not interceding unnecessarily in coming up
25

26
27 ²¹ LA City Controller, Kenneth Mejia, Homelessness Audit: Pathways to
28 https://firebasestorage.googleapis.com/v0/b/lacontroller-2b7de.appspot.com/o/PH%20Pathways_LAHSA%20Final_12.10.2024.pdf?alt=media&token=0f6681b8-a28b-44ed-8bfa-e040fd2a127f.

1 with a system of centralization with some true weight and power behind
2 it, because this system is not working.” (Hr’g Tr. 34:20–24, Mar. 27,
3 2025, ECF No. 878.)

- 4 • Court: “[W]hatever you do, it has to be something to stop this train
5 wreck.” (*Id.* at 42:2–4.)
- 6 • Court: “. . . I’d like to hear before I decide to take action that you’re the
7 leadership that we all need. And God bless you ecause it’s fallen to you
8 for decades of negligence. And it’s fallen to you with decades of
9 unaccountability. And guess what? That’s why you got elected, to solve
10 this problem.” (*Id.* at 42:9–12.)
- 11 • Plaintiffs: “. . . [W]e [are] asking for an order to show cause from the
12 Court ask to whether a receivership should be imposed on the City.” (*Id.*
13 at 62:24–62:2.)
- 14 • Plaintiffs and the Court: Discussion of potential receivership and what it
15 looks like on the record with Plaintiffs’ counsel. (*Id.* at 72–79.)
- 16 • Court: “So I’m giving you a chance. Solve it. We’re out of time. I can’t
17 say it enough and every time I say it, it sounds like I don’t mean it now,
18 solve it, you’ve heard it.” (*Id.* at 79:2–4.)
- 19 • Court: “We’re out of time now, we’re out of patience and you’ve got to
20 solve this.” (*Id.* at 79:19–20.)

21 Mayor Bass acknowledged that the system is broken (*id.* at 44:25–45:2) there
22 must be a resolution (*id.* at 47:17–21), and that she alone does not have the power to
23 fix it because the systemic issues also involve other government actors. (*Id.* at 46–47.)
24 Chairwoman Barger also acknowledged that “the system is broken” and while the
25 County is responding by creating a new department she also acknowledged “I don’t
26 think a Department is going to solve this problem.” (*Id.* at 50:21–22.)

27 After the March 27, 2025 hearing, on April 1, 2025, the County Board of
28 Supervisors voted to move more than \$300 million it will be receiving through

1 Measure A out of LAHSA and into a new county agency to improve oversight and
2 accountability.²² Unfortunately, hundreds of the employees needed to staff the new
3 county department will come from LAHSA, bringing with them the same broken
4 culture of unaccountability and lack of transparency. This new department is set to
5 open in July 2026.

6 After the disastrous audit results, recent scandals involving the CEO directing
7 money to her husband's non-profit, and the County's withdrawal of significant funds
8 from LAHSA, LAHSA CEO announced her resignation on April 4.²³ And on May 6,
9 2025, allegations were published from the former Chief Financial Officer and the
10 former Deputy Chief Information Officer and that LAHSA was hiding data regarding
11 Inside Safe "because Kellum did not want Mayor Bass to look bad" that there was "no
12 source of truth with the data" from Inside Safe produced, and that LAHSA's CEO
13 unnecessarily hired friends and associates from prior non-profit work at high salaries.²⁴
14 Those allegations resulted in an \$800,000 settlement to the two individuals.²⁵ While
15 those allegations are unproven, they are consistent with LAHSA's inability or
16 unwillingness to produce accurate, consistent, and complete data, and unwillingness to
17 critically review service provider performance and spending.

18
19 ²² David Zahniser and Rebecca Ellis, *County supervisors create new homeless*
20 *agency, despite warnings from L.A. mayor*, Los Angeles Times (Apr. 1, 2025, 7:19
21 PM), <https://www.latimes.com/california/story/2025-04-01/county-votes-to-pull-money-from-homeless-agency-despite-mayors-opposition>.

22 ²³ Doug Smith and David Zahniser, *Los Angeles homes chief to resign after the*
23 *county guts her agency*, Los Angeles Times (Apr. 4, 2025, updated 7:14 PM),
<https://www.latimes.com/california/story/2025-04-04/los-angeles-homeless-chief-to-resign-after-the-county-guts-her-agency>.

24 ²⁴ Demand Letter from Allison R. Bracy, Bracy Hawkins, P.C. re *Emily Vaughn*
25 *Henry v. City of Los Angeles Homeless Services, Authorities, et al.*, Case Number
26 00174-2024 (May 31, 2024), <https://s3.documentcloud.org/documents/25931615/demand-letter-vaughn-henry-v-lahsa-5-31-24-redacted.pdf>.

27 ²⁵ Nick Gerda, *Whistleblowers say LA's top homeless official hired unqualified*
28 *friends, tried to destroy public records*, LAist (May 6, 2025, 4:47 PM),
<https://laist.com/news/housing-homelessness/whistleblowers-homeless-official-misconduct>.

1 The City has made no significant changes. On April 1, just days after the last
2 court hearing describing the historic failure to demand documentation prior to making
3 payments to providers, the City voted to approve payment of \$46 million in payments
4 for Inside Safe providers without proper documentation or data supporting the
5 payments.²⁶ The Mayor published her proposed budget for Fiscal Year 25-26 on April
6 21, 2025 and there were no significant changes to proposed projects or homelessness
7 response other than to significantly reduce CARE and CARE+ cleanings.²⁷ All Inside
8 Safe units will be maintained, and the City still lacks a plan for approximately 2,000
9 beds required under the Agreement.²⁸ There is no proposal to pivot projects from the
10 most expensive (Inside Safe and PSH) to more cost effective (e.g. shared housing, tiny
11 homes, congregate shelters).²⁹ In fact, the budget hearings reflected far more questions
12

13 ²⁶ City of Los Angeles, Regular City Council, YouTube (Apr. 1, 2025),
14 <https://www.youtube.com/watch?v=ybQsnJz-vgI> (3:15:31 (Rodriguez: “The fact that
15 we are accepting, after the budget committee gave a very clear instruction about the
16 data that was supposed to be provided to this council with respect to the inside safe
17 operations, and these reports still have a litany going back for over a year of blank
18 spaces with pending information under underscores the failure for LAHSA to give us
19 real time data. . . . We are in a fiscal crisis, and yet we have not cut off the spigot for
20 funding. . . . How many more audits do you need? How many more examples do we
21 need that? Not only is this cost prohibitive, 351 days ago today, the mayor in her state
22 of the City address said that inside safe needed to be recalibrated, and yet not a single
23 thing has changed. It's inequitably distributed. The maps themselves show you that
24 there has not been equitable distribution across the city. We see the exit rates that give
25 us all of the red flags about what the problems are. We see the fact that this is going to
obligate us for future budgetary obligations of more than \$61 million. It needs to stop.
26 . . . The idea of what it costs Inside Safe to house individuals is exorbitant, and it,
27 frankly, is offensive to working Angelinos who survive on far less. We don't have the
28 money to continue to enable this. , and right now, as the county is contemplating a
conversation about pulling their money out of Lhasa, a year ago, I introduced the
motion, and I'm still living I'm waiting for that report to come back about how we
centralize, not in a political office, but how do we centralize the operation and work
that we're doing around homelessness, because we can no longer have this multiple
siloed environment that is costing us 10s or hundreds of millions of dollars that we
fund LAHSA to tell us we will get back to you. You that we give to the mayor's office
with Inside Safe to say ‘We'll get back to you,’ only to just force this Council's hand,
to continue to fund this failure.”

26 ²⁷ City of Los Angeles, Budget Hearings, YouTube (May 2, 2025),
27 <https://www.youtube.com/watch?v=Tjk043szTqE>.

28 ²⁸ (*Id.*)

²⁹ (*Id.*)

1 than answers.³⁰ And three separate City Housing and Homelessness Committee
2 meetings have been cancelled in the last month, with nothing of substance occurring in
3 the meetings that were held.³¹ The City Council asked the CLA and CAO to report
4 back within 30 days on the impacts of the County's partial withdrawal from LAHSA
5 and creation of a separate department responsible for management of the City's
6 homelessness programs.³² On April 22, 2025, the CLA issued a report responsive to
7 multiple motions entitled "Formation of a City Homelessness Governance Structure"
8 which describes options for the City to consolidate homelessness response within a
9 single department for a less fractured system, as well as provides some options for
10 responding to the County's significant withdrawal for LAHSA.³³

11 In short, the City's system to address the homelessness crisis in Los Angeles is
12 in a state of crisis. It has been in crisis for decades, as evidenced by the ballooning
13 numbers of unhoused individuals and the series of audits identifying massive
14 mismanagement for decades with no recourse; only recently as the public has become
15 aware of the cause of the disfunction—largely through this litigation—have the City
16 and County made moves to course-correct. It is unclear at this point whether any such
17 efforts will be fruitful or whether they are just moving deck chairs around on the
18 Titanic. Given the many years of notice the City and County have had about these
19 problems, and each entity's demonstrated inability or unwillingness to demand
20 transparency, accountability, and results (instead of just process), Plaintiffs are deeply
21

22 ³⁰ (*Id.*)

23 ³¹ Office of the City Clerk, Council and Committee Meeting Calendar,
24 <https://clerk.lacity.gov/calendar> (last visited May 8, 2025).

25 ³² LA City Clerk Connect, Council File: 25-0316,
26 <https://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfnumber=25-0316>;
27 City of Los Angeles, Official Action of the Los Angeles City Council,
28 Housing and Homelessness Committee Report (Apr. 30, 2024),
https://clkrep.lacity.org/online/docs/2024/24-0330_CAF_4-30-24.pdf.

³³ Report from Sharon M. Tso, Chief Legislative Analyst, Formation of a City
Homelessness Governance Structure (Apr. 22, 2025),
https://clkrep.lacity.org/online/docs/2025/25-0207_rpt_cla_4-22-25.pdf

1 skeptical. *See, e.g. Plata I*, [2005 WL 2932253](#), at *4 (when the state “reorganized the
2 prison system into a new organization structure effect” the day after the Court
3 announced its imposition of a receiver, the Court appointed a receiver anyway because
4 “[w]hile the new structure holds promise for some improvements in the Department, it
5 fails to provide sufficient authority to the medical leadership, and may well exacerbate
6 the problems that currently exist.”)

7 **e. Fundamentals of Receivership (“How it Would Work”).**

8 i. Types and Levels of Leadership

9 Federal receiverships mandated to correct systematic failings by city and state
10 agencies have been established across a wide variety of settings. *See, e.g., Plata I*,
11 [2005 WL 2932253](#), at *24; *Dixon*, [967 F. Supp. at 555](#) (appointing receiver over
12 prisons); *LaShawn A. v. Kelly*, [887 F. Supp. 297, 300](#) (D.D.C. 1995) (imposing a full
13 receivership over child welfare system), *aff’d*, [107 F.3d 923](#) (Table) (D.C. Cir. 1996);
14 *United States v. Gov’t of Guam*, Civil No. 02-00022, [2008 WL 732796](#), at *1 (D.
15 Guam Mar. 17, 2008) (appointing a receiver to manage, supervise and oversee the
16 Solid Waste Management Division (“SWM”) of DPW), *order clarified*, CIVIL CASE
17 NO. 02-00022, [2017 WL 5907861](#) (D. Guam Jan. 27, 2017); cf. *Perez v. Bos. Hous.*
18 *Auth.*, [379 Mass. 703, 725](#) (1980) (appointing receiver to manage Boston Housing
19 Authority due to severe mismanagement, including failure to maintain safe and
20 habitable public housing discriminatory practices, and violations of tenants’ rights).
21 The Court could establish a receiver for a limited purpose (*e.g.* to bring the City into
22 compliance with its bed and encampment obligations pending structural overhaul by
23 the entities) or more fundamentally over the homelessness response system (until the
24 City can demonstrate ability to manage) to address the larger, more fundamental
25 structural issues which underpin the failures this case has demonstrated. Or the Court
26 could establish a receiver for a limited purpose and, if necessary, evolve the purpose.
27 For example, in *Plata I*, a receiver was appointed over medical care in the entire
28 California Prison System (165,000 in 2005). *Plata I*, [2005 WL 2932253](#), at *34–35.

1 But by 2007, overcrowding in the prisons became a focus when the Court concluded,
2 based on recommendations from the receiver in addition to other evidence presented,
3 that overcrowding was undergirding the crisis in medical care and therefore convened
4 a three-court panel to evaluate a mass prisoner release order (which occurred in 2009).
5 Order, *Plata I Docket* (N.D. Cal. Aug. 4, 2009), [ECF No. 2197](#). Plaintiff has requested
6 and again renew their request for the Court to issue an Order to Show Cause re
7 Receivership to determine the best course. At minimum Plaintiff requests the Court
8 appoint a receiver to implement the terms of the Agreement pending a systemic
9 restructuring.

10 ii. Incremental Options

11 Courts typically utilize an incremental approach before appointing a full
12 receiver. *Dixon*, [967 F. Supp. at 554](#) (“The Court has taken a number of different tacks
13 in an effort to force the District to comply with the *Dixon* Decree, including general
14 consent orders, specific implementation plans with numerical targets, the appointment
15 of an expert technical assistant, and the appointment of a special master.”). In *Plata I*,
16 the district court went through a litany of alternatives before deciding to appoint a
17 receiver: noting that sanctions, contempt orders and appointment of special master
18 would all likely be fruitless:

19 [S]teps toward resolving this crisis have been ordered by the Court.

20 Additionally, the Court Experts, plaintiffs, and the Court itself have provided
21 specific achievable measures and have made innumerable informal
22 suggestions as to how defendants can move forward. The Court invited the
23 parties during monthly status conferences to contribute ideas as to possible
24 remedies, and the Court especially encouraged defendants to consider ways
25 in which they could take the actions necessary to solve the medical care
26 problems through measures within their own control, including use of the
27 extraordinary powers of the Governor. The Court went to the length of
28 requesting that defendants present it with a series of proposed orders so that

1 the Court could help empower them to overcome some of their bureaucratic
2 hurdles on their own. . . . Finally, the Court issued the [OSC] which stated
3 that “with respect to the substantive remedy itself, the Court encourages all
4 parties to think as creatively as possible, and the Court will remain open to
5 all reasonable alternatives. Even following issuance of the OSC—on the
6 brink of possible contempt and the imposition of a Receivership—the *Plata*
7 defendants were able to enact only very limited and piece-meal measures,
8 with no prospect for system-wide reform or restructuring.

9 2005 WL 2932253 at *26–27 (citation omitted). Like *Dixon* and *Plata I*, this Court has
10 already taken numerous half-measures to cajole compliance: appointment of special
11 master, institution of sanctions, establishment of numerical targets (milestones),
12 appointment of a neutral, third-party evaluator, listening sessions between the parties,
13 outreach workers, and department representations, numerous informal meetings and
14 formal status conferences with defendants, plaintiffs, and various members of the
15 community offering suggestions and requesting defendants to provide ideas. Yet none
16 of the milestones, tough words, suggestions, ideas, monitoring, sanctions, or audits
17 have achieved results. After five years of litigation, and three years in this Settlement
18 Agreement, the City offers no solutions. Receivership is the last resort available to this
19 court.

20 iii. Receiver

21 Because of the intransigent and complicated nature of the task, Plaintiff suggests
22 the Court consult with the parties to organize an urgent national search for a receiver,
23 with parties submitting requests for proposals regarding potential candidates. *See, e.g.,*
24 *Plata I*, 2005 WL 2932253, at *34. During the period of reviewing proposals, the
25 Court could appoint a temporary receiver. *See e.g., id.* at *34–35; *Morgan*, 540 F.2d at
26 533 (approving temporary receivership of South Boston High School to ensure
27 immediate transfer of certain staff who were impeding desegregation goal, given local
28 authority’s failure to comply with the court’s desegregation orders); cf. *LaShawn A.*,

1 887 F. Supp. at 300 (court imposed two “limited receiverships” in child welfare system
2 at time consent agreement was entered; after subsequent non-compliance, court
3 imposed a full receivership); *Petitpren v. Taylor Sch. Dist.*, 104 Mich. App. 283, 293
4 (1981) (noting that a trial court “may appoint a receiver in the absence of a statute
5 pursuant to its inherent equitable authority”). Given her work in Santa Ana and Los
6 Angeles over the last seven years, Plaintiff suggests Special Master Martinez as an
7 initial and temporary receiver, with the power to hire staff to assist.

8 While this Court is understandably frustrated and skeptical of the City
9 leadership, staff, and programs, and reticent to work within the existing infrastructure
10 (Hr’g Tr. 78:18–21, ECF No. 878), the Court could establish a parallel body to work
11 alongside the City to implement the terms and reform needed. *Plata I*, 2005 WL
12 2932253, at *30 (“When appointing receivers, courts often remove the officials in
13 charge of the entity responsible for the constitutional violations from power and place
14 the receiver in their stead. . . . [T]he Court will deviate from this practice and will not
15 displace any State officials. . . . This Order shall serve as notice to the current leaders
16 of the prison system and of the State that they must do everything in their power to
17 work cooperatively with the Receiver, to create substantial reform in the executive
18 branch . . . , to seek legislative reform where necessary, and take all other necessary
19 measures to eradicate the barriers that have led to the current crisis.”).

20 The receiver’s authority should at minimum include program management
21 (including redirecting remaining HHH funds and City/grant funding into cost-effective
22 solutions), financial oversight (including negotiating directly with County for funding),
23 encampment resolution efforts, and streamlining collaboration between the City,
24 County, and LAHSA (in whatever form it continues to exist) to accomplish the goals
25 of the Settlement Agreement. Depending on the type and purpose of the receivership,
26 establishment for a defined term (*e.g.*, 3–5 years) would be appropriate, with the goal
27 of returning control to the City once compliance is achieved. In *Plata I*, while the
28 receivership has lasted over two decades, it has achieved significant reforms which

1 would otherwise have never occurred. It would also be appropriate to establish metrics,
2 such as bed creation and encampment reduction rates, to measure progress.

3 A receivership is a proportionate response to the City's systemic failures, which
4 have left thousands unsheltered and endangered public health and safety. By
5 restructuring operations, leveraging resources, and enforcing accountability, the
6 receiver would fulfill the Settlement Agreement's vision of achieving functional zero
7 unsheltered homelessness.

8 **II. This Court has Jurisdiction Over LAHSA and/or the City and County May**
9 **(and Indeed Must) Consent to Jurisdiction on LAHSA's Behalf**

10 LAHSA is a joint powers authority ("JPA") created and controlled by Defendants
11 City of Los Angeles and County of Los Angeles and is the instrumental agency
12 through which the City and County have carried out their homeless services
13 obligations over the last thirty years. Two independent grounds exist for the Court's
14 jurisdiction over LAHSA: (1) LAHSA's status as a JPA of the City and County means
15 the Court already has jurisdiction over it by virtue of the City's and County's
16 jurisdiction, since LAHSA acts on behalf of its constituent members and is not wholly
17 independent of them for these purposes; and (2) alternatively, the City and County can
18 consent (and indeed, have an equitable duty) to submit LAHSA to this Court's
19 jurisdiction and orders, given their joint control over LAHSA's governance and
20 operations. Both arguments are rooted in California's Joint Exercise of Powers Act, the
21 terms of the operative 2001 Amended Joint Powers Agreement creating LAHSA, and
22 applicable legal principles of agency, consent, and equity. For the reasons below, the
23 Court can and should treat LAHSA as within its jurisdiction, notwithstanding that
24 LAHSA has not been named as a formal defendant.

a. LAHSA’s Status as a City-County Joint Powers Authority Places It Within the Court’s Jurisdiction Through its Constituent Members

i. LAHSA is a Creation of the City and County, Exercising Their Joint Powers for Homeless Services

LAHSA was established in 1993 by the City of Los Angeles and the County of Los Angeles pursuant to California’s Joint Exercise of Powers Act (Cal. Gov’t Code § 6500 *et seq.*). (*See* Mitchell Decl. Ex. 2, JPA Agreement, Feb. 28, 2001).) It is an agency jointly created and governed by the City and County to administer homeless services on their behalf. (*Id.*) The JPA Agreement confirms that the City and County formed LAHSA to “coordinate the operation of existing services for the homeless which the [City and County] operated separately” before LAHSA, and to “design, fund and operate other homeless and related social services . . .” for the community. (*Id.* § 1.) In other words, LAHSA exists to carry out the very functions in the homelessness arena that would otherwise be the individual responsibility of the City and County. LAHSA’s mandate is thus coterminous with the homeless services obligations and commitments of its parent governments.³⁴

LAHSA’s activities (namely shelter, services, and housing coordination for homeless individuals) are not undertaken on some wholly separate policy agenda, but squarely “in furtherance of the programs and goals of [the] County and City” as set forth in the Joint Powers Agreement. (JPA Agreement § 4(b).) The JPA Agreement explicitly provides that “[t]he Authority shall have the powers common to the Parties to this Agreement to provide homeless programs and services and other related social

³⁴ Notably, LAHSA’s genesis was directly tied to the County’s legal obligations to care for indigent homeless persons. Welfare & Institutions Code section 17000 imposes on every county in California a mandatory duty to “relieve and support” all indigent persons residing within the county. In fact, LAHSA was formed as part of a settlement of litigation in the early 1990s in which the City of Los Angeles, civil rights groups, and homeless advocates had alleged that Los Angeles County was failing to meet its obligations under section 17000. The creation of LAHSA was the chosen vehicle to ensure a coordinated, regional response to homelessness and compliance with the County’s legal duties.

1 services to assist those persons in the community who are eligible to receive those
2 services.” (*Id.*) In short, everything LAHSA does is an exercise of powers *jointly held*
3 by the City and County, undertaken for their collective benefit and on their behalf.

4 Under California law, this is the very purpose of a JPA. “Since 1949, the Joint
5 Exercise of Powers Act [Cal. Gov. Code § 6500 et seq.] has permitted two or more
6 municipalities to form a joint powers authority which they agree will exercise any
7 power that each municipality has power to exercise individually.” *City of La Mesa v.*
8 *Cal. Joint Powers Ins. Auth.*, 131 Cal. App. 4th 66, 69 (2005). The Joint Exercise of
9 Powers Act allows “governmental agencies [to] join together to accomplish goals that
10 they could not accomplish alone, or that they might more efficiently and more
11 effectively accomplish together.” *Robings v. Santa Monica Mountains Conservancy*,
12 188 Cal. App. 4th 952, 962 (2010). “[T]wo or more public agencies by agreement may
13 jointly exercise any power common to the contracting parties” and they may join in the
14 creation of a separate entity to exercise those powers on their behalf. Cal. Gov’t Code
15 § 6502. LAHSA is, by statutory design, acting as the combined agent of the City and
16 County in the homeless services sphere. *See, e.g. Cam-Carson, LLC v. Carson*
17 *Reclamation Auth.*, 82 Cal. App. 5th 535, 550 (2022) (holding a joint powers authority
18 could be considered an alter ego of a city where the complaint demonstrated “unity of
19 interest” such as integrated resources and domination of “finances, policies, and
20 practices” such that the authority “had no separate ‘mind, will or existence’ of [its]
21 own but [was] merely [a] conduit[.]” through which [the City] conducted its business”
22 and “an inequitable result would follow” if the authority was treated as separate than
23 the City) (citation omitted); *Burbank-Glendale-Pasadena Airport Auth. v. Hensler*, 83
24 Cal. App. 4th 556, 563 (2000) (where cities created a JPA, the Authority “derives the
25 power” from the City, including the ability to exercise eminent domain); *Sigala v.*
26 *Anaheim City Sch. Dist.*, 15 Cal. App. 4th 661, 672 (1993) (trial court had authority to
27 order JPA members to attend a mandatory settlement conference even though JPA had
28 not been separately named in the suit: “Although at liberty to provide their own

1 internal operating procedures, the school districts do not have the license, by setting up
2 a JPA, to place themselves beyond the reach of the law.”).

3 Although LAHSA is a distinct legal entity for certain purposes, it is in no way
4 independent of the City and County’s governance or control. The Joint Powers
5 Agreement makes clear that LAHSA is entirely governed by the City and County
6 officials. (*See generally* Mitchell Decl. Ex. 2, JPA Agreement § 4.) Its policy-making
7 body is a ten-member Commission composed equally of City and County appointees
8 (five commissioners appointed by the County Board of Supervisors; five by the Mayor
9 of Los Angeles with City Council confirmation). (*Id.* § 4(c).) These commissioners
10 serve at the pleasure of the appointing City/County authorities. (*Id.*) Thus, the City and
11 County literally occupy all the seats at LAHSA’s governing table. LAHSA cannot take
12 any significant action except through decisions of this City/County-appointed
13 Commission. Moreover, the City and County fund LAHSA’s budget and dictate its
14 scope of operations through that funding and through contractual directives. (*Id.* § 9.)
15 The City and County each contribute resources to LAHSA and must approve
16 LAHSA’s annual budget. (*Id.* § 11.) LAHSA’s very existence and powers remain
17 subject to the will of the City and County: either the City or County may terminate the
18 joint agreement (with notice), which would dissolve LAHSA and require distribution
19 of its assets back to the City and County. (*Id.* § 3.) Indeed, additional parties can only
20 join LAHSA’s joint-powers agreement with the consent of the City and County’s
21 governing bodies, and LAHSA cannot even sue its own members. (*Id.* § 4(b).) In sum,
22 LAHSA is thoroughly intertwined with and subordinate to its constituent governments:
23 its leadership is hand-picked by the City and County, its funding comes from them,
24 and its continued corporate existence depends on their ongoing agreement. It is not a
25 rogue or separate power unto itself, but rather an administrative arm through which the
26 City and County jointly pursue homeless services.

27 It is true that under the Joint Powers Act and the JPA Agreement, LAHSA is
28 considered a “public entity separate from the parties to the agreement”, and that

1 LAHSA’s “debts, liabilities and obligations” are not automatically imputed to the City
2 or County. Cal. Gov’t Code § 6507; (Mitchell Decl. Ex. 2, JPA Agreement § 4(a)).
3 This legal separateness is chiefly intended to protect the member agencies from
4 financial liability for the JPA’s debts and to allow the JPA to enter contracts and sue or
5 be sued in its own name. Cal. Gov’t Code § 6507 (“the agency is a public entity
6 separate from the parties to the agreement.”); Cal. Gov’t Code § 6508.1 (“the debts,
7 liabilities, and obligations of the agency shall be debts, liabilities, and obligations of
8 the parties to the agreement, unless the agreement specifies otherwise.”). It does not
9 alter the fundamental reality that a JPA is exercising the “common powers” of its
10 members and is wholly dependent on, and ultimately controlled by, those members.
11 See Cal. Gov’t Code § 6508; *see also Tucker Land Co. v. State of California*, 94 Cal.
12 App. 4th 1191, 1199 (2001) (confirming that member entities of JPAs are still “liable
13 for the *torts* of the JPA” even if they are not “also liable for the contractual obligations
14 of the JPA” under the terms of the agreement). In fact, the Joint Powers Act explicitly
15 requires that a JPA’s exercise of power be subject to the restrictions that apply to one
16 of its constituent agencies (designated in the agreement)—a provision which ensures
17 the JPA remains tethered to the legal and policy framework of its creators. (*See* Cal.
18 Gov’t Code § 6509 (“Such power is subject to the restrictions upon the manner of
19 exercising the power of one of the contracting parties, which party shall be designated
20 by the agreement.”).) Here, for example, LAHSA must exercise its powers in the
21 manner of the City of Los Angeles’s procedures. (Mitchell Decl. Ex. 2, JPA
22 Agreement § 4(b).)

23 In short, LAHSA’s separate legal status does not immunize it from the
24 jurisdictional reach of this Court so long as the City and County—the entities that
25 direct LAHSA’s actions—are properly before the Court. To hold otherwise would
26 allow the City and County to evade judicial oversight simply by interposing a jointly
27 controlled agency to carry out their policies. In this litigation, the City and County
28 cannot use LAHSA as a shield to avoid responsibility for executing the terms of the

1 Settlement Agreements where LAHSA is the City and County's chosen instrument to
2 perform those very tasks.

3 ii. The Court May Treat LAHSA's Conduct and Obligations as Those
4 of the City and County for Jurisdictional Purposes

5 Because LAHSA functions as an extension of the City and County, the Court's
6 jurisdiction over the City and County encompasses the authority to effect relief
7 involving LAHSA. The Court already has subject-matter jurisdiction over the claims in
8 this case (which include federal constitutional claims under 42 U.S.C. § 1983 and
9 related state-law claims) by virtue of federal question jurisdiction and supplemental
10 jurisdiction. There is no jurisdictional defect that prevents reaching LAHSA's actions.
11 To the extent LAHSA's involvement in relief is necessary, it is well within the Court's
12 power to order the City and County to cause LAHSA to act or to refrain from acting in
13 certain ways.

14 Federal Rule of Civil Procedure 19 reinforces that LAHSA is not an
15 "indispensable party" that must be independently joined for the Court to grant
16 complete relief. Fed. R. Civ. P. 19. Under Rule 19(a), a party is "[r]equired" (and must
17 be joined if feasible) only if, *in that party's absence*, the court cannot accord complete
18 relief among the existing parties, or if the absent party claims a legally protected
19 interest that would be impaired or leave an existing party subject to multiple
20 obligations. Here, *complete relief* can be accorded among the present parties (City,
21 County, and Plaintiffs) without formally joining LAHSA, because the City and County
22 have both the authority and the practical means to fully implement any court order by
23 directing LAHSA's policies and use of resources by virtue of the JPA. LAHSA's
24 "interest" in this litigation is entirely represented by the City and County, its principals.
25 Any equitable relief regarding homeless services will necessarily involve LAHSA's
26 operations (so long as it exists in its current form); and the City and County, appearing
27 in this Court, have the power to ensure LAHSA's compliance. Thus, LAHSA's
28 absence as a named defendant does not impede the Court's ability to grant effective

1 relief, nor can LAHSA claim any divergent interest that would justify separate party
2 status. LAHSA is therefore not a necessary or indispensable party under Rule 19, and
3 its non-joinder does not deprive the Court of jurisdiction to proceed.

4 When the interests of an absent agency are aligned with and adequately
5 represented by existing parties, and those parties can implement the judgment, the
6 absent agency is not indispensable. *See, e.g., Sw. Ctr. for Biological Diversity v.*
7 *Babbitt*, 150 F.3d 1152, 1153 (9th Cir. 1998) (“We conclude, however, that as a
8 practical matter, the Community's ability to protect its interest will not be impaired by
9 its absence from the suit because its interest will be represented adequately by the
10 existing parties to Southwest's suit.”). “A non-party is adequately represented by
11 existing parties if: (1) the interests of the existing parties are such that they would
12 undoubtedly make all of the non-party's arguments; (2) the existing parties are capable
13 of and willing to make such arguments; and (3) the non-party would offer no necessary
14 element to the proceeding that existing parties would neglect.” *Id.* at 1153–54 (citing
15 *Shermoen v. United States*, 982 F.2d 1312, 1317–18 (9th Cir. 1992)). Here, any relief
16 regarding homelessness in Los Angeles can be implemented through the City and
17 County, who are before the Court and who direct LAHSA; LAHSA’s formal joining
18 into the case is therefore not required.

19 In short, there is no gap in jurisdiction that would prevent the Court from
20 reaching LAHSA’s role. Given that the City and County have already submitted to the
21 Court’s jurisdiction, LAHSA is effectively before the Court as well, through its
22 principals. (“Chairwoman Horvath: “I don’t see LAHSA as an outside entity. LAHSA
23 is a joint powers authority of the City and the County. So, five the appointments are
24 from the City. And Ffive of the appointments are from the County. So, I appreciate
25 that we want to hold LAHSA accountable. But that’s us.”) Hr’g Tr. 60:8–13, Oct. 3,
26 2024, ECF No. 783.) The Court’s existing jurisdiction over the City and County
27 encompasses the joint authority they wield through LAHSA.
28

b. Alternatively, the City and County Can and Should Consent to the Court's Jurisdiction Over LAHSA and Be Required to Ensure LAHSA's Compliance

i. Parties May Consent to Jurisdiction and Bind Affiliated Entities Under Legal and Equitable Principles

If there were any doubt about the Court's inherent jurisdictional reach to LAHSA (which there is not), that doubt can be resolved by the affirmative consent and participation of the City and County on LAHSA's behalf. It is a fundamental principle that parties may consent to a court's exercise of personal jurisdiction over them. *Ins. Corp. of Ireland v. Compagnie des Bauxites de Guinée*, [456 U.S. 694, 703](#) (1982) ("Because the requirement of personal jurisdiction represents first of all an individual right, it can, like other such rights, be waived"). Here, LAHSA's presence can be consented to in two complementary ways: (1) the City and County, as the governing authorities of LAHSA, can consent to have LAHSA bound by any orders of this Court, effectively extending their consent to jurisdiction to the agency they created; and (2) LAHSA's Commission (comprised entirely of City/County appointees) can itself vote or agree to submit LAHSA to the Court's jurisdiction in this matter. In practice, these amount to the same thing because the City and County control the Commission. The key point is that there is no adverse party asserting a jurisdictional objection on LAHSA's behalf. To the contrary, all relevant government actors (City, County, and by extension LAHSA) can affirmatively welcome the Court's oversight to achieve a comprehensive solution. And it would defy logic for the City and County to blame LAHSA for so many of their woes yet refuse to consent to the Court's jurisdiction over the Authority for the purpose of addressing those woes.

From an equitable standpoint, courts have long recognized that an injunction or judgment may extend to parties not formally before the court if those parties are represented by or in privity with the defendants, or if they are aiders and abettors of the defendants. [Federal Rule of Civil Procedure 65\(d\)\(2\)](#) explicitly provides that an

1 injunction order binds not only the parties but also “the parties’ officers, agents,
2 servants, employees, and attorneys,” and “other persons who are in active concert or
3 participation with” the parties or their agents, so long as those persons have notice of
4 the order. Fed. R. Civ. P. 65(d)(2)(B) & (C). “This is derived from the commonlaw
5 doctrine that a decree of injunction not only binds the parties defendant but also those
6 identified with them in interest, in ‘privity’ with them, represented by them or subject
7 to their control. In essence it is that defendants may not nullify a decree by carrying out
8 prohibited acts through aiders and abettors, although they were not parties to the
9 original proceeding.” *Regal Knitwear Co. v. NLRB*, 324 U.S. 9, 14 (1945).

10 LAHSA falls squarely within this principle: it is unquestionably in privity with
11 the City and County, is represented by them, and is subject to their control. Under Rule
12 65(d), if this Court issues an injunction or order requiring certain action (or inaction) in
13 the realm of homeless services, LAHSA will be bound to comply just as the City and
14 County are, because LAHSA is effectively their combined agent and is working *in*
15 *active concert* with them. The City and County can consent to and facilitate this
16 outcome by explicitly acknowledging that they will treat any court order as binding
17 upon LAHSA and will direct LAHSA to comply. The crucial fact is that no one is
18 opposing the inclusion of LAHSA—Plaintiffs seek it, and the City and County can
19 hardly object since they themselves choose to utilize LAHSA to carry out their
20 obligations under the Settlement Agreements.

21 ii. The City and County’s Control Over LAHSA Empowers Them to
22 Submit LAHSA to the Court’s Authority

23 Given that the City and County are properly before this Court, and given that
24 they have complete control over LAHSA’s structure and leadership, the simplest route
25 is for the City and County to explicitly acknowledge and exercise that control in aid of
26 the Court’s jurisdiction. They can do so in several ways: by stipulating that LAHSA
27 will comply with all Court orders in this case; by directing their respective LAHSA
28 Commissioners to vote to authorize LAHSA’s submission to the Court’s jurisdiction;

1 and by agreeing to incorporate any judicially mandated terms into the City-County-
2 LAHSA funding contracts or governance documents. California law empowers the
3 City and County to dictate LAHSA's scope: for example, the JPA can be amended by
4 the parties, and LAHSA's budget and programs are subject to City/County approval.
5 Thus, if the Court finds that certain relief (such as providing a specified number of
6 shelter beds or services) is warranted, the City and County can *instruct* LAHSA to
7 implement that relief and can amend LAHSA's operating parameters to ensure
8 compliance. The City and County's consent to jurisdiction over LAHSA is effectively
9 an agreement to use their full powers over LAHSA to carry out the Court's directives.
10 There is no legal barrier to them doing so. In fact, it is an expected incident of the joint
11 powers arrangement that the members direct the agency's actions.

12 A concrete example illustrates the point: If the Court were to order the County to
13 provide enhanced mental health services to unsheltered persons (a duty which falls
14 under California Welfare & Institutions Code sections 5600 et seq. and is part of
15 LAHSA's coordinated efforts), the County can satisfy this order either through its own
16 departments or by utilizing LAHSA (to coordinate outreach and services). Because
17 LAHSA at least currently serves as the County's service-delivery vehicle, the County's
18 compliance necessarily means LAHSA's compliance. The County cannot then evade
19 liability for failing to comply with the Court's order because it delegated that effort to
20 LAHSA. The City and County's unified consent thus removes any arguable due
21 process concern about binding an alleged non-party: LAHSA, through its creators,
22 would be voluntarily coming under the Court's authority.

23 * * * *

24 The Court is on solid legal ground to find that LAHSA is within its jurisdictional
25 reach. Whether viewed as already encompassed by the City and County's presence or
26 by virtue of the City and County's consent, the result is the same: LAHSA can be
27 ordered to act (or refrain from acting) as part of the relief in this case. Plaintiff urges
28 the Court to so-hold, and to not permit any procedural technicality to impede much-

1 needed remedies. Both law and equity favor treating LAHSA as a collaborative
2 creation of the City and County that stands in their shoes for the delivery of homeless
3 services. Accordingly, the Court can and should assert jurisdiction over LAHSA to the
4 full extent necessary to fashion and enforce effective relief in this litigation.

5
6 Dated: May 8, 2025

Respectfully submitted,

7 /s/ Elizabeth A. Mitchell

8 UMHOFFER, MITCHELL & KING, LLP

Matthew Donald Umhofer

9 Elizabeth A. Mitchell

10 *Attorneys for Plaintiffs*

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7
8 UNITED STATES DISTRICT COURT
9 CENTRAL DISTRICT OF CALIFORNIA

10
11 LA ALLIANCE FOR HUMAN
12 RIGHTS, *et al.*,

13 Plaintiffs,

14 v.

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

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

Assigned to Judge David O. Carter

**DECLARATION OF ELIZABETH
A. MITCHELL IN SUPPORT OF
PLAINTIFF'S RESPONSE RE
ISSUES RAISED BY COURT ON
MARCH 27, 2025**

Before: Hon. David O. Carter
Courtroom: 10A

1 I, Elizabeth A. Mitchell, hereby declare as follows:

2 1. I am an attorney at the law firm of Umhofer, Mitchell & King LLP, and I
3 represent Plaintiffs LA Alliance for Human Rights, Joseph Burk, George Frem, Wenzial
4 Jarrell, Charles Malow, Karyn Pinsky, and Harry Tashdjian (“Plaintiffs”) in this action.
5 Except for those that are stated upon information and belief, I have personal knowledge
6 of the facts set forth herein, and if called and sworn as a witness, I could and would
7 testify competently thereto.

8 2. Alvarez & Marsal specifically looked at the beds reported on the City’s
9 Quarterly Report ending on June 30, 2024 which identified 2,293 “Scattered Sites”
10 A&M requested additional paperwork but “LAHSA was unable to provide the requested
11 documentation, and instead furnished a memorandum that was not sufficient to permit
12 reconciliation of the identified misalignment in contracts.” (A&M Audit at 64, ECF No.
13 870.) Attached hereto as **Exhibit 1**, is a true and correct copy of the LAHSA
14 Memorandum re TLS Beds Open to Date and Clients Served in Roadmap Reports, dated
15 Dec. 19, 2024.

16 3. LAHSA was established in 1993 by the City of Los Angeles and the County
17 of Los Angeles pursuant to California’s Joint Exercise of Powers Act (Cal. Gov’t Code
18 § 6500 *et seq.*). Attached hereto as **Exhibit 2**, is a true and correct copy of the Joint
19 Exercise of Powers Agreement between the County of Los Angeles, City of Los Angeles
20 Continuing the Los Angeles Homeless Services Authority, dated Feb. 28, 2001).)

21 4. Informally, after months of avoiding the question, LAHSA finally
22 explained that in Fiscal year 2023-2024 the City paid LAHSA \$14,870,939 million
23 which only subsidized 673 beds, and that LAHSA “braided” the City funding with
24 “other” funding to “stretch” those funds to get the 2,293 reported scattered sites. But
25 the City only paid for 29.4% of those beds. The real-world equivalent would be if two
26 people decided to pay for 10 pizzas for a total of \$100. Person A paid \$30 and Person
27 B paid \$70; combined they achieved a total purchase of 10 pizzas. But under no
28 interpretation of the event could Person A claim to have purchased and provided all

1 10 pizzas. Likewise, knowingly or unknowingly, the City was falsely reporting that it
2 paid for and provided all 2,293 beds when it unequivocally did not. And even more
3 shocking is that LAHSA to this day, even during informal discussions referenced
4 *supra*, has failed to produce evidence of any expenditures for the remaining 1,620
5 beds.

6 I declare under penalty of perjury under the laws of the State of California and the
7 United States of America that the foregoing is true and correct to the best of my
8 knowledge and belief.

9
10 Executed on May 8, 2025 at Los Angeles, California.

11 /s/ Elizabeth A. Mitchell

12 Elizabeth A. Mitchell
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Exhibit 1



707 Wilshire Blvd., 10th Floor
Los Angeles, CA 90017
Ph: 213 683.3333
Fax: 213 892.0093
TTY: 213 553.8488
www.lahsa.org

MEMO

To: Laura Collier, Alvarez and Marsal

From: Bryan Brown, Associate Director – Data Management, LAHSA

CC: Bevin Kuhn, Deputy Chief of Analytics, LAHSA

Date: December 19, 2024

Re: TLS Beds Open to Date and Clients Served in Roadmap Reports

Background: A&M Requested LAHSA to provide *“the workpaper(s) that details all the Program IDs and contracts used in calculating the “Open to Date” bed count (“Scattered Sites”) and the number of PEH served, as reported under Roadmap FY24 Q4 quarterly report”*

Explanation: For Time Limited Subsidy (TLS) Programs, which are indicated as “scattered site” in the CAO Roadmap Reports, the following process is followed:

1. Identify Program IDs to Include for Fiscal Year Reporting

- a. At the start of a new fiscal year, Data Management consults the Funding & Allocation’s Department’s Consolidated Planner to identify the EGMS IDs connected to TLS Programs with City funding sources.
- b. DM runs the EGMS IDs in HMIS to return corresponding HMIS Program ID. These program IDs will serve as the basis for TLS Roadmap reporting for the FY and will be added to the Roadmap Report Production Standard Operating Procedure document.

2. Pull and Prepare Data

- a. The program IDs identified in step 1 will be run through a query using looker, the HMIS reporting tool, which returns the following data points:
 - i. Program Name
 - ii. Program ID
 - iii. Client Unique Identifier
 - iv. Client ID (a second version of a client identifier in HMIS)
 - v. Client’s Project Start Date
 - vi. Client’s Project Exit Date
 - vii. Client’s Date of Birth
 - viii. Client’s Enrollment Household ID
 - ix. Client’s Housing Move-in Date
 - x. Client Head of Household (Yes / No)
 - xi. Client’s Global Household ID (Profile Household)
- b. This data output is run through a Tableau Prep process that cleans and aggregates data, as well as attaches data points needed for calculating client freeway proximity and health conditions.



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MEMO

3. Count Clients and Households by Program

- a. The Tableau Prep output feeds into a Tableau Workbook, where clients are counted per program ID. In the case of scattered site programs, counts for both households and individuals are produced.
 - i. **Notably, only clients meeting these two criteria are counted for TLS scattered site programs:**
 - 1. Client household has a move-in date
 - 2. Client household is still active in the program as of the end date of the reporting period

These conditions are applied because a client can be enrolled in a TLS program in HMIS but not actually be living in a unit or utilizing any resources. By only counting clients active with move-in dates we are able to count clients actually utilizing the TLS slots. Active System Management teams are working with providers to ensure all clients enrolled in TLS have a move in date and are housed.

- b. On the “Intervention Data” tab, the count of total clients served to date, for scattered site programs, is the total distinct count of active individuals.
 - i. LAHSA Data Management will be discussing the logic for this data point with CAO to potentially adjust how it’s calculated going forward (to take effect as early as in the FY25 Q2 Report). Upon review, we believe the data point should reflect all clients served in the reporting period, not just those still active at the end.

4. Calculate Beds Open to Date

- a. The distinct count of client’s enrollment household ID for households that have a move in date and are active at the end of the reporting period is used for the count of “Beds Open to Date” as it reflects the number of TLS slots that are being utilized as of the end date of the reporting period.

Exhibit 2

73266

JOINT EXERCISE OF POWERS AGREEMENT
BETWEEN
COUNTY OF LOS ANGELES, CITY OF LOS ANGELES
CONTINUING THE LOS ANGELES HOMELESS SERVICES AUTHORITY

THIS AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT ("AGREEMENT"), is made this 28th day of February, 2001, by and between the County of Los Angeles, a body corporate and politic and political subdivision of the State of California (the "County"), and the City of Los Angeles, a municipal corporation of the State of California (the "City").

WITNESSETH:

WHEREAS, the parties did, as of the seventeenth day of December, 1993, make an agreement known as the Joint Exercise Of Powers Agreement Between County Of Los Angeles, City of Los Angeles, Creating An Agency To Be Known As The Los Angeles Services Authority (the "Initial Agreement", and

WHEREAS, the parties amended the Initial Agreement as of the twenty-eighth day of April, 1994, to change the name of the Agency to The Los Angeles Homeless Services Authority; and

WHEREAS, the term of the Initial Agreement was for an initial five year period, which could be extended year to year until terminated by either party; and

WHEREAS, the parties desire to extend the Initial Agreement on an indefinite basis until terminated by either party, and also desire that the Initial Agreement, as amended, be updated and revised and (for purposes of convenience) restated in certain respects;

NOW, THEREFORE, IT IS AGREED that the Initial Agreement (as heretofore amended) is amended and restated to read in its entirety as follows:

Section 1. Purpose.

This Amended and Restated Joint Exercise of Powers Agreement (hereinafter "Agreement") is made pursuant to the provisions of Article

continuing the Los Angeles Homeless Services Authority (hereinafter "the Authority"), by extending the term of the Initial Agreement indefinitely until terminated by the Parties, to expand options for designation of the Treasurer and Controller of the Authority, and to update, revise, and (for purposes of convenience) restate the Initial Agreement as provided herein. The Authority shall be a public entity separate and apart from the entities of the parties to this Agreement, which is capable of exercising independent powers, separate and apart from the entities of the parties to this Agreement, to coordinate the operation of existing services for the homeless which the parties operated separately prior to forming the Initial Agreement, and to design, fund and operate other homeless and related social services to assist those in the community who are eligible for those services. County and City each possess the powers necessary to implement and accomplish this Agreement. The purpose of this Agreement shall be accomplished and common powers exercised in the manner set forth in the Agreement. Nothing contained in this Agreement shall preclude City or County from establishing, maintaining or providing social programs or services to its residents as it deems proper and necessary.

Section 2. Term.

The initial five year term of this Agreement is extended on an indefinite basis until terminated by either or both Parties, as provided herein. At least every five years from the date this Agreement is executed, or at such earlier time or times as the Board of Commissioners of the Authority (herein "the Commissioners") deem appropriate, the Commissioners may review the continued viability of the Authority to carry out its intended purposes.

Section 3. Termination and Amendments.

(a) No termination or amendment shall be made which is contrary to any contract and/or grant agreement entered into by the Authority with the United States of America, or with the State of California, or any department, administration or agency of either, if such contract or grant agreement was previously approved by the County or City.

(b) Subject to the provisions of subsection (a), the Parties may terminate or amend this Agreement as follows:

(1) This Agreement may be amended on 30 days' written notice pursuant to Section 12 hereof, and approval by the Parties.

(2) Either Party may terminate its participation in this Agreement by giving written notice, pursuant to Section 12 hereof, no later than 180 days prior to the effective date of termination. In the event the Agreement is

terminated, any property acquired by the Authority as a result of the Agreement, including but not limited to money, shall be divided and distributed to the Parties in proportion to the contributions made by or attributed to the Parties respecting the property to be distributed unless otherwise required by law or by a franchise, license, permit, contract or other prior action of the Authority.

(c) No addition to, or alteration of, the terms of this Agreement, whether by written or oral understanding of the parties, their officers, employees or agents, shall be valid or effective unless made in the form of a written amendment which is formally adopted and executed by the Parties in the same manner as this Agreement.

(d) Additional separate political entities may become associated parties to this Agreement (the "associated parties") on such terms and conditions as the Parties may require, provided that the County and City consent and formal action approving such association is taken by the associated party's governing body. Associated parties shall have all the rights of the Parties hereto, except the right to terminate or amend this Agreement.

Section 4. The Authority.

(a). Creation of Authority.

Pursuant to the Act, there is hereby created a new, public entity, separate and apart from the Parties, to be known as the "Los Angeles Homeless Services Authority." The debts, liabilities and obligations of the Authority do not constitute debts, liabilities, or obligations of the Parties, or either of them, or of any associated party.

(b). Powers and Duties of the Authority.

The Authority shall have the powers common to the Parties to this Agreement to provide homeless programs and services and other related social services to assist those persons in the community who are eligible to receive those services. The Authority shall undertake such acts in furtherance of the programs and goals of County and City under this Agreement. The Authority is hereby authorized to do all acts necessary for the exercise of said common powers, including, but not limited to, any or all of the following: to make and enter into contracts; to employ agents, servants and employees; to acquire, construct, manage, maintain, operate and lease buildings, works or improvements; to acquire, hold or dispose of property within the County; to incur debts, liabilities or obligations, which shall not constitute debts, liabilities or obligations of any Party to this Agreement; to receive services and other forms of assistance from persons, firms, corporations and any governmental entity; and to sue and be sued in its

own name, except that in no event shall the Authority have the power to sue the Parties to this Agreement. The Authority may also solicit charitable contributions from private sources. Said powers shall be exercised in the manner provided in said Act and, except as expressly set forth herein, subject only to such restrictions upon the manner of exercising such powers as are imposed upon the City and County in the exercise of similar powers. The powers herein delegated to the Authority shall be exercised in accordance with the mode, manner and procedures of the City.

(c). The Commission.

(1). Appointees.

The Authority shall be governed by a Commission composed of ten (10) members. Five (5) Commissioners shall be appointed by the County Board of Supervisors ("Board"), and five (5) Commissioners shall be appointed by the Mayor and confirmed by the City Council ("Council"); provided however that if any of the City's appointees are members of the City Council, that appointment shall be concurred in only by the President of the Council. Of the five (5) City appointees, one member shall be appointed to represent the business interests in the downtown area. The Parties find and declare that the City downtown business appointee is intended to represent and further the interest of downtown businesses and that such representation and furtherance will ultimately serve the public interest and constitutes the public generally within the meaning of Government Code Section 87103. Commissioners shall serve at the pleasure of their respective appointing powers and may include at least one (1) elected official from each appointing power, which official may designate a representative to serve on his or her behalf.

(2). Terms.

All terms shall begin on appointment and shall be for three years, unless extended by the appointing powers.

(3). Successors and Vacancies.

Each Commissioner shall hold membership on the Commission during the term for which the Commissioner was appointed and until the Commissioner's successor is appointed, except that any Commissioner may be removed by the appointing party. In the case of a vacancy in membership on the Commission, the same shall be promptly filled by appointment thereto by the same party that made the original appointment. An appointment to fill a vacancy

occurring during an unexpired term shall be for the period of the unexpired term. The composition of the Commission may be amended from time to time by County and City to accommodate associated parties pursuant to Section 3(d) hereof.

(d). Regular Meetings.

The Commission shall provide for its regular, adjourned regular, and special meetings; provided, however, that it shall hold at least one regular meeting in each month of the year unless there is an unforeseen emergency or a quorum cannot be present, and such further meetings as may be necessary to conduct the business of the Authority. The dates upon which and the hour and place at which any regular meeting shall be held shall be fixed by resolution and a copy of such resolution shall be filed with County and City. At least seventy two hours prior to each Commission meeting, notice of said meeting shall be sent to each of the Parties.

(1) Ralph M. Brown Act.

The Commission shall adopt rules for conducting its meetings and other business. All meetings of the Commission, including without limitation regular, adjourned regular and special meetings, shall be called, noticed, held and conducted in accordance with the provisions of applicable state law, including the Ralph M. Brown Act (commencing with Section 54950 of the California Government Code.)

(2) Minutes.

The Commission shall keep minutes of all regular, adjourned regular and special meetings, and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Commissioner and to the Parties and associated parties, according to the provisions of Section 12 hereof.

(3) Quorum.

A majority vote of the total membership of the Commission, not counting unfilled seats, shall be necessary for the transaction of business or for the approval of any matter, except for adjournment of a meeting which shall only require a majority vote of those present. Each member shall have one vote. No proxy or absentee voting shall be permitted.

(e). Officers

The Commission shall elect a chairperson and a vice chairperson from among its members at the first meeting held in each fiscal year.

In the event that the chairperson or vice chairperson so elected ceases to be a Commissioner, the resulting vacancy shall be filled at the next regular meeting of the Commission held after such vacancy occurs or at a special meeting called for that purpose. In the absence or inability of the chairperson to act, the vice chairperson shall act as chairperson. The chairperson, or in the chairperson's absence, the vice chairperson, shall preside at and conduct all Commission meetings.

(f). Attorney.

The County Counsel and the City Attorney shall be and act as Attorney for the Authority. In the event both are precluded from acting because of a conflict of interest or other legal impediment, the Commission may employ independent counsel with the consent of the County and City, and provided funds are available in the Authority's budget and are appropriated by the Authority for such purpose.

(g). Advisory Board.

The Authority may establish an Advisory Board (hereinafter "the Advisory Board") whose membership shall be determined by the Commission. The Advisory Board may adopt by-laws which shall be subject to the Commission's approval. The role of the Advisory Board is to advise the Commission on matters related to policy and planning for any of the purposes for which the Authority was formed. As such, the Advisory Board is charged with the following responsibilities: to provide legislative updates and public policy reviews to the Commission, to advise the Commission regarding standards and programs, to facilitate collaboration and communication between agencies serving the homeless, and to make recommendations to the Commission regarding homeless policies, programs and services. In carrying out these responsibilities, any such recommendations are advisory.

(h). Budget.

The Commission shall annually, on or before the first day of February of each year, submit a proposed budget to the Parties. The proposed budget shall show each of the purposes for which the Authority will need money and the estimated amount of money that will be needed for each such purpose for the ensuing fiscal year. Each Party shall review the proposed budget and may make recommendations to the Commission for its final adoption.

Section 5. Personnel.

The Authority may employ an Executive Director, Chief Financial Officer, and such other officers or employees as the Authority may deem necessary to carry out any of its powers, upon such terms and conditions as the Authority may require, including the retaining of professional and technical assistance, provided that adequate funds are available in the Authority's budget and are appropriated by the Authority therefor. The Authority may fix and pay the compensation of its officers and employees. The officers and employees of the Authority shall not be deemed to be officers or employees of the City or County.

Section 6. Executive Director.

The Executive Director shall act as the general manager of the Authority to direct the day-to-day operations of the Authority. The Executive Director shall not concurrently be an employee of any of the parties or associated parties to this Agreement. The Executive Director shall serve at the will of the Commission and be subject to its policies, rules, regulations and instructions. The Executive Director shall have the powers delegated and assigned by the Commission.

Section 7. Treasurer and Auditor/Controller

Subject to the restrictions contained in Sections 6505.6 of the California Government Code, the Authority may appoint its Chief Financial Officer to be the Authority's Treasurer and/or Auditor/Controller. If so appointed, the Chief Financial Officer shall comply with the duties and responsibilities of the office or offices as set forthwith in subdivisions (a) to (d) inclusive, of Section 6505.5.

Until such time as the Chief Financial Officer is appointed as the Authority's Treasurer and/or Auditor/Controller, and the funds of the Authority in County accounts are transferred to the Authority, the Auditor-Controller and Treasurer of the County will continue in their capacities to assume these responsibilities.

Section 8. Accounts and Reports

The books and records of the Authority in the hands of the Chief Financial Officer shall be open to inspection at all reasonable times by representatives of County and City. The Chief Financial Officer shall make a complete written report of all the Authority's Financial activities for each fiscal year within 180 days after the fiscal year closes, and shall provide such report to

County and City. City and/or County may conduct an independent financial and management report at its own expense.

Once the Authority appoints the Chief Financial Officer to be the Authority's Treasurer and/or Auditor-Controller and the funds of the Authority in County accounts are transferred to the Authority, the County Auditor-Controller shall conduct a quarterly financial review of the Authority's accounts and records during the succeeding twelve months and a semi-annual review during the second and third year. Such reports of these reviews shall be filed with the County and City.

The Chief Financial Officer shall cause an annual independent audit of the accounts and records of the Authority and records to be made by a certified public accountant or firm of certified public accountants in accordance with Government Code Section 6505. Such audits shall be filed with County and City and shall be made available to the public.

Section 9. Funds.

In the event the Authority designates its Chief Financial officer to fill the functions of Treasurer and/or Auditor/Controller, the Chief Financial Officer shall:

(a) Establish and maintain such funds and accounts as may be required by standard accounting practice or by any provisions of any resolution of the Authority, including a separate account for receipt and disbursement of contributions from any source.

(b) Receive and receipt for all money of the Authority and place it in the proper account with the treasury of the Authority.

(c) Be responsible, upon his or her official bond, for the safekeeping and disbursement of all Authority funds so held by him or her.

(d) Be responsible for the deposit of all money belonging to or in the custody of the Authority, as referred by California Government Code Section 53635.

(e) Be responsible for the investment of surplus funds of the Authority not required for the immediate needs of the Authority, in accordance with the investment policy adopted annually by the Commission of the Authority and then in effect and Government Code Section 53601 and 53635.

(f) Pay, when due, out of money of the Authority held by him or her, all sums payable on outstanding bonds of the Authority (if any).

(g) Pay any other sums due from the Authority, or any portion thereof, as determined by the Commission and then in effect.

Section 10. Assistance To Authority.

The Parties, except as prohibited by law and this Agreement, may at any time make contributions from their treasuries or other sources to the Authority for the purposes set forth herein, may make advances of public funds for such purposes, and may use their personnel, equipment or property in lieu of other contributions or advances. Such sums shall be paid to and disbursed by the Authority. The method and manner of such payment, disbursement and possible repayment shall be determined by the Commission.

Section 11. Contributions By The Parties.

(a). Annual Contributions.

Each Party agrees to cooperate with the Authority to determine which program services and program and administrative funds will be made available to the Authority in each fiscal year. In order to further the purposes set forth in this Agreement for each fiscal year that this Agreement is in effect, each Party shall contribute to the Authority as follows:

1) Program Funds

The full amount of the Emergency Shelter Grant (ESG) program funds as allocated to the City and County annually by the U.S. Department of Housing and Urban Development, or any successor grant program funds serving essentially the same purposes. Either Party may contribute additional program funds as deemed appropriate for the construction and/or operation of homeless facilities and programs.

2) Administrative Funds

Each Party shall contribute funds annually towards the Authority's administrative overhead to administer homeless programs in the City and County under the Supportive Housing Program, Emergency Services Grant Program, Los Angeles Homeless Initiative Program, and Emergency Food and Shelter Program grants. Annual Contributions by each Party shall initially be determined by establishing an administrative overhead base for Fiscal Year 2000-2001 as set forth in subsections (a) and (b) below. The Authority may request

adjustments to each Party's administrative overhead base in subsequent budget years in accordance with subsection (c).

a) The County of Los Angeles shall contribute up to \$912,000 for Fiscal Year 2000-2001. This contribution will include \$556,000 from the General Fund with up to \$40,000 allocated for the provision of legal counsel to the Authority, and the amount of ESG administrative funds allocated to the County by HUD. The balance and source of funds will be determined by the County.

b) The City of Los Angeles shall contribute up to \$1,166,570 for Fiscal Year 2000-2001. The contribution will include the amount of ESG administrative funds allocated to the City by HUD.

c) At its discretion, either Party may contribute additional administrative funds to the Authority as deemed appropriate. The Authority may also request either Party to contribute additional administrative funds annually by submitting a proposed budget to each Party in accordance with Section 4 (h) of the Agreement. The proposed budget shall show each of the purposes for the additional administrative funds and estimated amount for each purpose. Each Party shall review the proposed budget and present final funding recommendations for adoption by the governing body of each Party. The annual approved budget by each Party shall constitute the combined approved budget of the Authority for the ensuing fiscal year.

(b). Unavailability of Grant Funds for Homeless Programs

In the event that grant funds for homeless programs or services are no longer available to either Party, this contribution obligation shall cease. In the event this obligation ceases, either Party may exercise its right to withdraw or terminate pursuant to Section 3 hereof.

(c). Use of Contributed Funds

The contribution of the City shall be used to fund services only within the City. The contribution of the County may be used to fund services within both the City and Countywide, consistent with grant restrictions. The Authority shall comply with all Federal statutory and legal requirements in respect to all Federal grant funds contributed by each party.

The intent of the Parties is that the homeless be served in any location in the County where service is available. The County agrees, insofar as programs administered by the Authority are concerned, not to unilaterally reduce its level of effort in the City relative to its efforts elsewhere in the County. In

addition, the Authority shall ensure that homeless needs identified in urban County areas are given due consideration for funding based upon the needs and priorities established in the Consolidated Planning process.

Section 12. Notices.

Notices required or permitted hereunder shall be sufficiently given if made in writing and delivered either personally or by registered or certified mail, postage prepaid, to the persons and entities listed herein at the following addresses, or to such other address as may be designated to the Authority for formal notice:

(a) Los Angeles Homeless Services Authority:

Executive Director,
Los Angeles Homeless Services Authority
548 South Spring Street, Suite 400
Los Angeles, California 90013

(b) County of Los Angeles:

Director,
Los Angeles County Department of Community
And Senior Services
3175 West Sixth Street
Los Angeles, California 90020

(c) City of Los Angeles:

General Manager,
City of Los Angeles Community Development
Department
215 West Sixth Street
Los Angeles, California 90014

Section 13. Other Obligations.

The responsibilities and obligations of each Party to this Agreement shall be solely as provided in this Agreement, or as may be provided in supplemental agreements or amendments executed by the Parties.

Section 14. Severability.

Should any part, term, portion or provision of this Agreement, or the application thereof to any person or circumstance, be held to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, it shall be deemed severable, and the remainder of this Agreement or the application thereof to other persons or circumstances shall continue to constitute the agreement the Parties intended to enter into in the first instance.

Section 15. Miscellaneous.

(a). Section Headings.

The section headings herein are for convenience only and are not to be construed as modifying or governing or in any manner affecting the scope, meaning or intent of the provisions or language of this Agreement.

(b). Laws Of California.

This Agreement is made in the State of California under the Constitution and laws of such State, and shall be construed and enforced in accordance with the laws of California.

(c). Fiscal Year.

For the purposes of this Agreement, the "fiscal year" shall mean the period from July 1 of each year to and including the following June 30.

(d). Consent Not Unreasonably Withheld.

Whenever in this Agreement any consent or approval is required the same shall not be unreasonably withheld.

Section 16. Successors.

This Agreement shall be binding upon and shall inure to the benefit of the successors of the Parties hereto.

(c). Fiscal Year.

For the purposes of this Agreement, the "fiscal year" shall mean the period from July 1 of each year to and including the following June 30.

(d) Consent Not Unreasonably Withheld.

Whenever in this Agreement any consent or approval is required the same shall not be unreasonably withheld.

Section 16. Successors.

This Agreement shall be binding upon and shall inure to the benefit of the successors of the Parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers hereunto duly authorized, their official seals to be hereto affixed as of the date first herein above written.

DATE: FEB 28 2001
ATTEST: VIOLET VARONA-LUKENS
EXECUTIVE OFFICER -
CLERK OF THE BOARD OF SUPERVISORS
By: [Signature] Deputy
Clerk of the Board

COUNTY OF LOS ANGELES

By: [Signature]
Mayor of the Board

APPROVED AS TO FORM:

LLOYD W. PELLMAN,
County Counsel

By: [Signature]
Principal Deputy County Counsel



ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

22

FEB 13 2001

[Signature]
VIOLET VARONA-LUKENS
EXECUTIVE OFFICER

DATE: 2-23-01

ATTEST:



By: [Signature]
City clerk

CITY OF LOS ANGELES

By: [Signature]
General Manager, Community
Development Department

APPROVED AS TO FORM:

JAMES K. HAHN,
City Attorney

By: [Signature]
Senior Assistant City Attorney