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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

-000-

HONORABLE DAVID O. CARTER, UNITED STATES DISTRICT JUDGE

LA ALLIANCE FOR HUMAN
RIGHTS, et al.,

Plaintiffs,

v.

No. 2:20-cv-02291-DOC

CITY OF LOS ANGELES, et al.,

Defendants.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

LOS ANGELES, CALIFORNIA

MARCH 7, 2024 - A.M. SESSION

SUZANNE M. MCKENNON, CRR, RMR
UNITED STATES COURT REPORTER

UNITED STATES COURTHOUSE
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Special Master: MICHELLE MARTINEZ

1 (Proceedings commenced on March 7, 2024, at 9:06 a.m.)

2 THE COURT: Counsel, first of all, good morning. I
3 hope all of you are well. We'll call the matter of LA Alliance
4 for Human Rights versus the City of Los Angeles to order. It's
5 Case Number 20-02291.

6 Please make your appearances.

7 You can be seated in the audience. I can register your
8 appearance.

9 MS. MITCHELL: Good morning, Your Honor. Liz
10 Mitchell from the law firm of Umhofer, Mitchell, and King on
11 behalf of Plaintiffs. With me is also Matthew Umhofer.

12 MR. UMHOFER: Good morning.

13 THE COURT: Good morning.

14 MR. YAGMAN: Steve Yagman for the intervenor.

15 MS. HASHMALL: Good morning, Your Honor. Jennifer
16 Hashmall --

17 THE COURT: What is your name? Tell us your name,
18 sir.

19 MR. YAGMAN: He's my assistant.

20 THE COURT: Well, he has a name. What's your name,
21 sir?

22 MR. ALEXANDER: Alexander.

23 THE COURT: It's nice meeting you.

24 Counsel?

25 MS. HASHMALL: Good morning, Your Honor. Jennifer

1 Hashmall for the County of Los Angeles.

2 MR. MARCUS: Good morning, Your Honor. Scott Marcus
3 on behalf of the City of Los Angeles.

4 THE COURT: Pleasure.

5 MS. MYERS: Good morning, Your Honor. Shayla Myers
6 on behalf of the intervenors Los Angeles Community Action
7 Network and Los Angeles Catholic workers.

8 THE COURT: And?

9 MS. SOBEL: Good morning, Your Honor. Carol Sobel
10 also on behalf of the intervenors.

11 MS. GATES: Good morning, Your Honor. Isabelle Gates
12 also on behalf of the intervenors.

13 THE COURT: I want all of you young people on the
14 record. You are all the future so it's nice to meet both of
15 you.

16 All right. I want a full and complete rendition of the
17 issues in this case. I want you to assume I have read
18 absolutely nothing. Am I clear? I represent to you I almost
19 have it memorized now in terms of your briefing.

20 we'll start with plaintiff, Ms. Mitchell?

21 MS. MITCHELL: Thank you, Your Honor.

22 THE COURT: Take as long as you need and same
23 courtesy to the City and same courtesy to the other parties.

24 MS. MITCHELL: Thank you, Your Honor.

25 We filed this case nearly four years ago today. It was

1 March 10 of 2020 when we filed --

2 (A discussion by Mr. Yagman and his assistant off the record.)

3 THE COURT REPORTER: Counsel, can you please repeat?

4 THE COURT: We're going to go move you closer to mic.

5 The court reporter is having trouble.

6 MS. MITCHELL: Sure. How's this? Is this better?

7 THE COURT REPORTER: Thank you.

8 THE COURT: A little bit better.

9 MS. MITCHELL: Thank you, Your Honor.

10 So four years ago, when we filed this, we sought four
11 things. We sought immediate beds, people coming inside off the
12 street into those beds, services for all individuals on the
13 street and in those beds, and judicial accountability. Those
14 are the four things that we were looking for.

15 May 19 of 2022, nearly two years ago, we settled with the
16 City of Los Angeles for three of those four things -- for beds,
17 for encampment reduction, meaning people coming from the street
18 into those beds, and for judicial accountability.

19 And for the last year, we have lost all of that. The City
20 of Los Angeles has only 50 percent of the beds that they
21 themselves set out to accomplish. For fourteen months we got
22 zero milestones or metrics on a district by district basis for
23 encampment reduction under Section 5.2 subsection (ii) and (iv)
24 of this agreement. And we've had no accountability because of
25 the failure to comply with those metrics and milestones and to

1 provide those in the first place.

2 So because of the City's tactics, we were prevented from
3 holding the City accountable for the last year. We are nearly
4 at 40 percent complete of this agreement, Your Honor. In May,
5 that would have been two years. And that is two years of lost
6 action and lost accountability. And now is the time to course
7 correct as we move forward.

8 Of those 12,904 or 905 beds that were committed to you,
9 over 4,000 beds still don't have any plan at all by the City of
10 Los Angeles. We have a critical shelter emergency as
11 documented not only in the media by City Controller Phelp, and
12 you have the City only accomplishing 10 percent of that number,
13 roughly 2,810.

14 THE COURT: Would you repeat that again?

15 MS. MITCHELL: At this point in time, the City has
16 only accomplished 10 percent of the beds that it's required to
17 do under the agreement.

18 I'm going to change that percentage a little bit as I am
19 doing the math in my head. I think it's maybe 20 percent.
20 20 percent of the beds that the City is required to do under
21 the agreement.

22 And by this -- by today, which was the last milestone we
23 had had at the end of 2023, it was required to produce over
24 5,000 beds. And it only has 2,810. That's a 54 percent
25 accomplishment in meeting those milestones in beds.

1 THE COURT: Would you repeat those figures more
2 slowly, please? 5,000 beds and 2,000 --

3 MS. MITCHELL: 2,810 beds have been accomplished so
4 far.

5 THE COURT: All right.

6 MS. MITCHELL: It's a 54 percent completion rate,
7 Your Honor.

8 The City argues it has no obligations to meet those
9 milestones and deadlines that it set for itself. But that is
10 patently untrue, and it's completely opposite of what the
11 agreement itself says. The City claimed it did not agree to
12 meet any interim plan, milestones, or deadlines. They are
13 goals and target the City hopes to achieve on an interim basis.

14 But I am going to read the exact language the City agreed
15 to into the record. "The parties" --

16 THE COURT: Refer to the page you're --

17 MS. MITCHELL: Page 8, line 27 to 28, Your Honor, of
18 the Settlement Agreement --

19 THE COURT: Thank you. "The parties agree the City
20 will promptly" --

21 MS. MITCHELL: Correct. "The parties agree the City
22 will promptly employ its best efforts to comply with
23 established plans, milestones, and deadlines." It has failed
24 to do so.

25 (A discussion by Mr. Yagman and his assistant off the record.)

1 THE COURT REPORTER: I'm sorry, ma'am. Can you
2 repeat that?

3 MS. MITCHELL: The parties agree the City will
4 promptly employ its best efforts to comply with established
5 plans, milestones, and deadlines. And the City has failed to
6 do so.

7 And I think a bigger concern, a greater concern to the
8 Alliance, is the failure to provide those plans, milestones,
9 and deadlines for encampment reduction in first place.

10 Under Section 5.2, after the City created its plan for
11 beds, it had an obligation to then provide to the Alliance its
12 plans, milestones, and deadlines for encampment reduction under
13 sections (ii) and (iv) -- 5.2 section (ii) and section (iv).
14 It didn't do so.

15 In November of 2022, November 11, specifically, is when we
16 got the bed plan, with no encampment reduction plan. I
17 immediately reached out to the City and asked about the
18 encampment reduction plan. Because we had a new administration
19 that came in with grand plans, significant commitments, we said
20 we're going to wait for two months. Let's see what the City
21 has to say at the next hearing. The next hearing was scheduled
22 for January 17, 2023.

23 On January 17, 2023, Mayor Bass came in and made no
24 commitment to encampment reduction. We got no further
25 commitments to encampment reduction from the City.

1 So I then followed up with kind of a second e-mail to the
2 City on January 30 of 2023.

3 (Court reporter interrupted.)

4 MS. MITCHELL: We then started a series of back and
5 forth ultimately culminating in a meeting between the Alliance
6 and the City on March 8, 2023, and follow-up meeting on
7 March 15 of 2023.

8 And in that meeting you had a series of individuals from
9 the City as well as from the Alliance, but in particular --

10 THE COURT: I want you to name who was present for
11 the record. I know who was present from your briefing. Start
12 with Dan Conway and all the parties present.

13 MS. MITCHELL: I can tell you who I specifically
14 remember. I can tell you who I believe was also present.
15 Specifically, it was myself, Mercedes Marquez, David
16 Michaelson, Scott Marcus, I believe, that Daniel Conway, Paul
17 Webster, and, I think, Edwin Gibson from the CAO's office or
18 perhaps Matt Szabo. There was certainly a member from the CAO
19 there, Your Honor.

20 In that meeting it was committed to Alliance that the City
21 already submitted an RFQ, which I was told is a request for
22 quote, or request for qualification, for service providers to
23 be hired in every single Council district. I was told that
24 each Council district would be fully staffed with their
25 required service providers by July 1 of 2023. And then each

1 service provider in each Council district would then start a
2 systematic evaluation of the needs and the residents,
3 specifically the unhoused residents of every single district.
4 And then I was told, by October 1 of 2023, we would have
5 thoughtful and intelligent numbers that the City could commit
6 to.

7 Now, Alliance was very hesitant and not happy about
8 entering into that agreement. But because we had been told by
9 the City that there were extreme difficulties with the LAHSA
10 and the complications from the switchover of administration and
11 the desire to do this thoughtfully and not just throw numbers
12 on a paper but do this in a thoughtful and methodical way, the
13 Alliance agreed. And nothing further was communicated to the
14 Alliance from the City about this issue that tied up this end.

15 October 1, I reached out to the City and asked where the
16 milestones and deadlines were. I was told they would be fine.

17 October 3, when we got the City's alleged plan for
18 encampment plan reduction and that plan contained absolutely
19 zero milestones and deadlines, and that was submitted to the
20 Court, Your Honor.

21 At that point, I believe it was October 16 of 2023, I'm
22 speaking by memory by now, so if you've got the date, we can
23 change the pleading. But I believe it was October 16 of 2023
24 we then had another sit-down meeting with the City. And I can
25 confirm certainly Mercedes Marquez was there and David

1 Michaelson was there, Scott Marcus was there, and I was there,
2 and, I believe, Paul Webster was also present. I don't recall
3 if anybody from the CAO's office was present.

4 And at that time we were told, for about 45 minutes, how
5 hard Ms. Marquez's job was. It was a patently offensive to the
6 Alliance, because that was the benefit that the parties -- the
7 Alliance -- had negotiated for. And instead of committing to
8 specific numbers and deadlines and milestones, which are
9 required for accountability, we were given none of that. It
10 took until November 29 for us to get any numbers at all.

11 Now, we had previously reached out to the Special Master
12 and monitor. Michelle Martinez was present. I sent Michelle
13 Martinez and e-mail on October 19 about this. We had a meeting
14 with her. We then sat down between the Alliance and the City,
15 and at that point Lourdes Castro Ramirez was there. I believe
16 Mercedes Marquez was still there. We had Matt Szabo present,
17 Scott Marcuson [sic] -- I'm sorry. Scott Marcus, David
18 Michaelson was there, myself, Daniel Conway, Daniel Conway, and
19 Paul Webster were there.

20 THE COURT: I want you to repeat those names more
21 slowly.

22 MS. MITCHELL: Yes. Matt Szabo, Daniel Conway, and
23 present for the Alliance --

24 THE COURT: And you said Paul --

25 MS. MITCHELL: Webster.

1 THE COURT: Webster. Mercedes Marquez?

2 MS. MITCHELL: I believe Mercedes was there. I know
3 Lourdes Castro Ramirez was there. It was the first time I had
4 met her. She was taking over for Mercedes. Matt Szabo was
5 present, Scott Marcus, David Michaelson. There were a few
6 other individuals in the room who I remember but off the top of
7 my head do not recall who they were.

8 In that meeting, we had significant conversations about
9 the reduction, the cleanup, and what numbers they could commit
10 to. And at the time we were told it was one encampment per
11 month and that encampment was an average of 50 individuals
12 living in these encampments.

13 Now, because of the difficulty defining what an encampment
14 was, -- it's a very loose word -- we ended up with going with
15 the loss of encampment had for identification of tents,
16 make-shift shelters, vans, cars, and RVs. And that was the
17 number that we ended up working with.

18 November 29, which was deadline, I believe, that was given
19 by the Court, or maybe Ms. Martinez, the updated plan was
20 submitted to the Court with that single encampment reduction
21 commitment. And I think, if I recall correctly, -- and the
22 paper's here if the Court wishes me to access them -- there was
23 a commitment then after the six months to increase that number
24 to, I think, two encampments per month.

25 THE COURT: I'm sorry. Actually repeat that.

1 MS. MITCHELL: I believe after six, the City the
2 original proposal -- the first time they gave us any numbers
3 was November 28. And originally they committed to one
4 encampment per month. And I believe, after six months, it
5 increased to two encampments per month. Again, that has been
6 filed with the Court.

7 THE COURT: I want you to check just a moment. I
8 think in the first six months it was one to three encampments.
9 I think it increased after six months to seven encampments.
10 The initial, I believe, was 100 of for the first six months and
11 then increased to 150 in the next six months over nine years.
12 Being most generous of the number, there were about 9,000 of
13 the 32,600 population or 12,950, depending upon what the
14 arguments of Counsel are. Please double-check that when you
15 get a chance.

16 MS. MITCHELL: Thank you, Your Honor. I'll defer to
17 the Court on that. We've submitted all of the documents.

18 THE COURT: Don't defer to me. You check my memory,
19 also.

20 MS. MITCHELL: Thank you.

21 Thereafter, we engaged in a series of negotiations. We
22 came into court with Judge Birotte and Special Master Martinez.
23 We had several conversations between some or just between
24 Mr. Marcus and myself. We had a sit-down meeting with Mayor
25 Bass. Lourdes Castro Ramirez present. Myself, Matt Umhofer,

1 Paul Webster were present as well as David Michaelson and Scott
2 Marcus. Matt Szabo was present as well.

3 And we had an entire conversation that I advised the Court
4 that I committed in that conversation to keep confidential the
5 discussions to the extent that there was a desire to keep
6 confidentiality, and it was expressed there was no desire to
7 keep confidentiality on the vast majority of what we talked
8 about.

9 In that meeting we were told the series of negotiations
10 that had happened previously in December, where the City
11 originally said, "Hey, we will commit to 5,300 encampment
12 reductions," within about a day, we told them that calculation
13 was wrong. Our number was about 9,789 reductions. The City
14 then committed to 9,789 reductions.

15 At no point was it ever communicated to the Alliance that
16 those numbers were on a citywide basis -- and the reason this
17 is so important, Your Honor, if you look at what was
18 specifically negotiated for in the agreement 5.2 section (ii)
19 and section (iv), section (ii) requires milestones and
20 deadlines on a district by district basis. Each Council
21 district would have hit all milestones for the deadlines for
22 the entirety of the agreement; section (iv) is citywide.

23 In that meeting on January 4, we were then informed for
24 the first time that all of those numbers that had been
25 previously committed to by the City, the 9,798 -- two, I think

1 is ultimately what we had landed on -- was only for a citywide
2 number and not for a district by district number.

3 And there was a request of the Alliance to move away from
4 a district by district number and only enforce the citywide
5 number. That was a nonstarter for the Alliance from the
6 beginning because of the accountability factor. I want to draw
7 the Court's attention back to what I said earlier: We first
8 filed, in March 10 of 2020, right before the world came
9 crashing down. One of -- the number one reasons we filed was
10 for judicial accountability. And a district by district model
11 allows for accountability in ways the citywide model did not.

12 And we were told that, if we could agree to the citywide
13 model, the City would commit to a 12,000-bed number, which is
14 the number I previously told the Court. But if we were
15 insisting on a district by district model, they would commit to
16 5,300 encampments.

17 THE COURT: Let me stop you for one moment to inform
18 all of the parties the following: Initially, when the Court
19 became involved, the Court initially was interested in a
20 district by district or citywide model. Matt Szabo was
21 present. I'll bring him up if necessary -- Mayor Garcetti and
22 then the City Attorney Matt Feuer -- Mike Feuer. And this
23 Court was told that a city by city -- or strike that. A
24 citywide settlement was not going to be forthcoming.

25 Therefore, through hard bargaining, we moved for a

1 district by district model. And the Court was told initially
2 back 19 -- strike that. 20000 -- my proxy says 2021 -- the
3 citywide settlement was not possible. And I informed all of
4 you of that as well. Call Mike Feuer. And we can put him
5 under oath as well.

6 MS. MITCHELL: Thank you, Your Honor.

7 And my co-Counsel just handed me the numbers from
8 Exhibit F, which was, I think, consistent with the Court's
9 recollection where, on November 29, the City proposed to a
10 resolve two tent and makeshift shelter encampments and RV --

11 (The court reporter interrupted.)

12 THE COURT: Little bit slower. We need you to pull
13 that microphone closer. The court reporter is having a
14 problem, I assume, so I need you to slow down.

15 MS. MITCHELL: The City proposed to resolve at least
16 two tent and makeshift shelter encampments and at least three
17 RV encampments involving 100 individuals per month for the
18 first six months of 2024 and, thereafter, to increase to three
19 tent and makeshift shelter encampments and four RV encampments
20 involving 150 individuals the second half of 2024.

21 THE COURT: And the 150 would then carry over to the
22 subsequent years? If you multiply that over five years, being
23 generous, you would have a little under 9,000?

24 MS. MITCHELL: Right.

25 THE COURT: Please continue.

1 MS. MITCHELL: Now, after that -- and I explained at
2 the meeting on January 4, where we were told we could either
3 accept 12,000 encampment reductions citywide for the entirety
4 of the agreement or 5,300 if we were going to insist on a
5 district by district model, which to the Court's point is
6 something that is necessary and was specifically negotiated
7 for.

8 So this entire process, Your Honor, from November 11 of
9 2022, when we were first given the bed numbers but no
10 encampment numbers to date when, finally, after threatening
11 sanctions, significant letters, and informing the City that we
12 were going into court to inform the Court of the violation and
13 request sanctions, did the City finally come into compliance by
14 submitting district by district numbers to the Council, and
15 then Council sign off with the legislative body. And on
16 January 31 that's finally approved.

17 Now, we were asked to wait to file this motion until after
18 the City came into compliance, which they believed was going to
19 take place on January 31, and we agreed in great faith and
20 always wanting the City to succeed and wanting established
21 Council vetted numbers. We agreed. But that does not mean
22 there was any less of a violation in this case.

23 And I want to bring the Court right back to, like, the
24 very beginning, like, we're almost 40 percent of the way
25 through this agreement, and now is the time to course correct.

1 We had no bed plan at all from 4,000-plus beds they are
2 required to produce in next three years, and we have
3 significant thumbing of their nose, frankly, in disregard of
4 this agreement over the last 14 months.

5 And so the question, I think, for the Alliance and the
6 question that we are posing to the Court is: what does this
7 agreement even mean? If the City is permitted to have a series
8 of half measures and nonfulfillment of the agreement, which was
9 specifically signed and agreed to with verbiage that has been
10 submitted to the Court, then what does this agreement even mean
11 and how are we going to ensure success moving forward, not just
12 for the City but also the County, what do these agreements
13 mean.

14 The Alliance, through this 14-month effort, is in no way
15 convinced that the City will do what it committed to do without
16 serious sanctions. Now, we have suggested \$100,000 per week.
17 The amount of monetary and nonmonetary damages is up to the
18 Court. But I would suggest that it needs to be serious enough
19 that they pay attention; right?

20 Liking it to a traffic violation, a carpool lane violation
21 is \$50. A lot of people are going to break that law. But you
22 increase that fine to \$850, that is little bit more serious of
23 a sanction. People are going to think twice before they break
24 that law. Yet the same seriousness means you could find in
25 this case -- but even more human lives are what we're

1 negotiating with.

2 Now, we were promised March 15 of 2023 that, if we held
3 off on bringing this to the court, just six months, that there
4 would have been a full complete evaluation of each district.
5 That, to my knowledge, has never been done.

6 Even the number that were finally agreed upon by the City
7 and agreed to by the Council --

8 (The court reporter interrupted.)

9 MS. MITCHELL: Yes, I apologize.

10 The number that were finally agreed upon by the Council
11 members are not thoughtful. They are not fully vetted. They
12 were --

13 THE COURT: Karlen, it's fine. It's too important.
14 I apologize.

15 MS. MITCHELL: They were not fully vetted. There was
16 no service provider. They don't know how many people are in
17 each district. If you look at all of the problems that have
18 happened with point and time counts over the last couple years,
19 it's significant. That's part of the reason the Alliance
20 agreed to that six-month pause in the first place was to allow
21 the City to get its head around the numbers; the City never did
22 that.

23 Now, we've agreed to numbers that they submitted, and we
24 would like to move forward on the numbers they submitted, but
25 it must established that this agreement is important. These

1 beds have to be produced. We need a plan for those remaining
2 4,500 that they do not have a plan. People need to get off the
3 street.

4 In the last 14 months, people -- six people dying per day.
5 (The court reporter interrupted.)

6 THE COURT: Dying per day.

7 MS. MITCHELL: Six people dying per day. Over 2,000
8 in the last 14 months that shouldn't be on the street in the
9 first place.

10 We brought this for accountability, for urgency, to
11 establish immediate shelter beds, and to get people off the
12 street. And we have lost a year of that, Your Honor. And we
13 ask this Court at this time to award significant monetary and
14 nonmonetary sanctions as a result.

15 But I want to talk a little bit about the encampment
16 reduction. We had a series of asks but specifically for skid
17 row, Your Honor, and specifically for Avenue 45 in Highland
18 Park. Both of these communities are suffering. There is no
19 plan for either of them.

20 This lawsuit came from skid row. My clients live in skid
21 row. They work in skid row. They own businesses in skid row.
22 I have currently unhoused clients living in skid row in tents.

23 And when we brought this four years ago, it was more
24 immediate resolution. There is still no plan for relief. And
25 we would ask that that be part of the planning in addition to

1 this very dangerous Avenue 45 microcosm that it became
2 recently. With that, I'll answer any questions the Court may
3 have.

4 THE COURT: If you would be seated for a moment, I'm
5 going to pull up a couple documents and then turn to whoever
6 would like to argue for next. Who would like to argue next?
7 The City?

8 MR. MARCUS: I am.

9 THE COURT: Well, I would like to go to that portion
10 of the declaration of Elizabeth Mitchell where Mercedes Marquez
11 is mentioned.

12 Yeah, help me. As you can see, I need a lot of help from
13 the younger generation to help me.

14 It's going to be -- can you help me bring up those
15 documents, the three briefings? There we go. All right. Stay
16 here. In fact, grab a chair.

17 I need you to go to page 5. I need to go to line 9, if
18 you would help me with that.

19 I'm requesting some people be put under oath today under
20 penalty of perjury. And I'm going to have a record where this
21 Court is not guessing by representations of any Counsel.

22 I'm going to read the following: On March 15, 2023 --
23 this comes from document 668, here at page 5, line 9. On
24 March 15, 2023, the City, specifically then-Chief Housing -- if
25 we can get on the monitor -- this can't be absorbed without it

1 going up on the screen.

2 "On March 15, 2023, the City, specifically then-Chief
3 Housing and Homelessness Officer, Mercedes Marquez, claimed
4 that the City had significant plans intended to come into
5 compliance with Section 5.2 subsection (ii), subsection (iv).
6 Specifically Marquez assured plans that the City had already
7 put out an RFQ, request for quote or request for qualification,
8 for service outreach providers would be fully staffed with an
9 assigned service outreach provider for each district by July 1,
10 2023, and would," quote, "have each district fully assessed,"
11 end of quote, "which was described as identified in numbers of
12 unsheltered PEH plus a description of the needs of various
13 groups, including an estimate of the number of individuals with
14 serious and mental illness and substance abuse disorder in each
15 district by September 30, 2023," Mitchell declaration
16 paragraph 5.

17 So if you go back to the declaration from this document,
18 you'll see that this same area is covered in Ms. Mitchell's
19 declaration.

20 Ms. Marquez told us that, once the effort was complete,
21 the City would then provide the Alliance its proposed
22 encampment milestones and deadlines by October 1, 2023.
23 Counsel for the Alliance, Elizabeth Mitchell, summarized to me
24 in an e-mail thereafter, quote, "In our last meeting" -- let's
25 actually pull up that e-mail for a moment.

1 Reading from the first paragraph, "In our last meeting we
2 talked about the RFQ that the City has put out for a list of
3 qualified service outreach providers, and that the City expects
4 to be fully staffed with the districts' chosen providers by
5 July 1. We also discussed that the City would commit to having
6 each district fully assessed and give us a list of proposed
7 milestones and deadlines within three months thereafter,
8 October 1." You'll also cross-reference that to Ms. Mitchell's
9 declaration, which will be at two, and it's Exhibit C.

10 "Relying upon the promises of the new Mayor's
11 representative and extending a good faith opportunity to a new
12 administration, the Alliance agreed to the extension.
13 Mr. Marcus, on behalf of the City, confirmed the request for
14 extension and the City's need to provide encampment deadlines
15 by October 1, 2023."

16 Could we pull up the next e-mail about the agreement?

17 There is going to be a contention about whether this is an
18 agreement or what the parameters are, but this confirming
19 letter that, apparently, you wrote Ms. Mitchell --

20 (A discussion was held off the record.)

21 THE COURT: So this is from Scott Marcus, and it's
22 dated May 8, 2023. So we may get into a contention between the
23 two of you according to the briefing whether this is an
24 agreement or not.

25 Mr. Marcus writes, "I think these e-mails suffice to

1 memorialize our understanding and agreement. Though we said
2 'October 1,' not 'September 30,' if you have something
3 different in mind let me know. I don't think we need to file
4 anything with Judge Carter. I think we all agree on the plan."

5 Oona, take that down for just a moment. Go back to
6 page 6. And if you would be so kind to go to line 5 again on
7 page 6.

8 "Relying on the promises of the new Mayor's
9 representative" -- and I'll reread this -- "and extending a
10 good faith opportunity to a new administration, the Alliance
11 agreed to the extension. Mr. Marcus, on behalf of the City,
12 confirmed the request for extension and the City's need to
13 provide encampment deadlines by October 1, 2023. The City blew
14 that deadline as well. Two days later, October 1, the City
15 gave plaintiffs its encampment engagement cleaning and
16 resolution proposal that contained no proposed deadlines or
17 milestones at all."

18 Now, let me stop you. This Court is not too concerned
19 about the two days from October 1 to October 3. So if you're
20 arguing that that is transgression, I can bear two days.

21 Mitchell declaration exhibits, encampment engagement, are
22 dated. The Alliance and the City, again represented by Scott
23 Marcus and David Michaelson and Mercedes Marquez, met about the
24 City's violation of the agreement during which Ms. Marquez
25 confessed that the City had violated its promises in March to

1 hire preferred service outreach providers for encampment
2 reduction in each district and assess each district's needs and
3 had instead done nothing towards these commitments. This was
4 the third instance of the City refusing to comply Section 5.2
5 subsection (ii) and (iv). The Alliance had waited for months,"
6 et cetera.

7 Now, would you help me turn to the declaration of Liz
8 Mitchell, because the persons allegedly present from the
9 City -- Scott Marcus, David Michaelson, and Mercedes Marquez --
10 is further shown to be -- and this is going to be the
11 declaration. In fact, I can do it this way. Let me see the
12 declaration.

13 If you turn to document number 664-2, if you go to page 3,
14 if you go to line 22, which is paragraph 9, "with the City in
15 clear violation of the agreement, as subsequent promises made
16 by Daniel Conway, Paul Webster, and I met with the City. Scott
17 Marcus, David Michaelson, and Mercedes Marquez were present,"
18 which is set forth in the prior document. But now we know also
19 that Daniel Conway and Paul Webster are present.

20 Are they able to testify? Are they present to be sworn?

21 MS. MITCHELL: Daniel Conway is not here, but Paul
22 Webster is.

23 THE COURT: I cannot hear.

24 MS. MITCHELL: Daniel Conway is not; Paul Webster is.

25 THE COURT: Go get Daniel Conway, get him on the

1 phone. If he's in Sacramento, fly him down here. We're gonna
2 lock and load.

3 MS. MITCHELL: Okay.

4 THE COURT: Number two, is Paul Webster available to
5 testify?

6 MR. UMHOFFER: He is, your Honor.

7 THE COURT: All right. Is Mercedes Marquez present
8 to testify?

9 MR. MARCUS: She is not, Your Honor.

10 THE COURT: I suggest you get her on the phone and
11 get her here. We'll wait as long as it takes. I want people
12 under oath now about this meeting. I don't know if this is bad
13 faith or not. I want a clear record of what was said at this
14 meeting and whether this was misleading or not. It may not be
15 sanctionable. I'm not going to rely on Counsel's
16 representations. Get her here. Thank you.

17 All right. Counsel, I've got a number of questions to
18 ask. I want to hear from the City first. Counsel, Mr. Marcus?

19 MR. MARCUS: Thank you, Your Honor. Scott Marcus on
20 behalf of the City.

21 Your Honor, the City -- the parties are here on a motion
22 for sanctions for the City's delay in complying with a single
23 term of the agreement, one that we have complied with and
24 complied with per the request of the plaintiffs.

25 They are trying to make this into more than it is. They

1 are claiming that they've lost action; that they've lost an
2 entire year. That is not what their motion for sanctions is
3 about. Their motions for sanctions is the City's delay in
4 providing encampment milestones.

5 The City has not breached the agreement with respect to
6 the bed creations that is required. There is no number in the
7 Settlement Agreement as to the number of encampments that must
8 be engaged, cleaned, or reduced, or the time in which those
9 must occur. The City has an obligation to provide milestones
10 for doing so, which it has now done per the request of the
11 Alliance. Yes, it took the City longer to do it than it should
12 have. For that, we are sorry.

13 Yes, the City could have done a better job keeping the
14 Alliance in the loop and communicating with them when our
15 circumstances changed, specifically when the RFQ process was no
16 longer viable. The City takes full responsibility for not
17 communicating with the Alliance the change in those
18 circumstances. But the fact of the matter remains the
19 milestones have been provided. We provided a first set in
20 October, as Ms. Mitchell indicated.

21 And if you look at the very first milestone that was
22 submitted, I believe it is Exhibit D to Ms. Mitchell's
23 declaration, it recites that the City has, in the prior ten
24 months, resolved 26 encampments and brought 1,600 people
25 experiencing homelessness inside.

1 Now, if you do the math -- forgive me, I went to law
2 school so I won't have to do math anymore -- but you are
3 looking at 160 people a month, which is about 1,900 people a
4 year, which over a five-year agreement is close to the 9,600
5 that we already agreed to. It's basically the same number.
6 The Alliance did not accept those milestones because it did not
7 have district by district specified numbers for district by
8 district. This is true.

9 So we met and conferred with the Alliance. That's what we
10 agreed to in the Settlement Agreement. We proposed milestones.
11 We'd meet and confer if there was any dispute or disagreement,
12 and we did so. We provide additional milestones. These are
13 ones that the Court referenced on November 29, where the City
14 committed to resolving two tent and three RV encampments in the
15 first six months and then thereafter three tent and four RV
16 encampments through the end of the agreement.

17 THE COURT: That is how I came up with the number
18 seven. I combined the two.

19 MR. MARCUS: Yes. The City at the time was using
20 encampment as LAHSA defines encampment. That is a certain
21 number of either structures or dwellings within a certain
22 specified geographic area. That is the encampment definition
23 that the City was operating using those milestones.

24 The Alliance asked us to use a different number. They
25 wanted us to use a specific number of tents, makeshift

1 shelters, cars, and RVs instead of the encampment from LAHSA.
2 We stayed okay, fine.

3 The number, according to the Alliance, was 5,328; that was
4 the City's share of the total number of those encampments in
5 the County. We agreed. We said it should be reduced for the
6 City shelter appropriate number, because that is the number
7 that, per the Settlement Agreement, makes the City responsible
8 for not those people who have such acuity either for mental
9 health or substance abuse disorder, that the County bears
10 responsibility for, but the people that the City is adequately
11 enabled to take care of.

12 So we said, "Fine. We'll agree to your number once it
13 gets reduced for the City's shelter appropriate."

14 The Alliance came back and said, "No, actually our number
15 is double what we told you it was. It's not the 5,000; it's
16 actually 12,000."

17 We said, "Fine. But, again, let's reduce it for the City
18 shelter appropriate people." That's how we arrived at the
19 9,782 number.

20 But the City offered to do more. The City offered to do
21 12,000 milestone reductions, again using Alliance's
22 definition -- a tent, a makeshift shelter, a car, or an RV,
23 around 12,000.

24 They said, "No."

25 So we met and conferred, just as Ms. Mitchell indicated.

1 We offered the 9,800, their number, the number they asked us to
2 do, the 9,800 number. It's actually 9,782, but we rounded it
3 up to 9,800. So we said, yes, we will do the 9,800. And we
4 provided them district by district breakdowns of the 9,800
5 number that they asked for.

6 They said, "No. We want you to do 9,800 over four years,
7 or 12,000 over five years," and they asked for specific
8 milestones on encampments of interest to their members, to
9 their business interests.

10 We said, "Fine. We'll do the 9,800 over four years as
11 you're asking."

12 They said, "No," again. Now, we want \$6.4 million, and we
13 want to dictate to you how to do your job, when you report to
14 Council, who gets staffed, how often things get reported.

15 Your Honor, they could not take "Yes" for an answer.
16 Every time in this process that we were providing them with
17 milestones, they kept asking for more.

18 Their motion, and specifically their requested motion, has
19 nothing to do with the delay that the City incurred in
20 providing those milestones. They are actually trying to get
21 things that they couldn't get in the negotiation of the
22 Settlement Agreement.

23 They wanted to be able to dictate to the City which
24 encampments get resolved first. They asked for that in the
25 settlement negotiations. The City said, "No."

1 They wanted to tell us how to do our job. They wanted to
2 be in those meetings to dictate City operations. They asked
3 for that in the Settlement Agreement, and we said, "No."

4 They asked for compliance costs. They wanted to get paid
5 throughout the five years of the agreement a certain amount of
6 money to monitor the agreement. We said, "No." And then we
7 signed the agreement.

8 They are trying to now get this Court to order the things
9 that the City wouldn't agree to in the agreement that was
10 signed and approved by this Court.

11 THE COURT: What are those things?

12 MR. MARCUS: Specifically monitoring costs, which
13 they are now totaling at \$6.4 million, the ability to direct
14 the City as to which encampments to resolve first, and they
15 will be able to dictate to the City how it essentially runs
16 itself, how it does what it does. Those are what it's asking
17 for in its proposed --

18 THE COURT: I just want to be clear. What are they
19 dictating?

20 MR. MARCUS: I'm sorry?

21 THE COURT: Define what they're dictating. In other
22 words, I understand directing the City for specific cleanups
23 they're requesting, costs of \$6.4 million, which is putting --
24 we haven't even gotten that far. I don't know what I am going
25 to eventually do with the case.

1 what are they dictating besides these specifically
2 upsides?

3 MR. MARCUS: In their proposed order, they are
4 dictating that the City attorney and the Mayor's office make
5 specific monthly reports. They are directing who the City
6 attorney should assign to staff this case.

7 THE COURT: They're also requesting an audit, aren't
8 they?

9 MR. MARCUS: They are requesting that the Special
10 Masters provide, I believe, it's quarterly written reports.
11 Again, That is not dictating something to the City. That is
12 between the Court and Special Master and certainly not anything
13 that is called for in the Settlement Agreement document.

14 THE COURT: Check your documents. They're also
15 requesting an audit.

16 MR. MARCUS: Okay.

17 THE COURT: Okay.

18 MR. MARCUS: I think, Your Honor, the sanction is the
19 important component because it really explains the difference
20 between the Alliance and the City. It encouches fees. It
21 encouches compliance. It encouches damages when compliance has
22 not been met.

23 But if their proposal is "If you make the City pay
24 \$6.4 million, you'll get better compliance; the City will
25 better comply," that shows a very important difference between

1 the City and the Alliance.

2 The Alliance is made up of business owners, property
3 owners. These are people who are motivated by profit. They
4 are motivated by greed. If you threaten them with money,
5 they're to do things differently.

6 That is not the City. The City is not motivated by
7 profit. We are not doing this for profit. We are not doing
8 this out of greed. We are doing this to better our citizens.
9 We are doing this to take care of the people that it is our
10 obligation to take care of.

11 The question for the Court is, while we're awarding the
12 Alliance \$6.4 million, will it help build one more bed? Will
13 it help one more person off the street? The answer is "No."

14 The City has consistently been doing the work throughout
15 this entire process. The Alliance claims it has lost a year.
16 It has not. The City has been building beds. We have roughly
17 two-thirds of the beds that are required for the 12,915.
18 They're either built or in the pipeline. That is projects
19 either committed to, projects that have been financed, projects
20 that we are building.

21 Yes, there are additional beds that we have to come with
22 plans for, that we have to come up with financing for. We are
23 in the process of doing so, and we've got three years to figure
24 that out. We are not yet in breach of this agreement.

25 The Alliance has not lost the accountability, nor has this

1 Court. We publish quarterly reports on the 6,700-bed MOU as
2 well as this Settlement Agreement. The CAO provides additional
3 public reports to the City and then the City Council on the bed
4 building, on triple H, on a number of things. The City is
5 fully transparent of what it is doing. And, yes, we are fully
6 transparent about how we are not there yet.

7 We may not have done as much as we had hoped we wanted to,
8 but you cannot say that the City is not using its best efforts
9 to do the job the Settlement Agreement requires us to do --
10 build beds.

11 If the Court has any questions.

12 THE COURT: Mr. Marcus, thank you.

13 Let's take some of the issues potentially off the table
14 right to begin with so we're not wasting time. First, subject
15 to your rebuttal and argument by the intervenors, I'm
16 uncomfortable dictating to the City where your encampment
17 cleanups take place. That is not the Court's place. You'll
18 decide, in conformity with your Council members and with the
19 Mayor, whether it's the Alliance agreement or Inside Safe, and
20 that is subject to your rebuttal argument.

21 Second, I am uncomfortable with any sum approaching
22 \$6.4 million. That money is better spent at the present time.
23 But by the same token we wouldn't be here but for the Alliance
24 calling this to our attention, quite frankly, and literally in
25 a small law firm acting as a monitor.

1 why don't you have a seat, Mr. Marcus?

2 So I'm not going to -- I propose to you that, I think, we
3 could resolve a few things by agreement. And instead of
4 pointing out what is bad, I think that this offers an
5 opportunity for the good, maybe not the perfect.

6 So could I have the transcript for a moment for May 26 and
7 May 27? I'm going to laboriously read to you, in case you've
8 forgotten, first, this Court's request for an emergency to
9 Mayor Garcetti, which he declined, and Mayor Bass has now
10 adopted and streamlined this process, with my compliments to
11 her.

12 I will say to you that I am extraordinarily pleased with
13 the fact that the inertia has been broken. I am not looking
14 for the perfect; I am looking for the good.

15 (A discussion was held off the record.)

16 THE COURT: Counsel, you are going to go back to a
17 presentation that all of you were present at on May 26, 2021.
18 I've got it. I wanted the 27th.

19 And we're going to go back to a series of documents that
20 calls for accountability. And I'm going to ask you why you
21 can't reach an agreement before the Court ever makes critical
22 decisions in terms of transparency and accountability. I'm
23 going to begin reading at page, I believe it was, 16. Yeah,
24 32.

25 All right. Could you put page 32? Help Oona with that.

1 It's small print so, but hopefully all of you can follow
2 this. It's going to be a laborious reading, but it's going to
3 point out and simply ask the question: "With our providers,
4 why don't we have underlying documentation when an invoice is
5 submitted, in an agreement with complete transparency, so we
6 know what each provider is allegedly providing? And the reason
7 I'm raising that is the following:

8 "Now, I understand that \$13 billion is statewide."

9 And what I'm referring is that's the amount of money if
10 you go to the cover sheet.

11 And would you put up 11, the cover sheet?

12 At that time the Court calculated about \$13 billion that
13 the Governor had spent over \$21 billion, by the way, right now.

14 If you can go back to the first slide against, "we know
15 that HHH has \$1.2 billion over ten years. And it's arguable
16 whether it's 480 homes or 483 homes or maybe just north of that
17 now, but we're building out in four years. Let's say 500 HHH
18 so far."

19 Now, this is back in 2021. You made progress on this.
20 These are old numbers.

21 "I state that portion of my order to make sure I didn't
22 interfere with anything concerning HHH at the present time, but
23 you would have to be a little dense not to know that the Court
24 is looking at parking lots and motel rooms and everything else
25 because, if we move into the next step, the Court might be

1 looking at a far different scenario in terms of commandeering.

2 "I want you to go down to Measure H funds \$3.5 million.
3 That is a rough estimate over ten years because originally we
4 were going to generate that amount of money. And in 2017 and
5 2018, Mr. Miller, how much Measure H was generating?"

6 "216 million."

7 "Excellent. What was the under on that?"

8 "It was about one-third, so about \$140 million was
9 generated, approximately in 2017 and 2018."

10 "I'm going to show you a couple of slides in a
11 moment, because I am deeply concerned about what information
12 the board is getting in good faith to vote on, in just a
13 moment. And in a moment, although I am speaking about the
14 board, this is going to directly pertain to the City and on
15 accountability with your providers, and I am going to raise
16 again why are we going through this Rocky Horror picture show
17 without accountability and transparency four years later.

18 "Let's move down. Proposition J has a lot of
19 contradiction. You will know what Proposition J was. It
20 wasn't wrapped up yet, but it's got a contradiction. The
21 advocates, et cetera, and the City, and the advocates will
22 estimate about \$500 million -- or strike that --- about
23 \$900 million per year. The City will come back and say it's
24 going to produce about \$300 million, and there is a huge
25 \$300 million.

1 "SPECIAL MASTER MARTINEZ: The County, Measure H.

2 "THE COURT: I mean -- I say, yeah, Measure H. There
3 is a discrepancy going on between what it's going to generate,
4 whether it's 300 million or 900 million, referring to
5 Measure J.

6 "The government doesn't just make an extraordinary pledge
7 that it's \$12 million, but it's not over three years; it's over
8 five years. So in one way of looking at this, if we added
9 \$13 million in the last three years, according to Elaine Howle,
10 now, we've got \$12 million over five years."

11 Remember Elaine Howle was the treasurer at the time for
12 the state.

13 "And I know we've only been asking for \$20 million, but
14 the Governor also kicked \$1.5 billion additional monies from
15 Caltrans."

16 If you remember, the Governor put in another \$1.5 billion.

17 All right. Could you go to slide number one? Would you
18 go to slide number one?

19 "And you'll find this in my record -- I'm going to put it
20 pursuant to this hearing again. I expect this to come from the
21 County and the City. This is just rough for everybody, but I
22 could be called on this at any time, but I'm going to put it up
23 on the board.

24 "Now, would you turn to slide number 7 and follow it
25 closely? I'm going to go into HUD funding for a moment, and

1 this is just the last 24 months. If you look at the right-hand
2 column, about 662 million, just out of HUD funding, now, we've
3 got LAHSA, we've Tri-City, LA County, rough figure 495. And
4 you've got some overlap at about 2.6 million having been
5 expended over the past 24 months. So what it means is we're
6 already at a million-dollar budget that the Mayor has proposed
7 for a long, long period of time.

8 "There is nothing shocking about this. It's a good faith
9 effort."

10 (The court reporter interrupted.)

11 "THE COURT: All right. Go back for just a moment.
12 On the City, how much unexpected funds for homelessness were
13 expended last year. In other words, instead of saying that we
14 don't have money, how much money did you have in that coffer
15 last year that was designated for homeless that you didn't even
16 spend? I'm speaking to you.

17 "SCOTT MARCUS: For the record, on behalf of the City
18 of Los Angeles, Your Honor, my understanding from the budget is
19 there was approximately \$150 million. But last year that was
20 rolled into the current budget expended this year."

21 Now, this isn't in the record, but that means unexpended
22 funds for homeless.

23 "THE COURT: Exactly. Now, look down at the bottom
24 line.

25 "SPECIAL MASTER MARTINEZ: 160?"

1 "THE COURT: 160. So excellent, you're very close.
2 what you'll find, I think, is 159.

3 "Now, I'm going to walk you through something very
4 complicated, and I'm going to start asking some tough questions
5 because I've got an order out there demanding an accounting
6 from the City or the County.

7 "All right. Could you turn to number 9?

8 "You have it up now. Now, pay close attention because
9 this is going to get complicated and it's going to lead to some
10 questions and, as the chairperson, you can answer and, as
11 councilman, you answer. And I wish Mark Ridley-Thomas or the
12 Mayor were here. I would like them to answer it, or whoever.
13 But let's read together, quote, 'Strategy B, Measure H
14 funding,' which is really the County, quote, 'to support
15 LACDA's homeless incentive program which honors monetary
16 incentives to encourage landlords to rent their available units
17 to homeless Section 8 voucher holders,' end of quote.

18 "It actually probably does more than that, by the way.
19 It's a quick summary of it. This is artfully worded. Only
20 lawyers can make this up. Are you ready? Quote 'However,'" --
21 and whenever you see however with a comma, watch out --
22 "'However, we identified opportunities'" -- and I want you to
23 circle the word 'opportunities' -- pardon the expression, that
24 means you screwed up -- quote, "-- where LACDA can improve and
25 strengthen controls over Strategy B before measures. For

1 example, LACDA could not readily provide the details and
2 supporting documentation of the July through September 2018
3 performance data."

4 I'm going to lean back a little, and I want you to read
5 that for yourself. That's an order, because it's in small
6 print.

7 I'll publish this on the website tonight so you can look
8 through these documents.

9 "You will find that there is a staff audit that takes
10 place in July through September of a very limited number of
11 providers. And eventually I'm going to ask you, as you read
12 through documents with me, Mr. Ballard, since you're the County
13 and Measure A, some very difficult questions about that which
14 was retained or not retained, however, given to the board for
15 consideration. So follow closely."

16 I'm talking to Counsel. You'll see this involves the City
17 in just a moment.

18 "Now, I want you to turn to page -- to slide ten for a
19 moment because, when I first came to this court, General Jeff
20 came up and said, 'This homeless industrial complex -- this
21 money isn't hitting the streets that the providers have set for
22 aren't providing.'"

23 Shayla Myers has come down in one of the conversations and
24 says, "Yes, they are. They're doing a good job."

25 So I want to look at the first box, and it says -- right

1 where the one is -- and I'm going to read it because it's small
2 print, quote, "During our review, LACDA, which, of course, is
3 Los Angeles County Development Authority, could not readily
4 provide the detailed supporting documentation for July through
5 September 2018 performance data. Specifically, LACDA did not
6 maintain point in time details for the reporting period and
7 instead maintained realtime running totals. well, what does
8 that mean, Mr. Miller? what is difference between realtime
9 running totals and point in time?

10 "MR. MILLER: I don't have a clue, Your Honor."

11 "THE COURT: Hypothetically, point in time might be,
12 I submit, something that you, with dates, a bill, and it tells
13 me what the bill is for. And realtime might be just to
14 accomplish a running total. If you will, I'll bill an amount,
15 so I bill \$100,000, or I bill \$150,000. And I'm going to be
16 asking you at this audit, in just a moment, because I'm just
17 going to point out some details for you."

18 "MR. MILLER: I'm not an expert on the audit either."

19 "THE COURT: well, that's okay. we'll sort through
20 this."

21 we both went to UCLA and even sat behind each other, so we
22 know each other well.

23 "THE COURT: All right. Here we go. Now, what
24 happens is that there is a recommendation of your auditor to do
25 the job. It says, 'Increased risk of accurate or unsupported

1 performance data.' But turn the page for a moment at number
2 two on slide 11, quote 'we noted that LACDA does not require
3 the PHAs to provide supporting documentation such as detailed
4 accounting records at the time the quarterly expenditure
5 reports are submitted,' end of quote.

6 "And then, if you read carefully, they went after the two
7 largest providers -- so locate that on the document -- who
8 hadn't supplied the documentation. And this is really a fuzzy
9 line. It can be read two ways. Your provider hasn't supplied
10 the documentation, and LACDA was able to put it together. But
11 it could be read a different way -- that providers didn't have
12 the documentation, and LACDA had to construct this themselves.

13 "Now, what is the bottom line? Increased risk of
14 inaccurate and credible bids by actually reporting. That was
15 the chairperson, and sincerely I'm going to speculate that the
16 board even knows about that.

17 "But I want you to remember the following: July through
18 September 2018; right? So, Mr. Miller, if you would helpful,
19 could I bother you with no affront? Could you write down
20 \$216 million for me, 2017 to 2018, just \$216 million?"

21 "MR. MILLER: Sure, Your Honor."

22 "THE COURT: Okay. Thank you for your help."

23 "MR. MILLER: No problem. \$216 million."

24 "THE COURT: \$216 million? That's your Measure H,
25 the implementation date. If you look off on the one year, it

1 is a year and two months later. So in this staff audit, where
2 our bureaucracy and discovery is, oops, we've got a problem in
3 terms of the inaccurate and not supported data. Well, we're
4 going to take a year and two months to implement that. And if
5 you look at the right-hand corner of both former documents, and
6 I'll flip that back -- and Alexa who was my law clerk -- so
7 they can see it.

8 "So we implement in October of 2019 so one year at, three
9 months' rate. In the meantime -- and this is going to get
10 complicated. I want you to turn to be slide 15 for a moment.
11 And if you can track this, you're going to unlock because some
12 of these providers are just excellent by the way and some of
13 them may not be supplying you any data at all.

14 "I want you go to go down 15, and I want you to find the
15 third bullet point. For context, in 2017 to 2018, the total
16 allocation was \$216 million and other expenditures were
17 33 percent. So if you take your 216 million and you roughly
18 take a third away, you've got about \$140 million of Measure H
19 funds flowing through 2017 and 2018. Okay? Because -- so
20 skip -- could you do me another favor? Could you write in
21 parenthesis about 140 million.

22 "I would offer you to do that while you walk down through
23 these minutes -- apparently I don't have all this stuff because
24 it's public documents -- and I want you to go down to one, two,
25 three, four, five, six bullet points. Counsel, go down six

1 bullet point on the slide. Follow this.

2 "And you're going to Measure H for the fiscal year 2018 to
3 2019 and the other \$98 million. And it exceeded our initial
4 projections of 350 million that year. But we have a deduction
5 here. And if you go all the way up, you'll find a deduction of
6 58 million in other spending. So really our Measure H that we
7 actually expended that year was \$340 million.

8 "Do me a favor. Go down to 2018 to 2019 and put down the
9 initial figure of \$398 million and then the actual figure,
10 because we didn't spend all of that -- we spent 340 million.
11 Go down to the bullet point right below it, and you'll see it's
12 projected, that fiscal year 2019 to 2020, Measure H would also
13 equal 398 million. We undercut" --

14 "ALEXA: what?

15 "THE COURT: -- "500-million something after
16 deductions. And I'll have you look at this report because I'm
17 not an accountant. We had about 503 million. We think that
18 came in and that was subject to the audit, as presented to me.
19 And you have an underage, and we think you had about
20 340 million you actually expended that year. So it is rough
21 figures. Take 398 -- well, it's 503, and I'm sorry, it should
22 be about 440 million. But we'll take just these figures, that
23 type of accounting, take 398 -- and I'll represent this for you
24 at about \$340 million dollars."

25 And my apology to the court reporter. I'm reading too

1 fast. Rest your hands for a most. Just rest.

2 "What we think is about 440 million a year, you
3 caught all that?"

4 "MR. MILLER: No, I don't. I'm sorry."

5 "THE COURT: You want to me to come down and do it?"

6 "MR. MILLER: Oh, I" --

7 "THE COURT: Okay. Skip, 2017 to 2018, \$216
8 million."

9 "MR. MILLER: Okay."

10 "THE COURT: 2018 to 2019, I want you to put in
11 398 million minus 58 million and 340 million Measure H."

12 "MR. MILLER: Okay. 58. The difference is 58."

13 "THE COURT: Now, 2019 to 2020, you can take the
14 County's figures, but they're underrepresented. 398 million.
15 You're really about 503 million, but we'll take their figures."

16 "okay."

17 "THE COURT: Okay. I'm want you to double -- I'm
18 almost done. To slide 12 for a moment.

19 "And look at LACDA's response, because on January 22 of
20 2020, without the board knowing, in my opinion, information
21 came back as follows: There is an agreement between LACDA and
22 the providers that from now on we're going to have printed on
23 the report to ensure the reporting period reflects the point in
24 time details that correlates to their data.

25 "Someone could read that as bills being handed in without

1 dates, not able to match up to the project; and, number two,
2 that the providers are retaining the data that is never going
3 over to LACDA.

4 "And, therefore, Skip, why you keep calling my Special
5 Master. That is the very thing Michelle is demanding from you
6 and apparently you are not absorbing. In this audit, I am also
7 asking -- not documents, not flowing in -- it's better to
8 freeze at this point. There could be speculation that LACDA
9 didn't get the underlying data, that this data is being
10 retained by the providers, and only through a spot audit with
11 two of the providers is it being recommended or being noted
12 with tens and tens and tens of providers out there. Now, I
13 don't know that, but it's one thing -- one of things I am
14 asking for in this audit."

15 "MR. MILLER: I hope" --

16 "THE COURT: And it shows me that clear view of your
17 associate."

18 "MR. MILLER: Yes."

19 "THE COURT: And the response we got back is
20 something that it's not new. And there is an order by Court,
21 right now it escapes me, that there has to be an accounting
22 here. I believe after this Court then got the February 20
23 letter. And the board in good faith for the first time saw
24 this and saw the attachments and probably didn't think much of
25 it with all the volume going on the random audit after July

1 through september of 1968 [sic].

2 "But the spot audit doesn't show that it is dated. It
3 doesn't even show dates. It doesn't show why that LACDA got
4 the information because LACDA is trying to reach back to the
5 provider to construct it. And 95 percent of your providers are
6 probably doing just a great job and can justify it, so it's not
7 an accusation.

8 "So the compliment is that this has been rectified -- this
9 is good lesson for all of us so let's move forward in good
10 faith and let our providers supply this data. If not, we've
11 got about \$600 million that flows through the whole County.
12 And that seems to match with what Elaine Howle was saying
13 because, if you would now turn back to the state audit and
14 return back to slide five -- let's read this together -- quote,
15 'The state does not tract the funding it provides to combat
16 homelessness,' end of quote. Let me repeat that in case any of
17 you missed that, quote, 'The state does not tract the funding
18 it provides to combat homelessness,' which could perhaps
19 because the biggest problem of all.

20 "'There is no single state entity that comprehensibly
21 tracks the sources of funding. The intended uses or related
22 expenditures of these programs, nor does the state,' end of
23 quote, quote, new quote, 'track how much money is available
24 towards address homelessness statewide.'

25 "Look, forget the past. But if this was a problem then,

1 just make certain now that this data is coming into LACDA from
2 our providers in good faith with correct dates and times so we
3 can match up what they're doing, so we can have milestones with
4 accountability here, because the argument could be made that
5 \$600 million or more flowed through with no accountability, no
6 tracking."

7 Now, let me stop for a moment. Whether it's in my purview
8 or not, I'll decide that later. Why can't we reach an
9 agreement? Whether it's Inside Safe or whether it's the
10 Alliance agreement, you have the same requirements that we
11 demanded in settlement with the County with the 35,000 bed
12 spaces when everyone was asked to go to the lectern and write
13 in all invoices were to be also accompanied by what work was
14 done.

15 And the reason for that is that, I think, Mayor Bass and
16 the Court and the public needs to know the following: what are
17 we spending our money on? Is our money being spent on
18 overstaffed providers, or is a particular provider providing a
19 service, which is the ultimate goal of, namely, treating
20 homeless on the street but also getting them into shelter
21 and/or housing?

22 In other words, which providers are producing results out
23 there? And we have no benchmark and we have no accountability
24 at this point. It's just as simple as that.

25 So can all of reach an agreement today and take this off

1 the Court's plate, where you're going to agree that Inside
2 Safe, which I think they have a good accountant, by the way --
3 by the way, I want to state for the record I have a lot of
4 confidence in this Mayor. I am going to peer the corner, and
5 I'm going to pay some compliments in a moment.

6 But by the same token, I don't see an accountability from
7 the LA Alliance case. I don't see any accountability from the
8 freeway case. So the Mayor can be called, the chairman of the
9 board. Can we get an accounting and an agreement to this, or
10 do you want me to decide?

11 why don't you two have a conference? That is an order.
12 Stand up, Mr. Marcus. Move over to Alliance. Apparently you
13 can join in. What I am still looking for is an accounting.
14 How are we spending our money? So the Mayor and the Court can
15 make the decisions and see what is actually flowing to the
16 street, because Kevin is out there and a whole bunch of people
17 from skid row. And if you walk around, they'll tell you they
18 don't have any idea where this money is going in this homeless
19 industrial complex. And if you don't believe me, come with me
20 to the streets and just talk to the people.

21 So that's an order. Just get together real quick and then
22 call the Mayor up. Talk. Let's see if we can come to an
23 agreement. We've got Counsel over here for Mayor Bass. Come
24 on up here and join us, Matt.

25 why don't we reach an accounting so all of see

1 transparency and accounting for every buck. Just have a
2 conference. Go on outside and talk about this. Tell me rest
3 or no.

4 I'll take a brief recess. We'll resume in just a minute.
5 (A brief recess was taken.)

6 THE COURT: We're back in session. If you can come
7 up. We're back in session. All Counsel are present.
8 What are your thoughts and responses?

9 MR. MARCUS: Scott Marcus for the City, Your Honor.
10 Your Honor, we agree. We can meet this matter with the
11 accountability that the Court has described.

12 THE COURT: That is a big word. Here is my
13 specificity I mean by it. With every invoice that is
14 submitted -- here's \$248,000 to United Way. That the
15 underlying work that is performed is also shown to us when that
16 invoice is made so the public can track this. You can track
17 this.

18 Do you agree to that? Yes or no?

19 MR. MARCUS: Yes.

20 THE COURT: Does the Mayor agree to that? Has she
21 been contacted? I have a great relationship with her. I
22 respect her immensely. But part of our negotiations are
23 between the two busts. I want opinions. Her support system is
24 letting her down.

25 Does she agree to this? Have you contacted her?

1 MR. MARCUS: I have not contacted the Mayor, Your
2 Honor.

3 THE COURT: I am ordering you to contact the Mayor.
4 Get on the phone.

5 MR. MARCUS: Your Honor --

6 THE COURT: Just a moment. You are talking to her
7 staff. You owe her that. Get her on the phone and make sure
8 that the Mayor said okay. We can call each other any time. I
9 trust her.

10 WOMAN IN AUDIENCE: Yes, Your Honor.

11 THE COURT: I don't want this from attorneys; I want
12 this from the Mayor. I respect you, Mr. Marcus. You agreed to
13 it. I understand that. I want the Mayor to agree to this.
14 I'm asking for transparency for all of us from this point
15 forward, whether it's the freeway, LA Alliance, or the Inside
16 Safe.

17 I happen to believe she's doing a good job of Inside Safe.
18 I think she's trying to, but I am not sure yet. We have that,
19 and we finally got transparency. And she can make decisions,
20 and I can make decisions, and the public can see where our
21 money is going. We can also see what your providers are
22 providing. Are they overstaffed? We are going to be able to
23 reflect what they are doing on the street. We can get rid of
24 those providers that are not worth the money. That will send a
25 chill to some of our providers, trust me.

1 Our ultimate goal is that we have accountability, but our
2 ultimate goal was to get shelter and housing. That is what we
3 eventually achieved.

4 Now, where's LAHSA's budget? Get the LAHSA's budget from
5 them. Is anybody here from LAHSA?

6 MS. MITCHELL: Your Honor, while that is --

7 THE COURT: Just one minute. I want L-plus's budget
8 now. You'll find it someplace between 650 and \$800 million if
9 you pull it up.

10 MS. SOBEL: Your Honor, I think it's \$845,000.

11 THE COURT: It's \$845 million.

12 MR. MARCUS: \$845 million.

13 THE COURT: Million and not thousand.

14 Are they giving you accurate data, Mr. Marcus? It just
15 requires a yes or no.

16 MR. MARCUS: Your Honor, since I don't get data
17 directly from LAHSA, my understanding is we are working with
18 LAHSA to get better data from them than we have gotten before.
19 And we are making strides towards that.

20 THE COURT: Okay. The next issue we can take off the
21 Court's plate in deciding might be how we deal with our MOUs.
22 If you would be kind enough to turn to --

23 MS. MITCHELL: Your Honor, I want to very clear.
24 Plaintiffs did not agree to that. I'm glad the City has
25 answered that. But I want it to be very clear that we do not

1 have an agreement that that takes care of the entire motion.

2 THE COURT: Okay. Tell me where else you're seeking
3 because I can call for an audit. I don't want an audit. But I
4 am amenable where I would like to see the City start to produce
5 these first, so I inch my way up.

6 So what is your concern?

7 MS. MITCHELL: Your Honor, yes, that is -- should the
8 Alliance be awarded sanctions, that is the goal of the
9 Alliance. Outside audit, an outside entity, but not within the
10 City but from the outside, that has the ability to not just
11 look at the numbers, so forensic accounting, significant
12 forensic accounting, but also performance auditing is hugely
13 important, because the numbers don't always tell the whole
14 story.

15 THE COURT: Let's say I wanted to save and devote as
16 much money to homeless as possible and not to attorneys and
17 auditors, et cetera.

18 Isn't the controller an independently elected official?

19 MS. MITCHELL: I don't believe the controller has
20 full access to the data, Your Honor.

21 THE COURT: well, then we can question why not. In
22 other words, I don't know that the outside auditor might be any
23 more successful unless there is kind of a subfeed to the
24 controller in the City, and they're not getting the full
25 information. That is the inference to be created.

1 MS. MITCHELL: So to be quite transparent, Your
2 Honor, I'm not in the controller's office. What I am hearing
3 from people within the City, as recently as this morning, is
4 the controller doesn't have complete access, particularly, to
5 the Inside Safe numbers.

6 THE COURT: Okay. We might ask the controller to
7 tell me. Let me delay that for just a moment. Let's see what
8 that controller has in terms of authority.

9 MS. MITCHELL: Your Honor, so what we are looking for
10 is outside auditors, both performance auditing and forensic
11 financial auditing, including the service providers. And
12 Ms. Myers mentioned to include hotel owners.

13 THE COURT: Here's the problem. I am going to think
14 we are going to speculate we are not going to be able to
15 account for a minimum of \$600 million or more in this period of
16 time. I am going to speculate that those records don't exist
17 because they were retained by providers who could produce them
18 historically and can't produce them now.

19 Okay. Do I spend money then going back, or do I spend
20 money going forward, because what I want is to move from this
21 point forward. I can't recreate the past. What a waste.

22 But I can go forward and make these requests. I'll come
23 back to it. I don't want to get tied up in this right now. I
24 promise you we'll come back.

25 MS. MITCHELL: Okay. And I am not done with that.

1 THE COURT: Okay.

2 MS. MITCHELL: The reason we don't think this goes
3 far enough is because there has not been any consequences on
4 the City for extreme bad faith behavior over the last 14 months
5 on this issue.

6 THE COURT: The courts are told by the circuit to
7 inch up. We just don't come out with a harshness. If I'm
8 going to impose penalties or I'm going to impose sanctions, I
9 am being instructed by the circuit to make those gradual so
10 there is a warning along the way. Let me reflect on that here
11 just a moment. Not to whether we're going to have an audit or
12 not. I'll leave that on the table.

13 But amenably I just want transparency right now, period,
14 going forward. Can I have an agreement at least as to that?
15 From your position you agree at least to that. You're stating
16 what you know to be because this is inadequate.

17 MS. MITCHELL: We agreed to the transparency. We
18 think it is the earliest first step, an important first step,
19 in getting the truth. We do not believe that is sufficient to
20 resolve our concerns that we brought the motion.

21 THE COURT: I hear you. All right. We will have
22 more argument. I just don't want to decide. We have a lot to
23 cover.

24 All right. The MOUs that have been created have been so
25 time-consuming that, when Mayor Garcetti or I reach an

1 agreement along with the County, when Mayor Bass reaches an
2 agreement, that then it gets turned over to the attorneys, to
3 the support group. And so I'm going to read from the
4 transcript May 26. And this pertains to the freeway agreement.

5 If you remember historically, you were supposed to have an
6 MOU to the Court within two weeks. Let me repeat that. "Now,
7 deciding to work with you, the Court took a risk" -- I'm
8 reading from page 16, line 3.

9 Could you put that up for a moment?

10 "Now, deciding to work with you, the Court took a risk,
11 and that is, when the courts say something, we should just wing
12 it; we should actually follow through with it. We're not
13 politicians. What we mean should have some weight and not that
14 politicians shouldn't have weight, but in case any things
15 change.

16 "In good faith, you entered into an agreement with me that
17 is dated June 16, and it can be found docket number 136. Now,
18 let me remind you, when entered into this binding term sheet,
19 you represented to -- I will name the names if you want me
20 to -- the members of the board and Council, that you will have
21 the MOU in two weeks. Let me repeat that -- two weeks.

22 "Mr. Marcus, how long did it take you to get an MOU?"

23 "MR. MARCUS: I believe the MOU was signed in
24 October."

25 "THE COURT: Four months."

1 "MR. MARCUS: Roughly, yes.

2 "Mr. Miller, how long did it take -- how long did
3 that take?"

4 "MR. MILLER: Sounds right."

5 "THE COURT: About four months?"

6 "Yes."

7 That's stipulated. I mean, a lot has gone by since the
8 agreement between Janice Hahn, Karen Bass. How long?

9 MS. MITCHELL: It's been at least a year, Your Honor.
10 I would say probably about 16 months.

11 THE COURT: About 16 months. It seems to me that
12 with the emergency repair declaring and in good faith trying to
13 move forward, that what we have is a bureaucracy slowing this
14 process and causing issues.

15 Can we reach an agreement, if Mayor Bass and Alliance
16 reach agreements in the future or with the intervenors,
17 et cetera, that the MOUs have to be produced within 30 days?

18 The Court will discuss this. Stand up. We'll have a
19 conference. For now on, when we reach an agreement of any
20 type, regardless, 30 days for the MOU.

21 MS. MITCHELL: Your Honor, I don't think we need to
22 talk about it. We can agree ---

23 THE COURT: Go talk about it. That's an order.
24 That's not a request. Just tell me "No."

25 (A discussion was held off the record.)

1 THE COURT: Because the delays are repeated. And the
2 next thing I'm going to ask you, when you have this little
3 discussion, right now you have 3,500 beds supposedly from the
4 County -- let me repeat. Not beds, but bed for mental health,
5 not beds, and you don't have an MOU yet. So your Council
6 members are individually complaining that they're not getting
7 any beds over to the City. And if not, talk to your Council
8 members.

9 So the City is not getting any beds from this. And if you
10 talk Judge Pregerson -- Judge Pregerson and I have a sneaking
11 suspicion that what you do with your beds is you're sliding
12 them over to Judge Pregerson's case where he threatened to hold
13 the County in contempt with jail and taking those 3,000 beds
14 meant for the streets for elderly women, our people on the
15 streets, and slid them over so Judge Pregerson doesn't hold you
16 in contempt, and that's what I call "double counting."

17 But go have a conversation back there privately, because
18 we haven't raised that yet. We'll take a recess.

19 (A brief recess was taken.)

20 THE COURT: All right. Then we're back on the
21 record. Ms. Mitchell, I'm going to take you up on your concern
22 for the audit and resolve it this way. I am going to request
23 that the auditor controller come over, and the reason for that
24 is I am deeply concerned whether the auditor controller could
25 even audit the Mayor's program. I don't believe she can. I

1 would like to find out from the auditor controller because, if
2 not, then your outside audit starts getting strength.

3 The second thing is I would like to ask all parties -- the
4 County who apparently is not here and the City -- it's been
5 16 months. Can both parties agree to getting this MOU between
6 City and the County done in 30 days?

7 The third thing I would like know, I'm going to request
8 the auditor controller to come over this afternoon as a
9 courtesy. If not, I'll sit here and wait until they can.

10 MS. MITCHELL: Your Honor --

11 THE COURT: Let me ask the County of the three --
12 you're fine. Mira, are there -- and pardon the informality.
13 Are there any Alliance beds, of these 3,500 mental health beds,
14 reserved for people exiting the jail?

15 MS. HASHMALL: Thank you, Your Honor.

16 THE COURT: Good to see you.

17 MS. HASHMALL: I would like to comment on a number of
18 matters that were raised.

19 THE COURT: No. I want you to answer my question,
20 first. Are there any of the Alliance beds, the 3,500, for
21 people exiting the jail?

22 MS. HASHMALL: So my understanding is there is no
23 overlap for the beds --

24 THE COURT: Just a moment. Slower. Judge Pregerson
25 was here, and Judge Carter was here. If we wouldn't have our

1 3,500 beds used for jail intake, these beds would go to the
2 City.

3 what is the status?

4 MS. HASHMALL: Your Honor, I am not sure what 3,500
5 beds you're referring to.

6 THE COURT: This agreement of 3,000 and the 500 that
7 the County, Janice Hahn, entered into. Those were mental
8 health beds, not beds.

9 MS. HASHMALL: So, Your Honor, we're here with a full
10 and complete accounting for the first quarter of --

11 THE COURT: You are not answering my question. I'm
12 going to say it again and very respectfully I'm going to ask
13 you to answer this.

14 Do you know if any of these 3,500 beds, that we reached an
15 agreement with Janice Hahn, when she was the board chair, are
16 going towards Judge Pregerson and the jail output?

17 MS. HASHMALL: At this time I do not know that. What
18 I do know, Your Honor, is that the County met or exceeded all
19 of the benchmarks with regards to the County/Plaintiff
20 settlement. They put up over 900 new mental health and
21 substance abuse disorder beds in connection with the first
22 reporting period.

23 They also provided over 100 subsidies for board and care
24 facilities significantly exceeding the benchmark requirements
25 for the County's performance under its Settlement Agreement

1 with the plaintiffs.

2 THE COURT: I'm not questioning that. In fact,
3 within a month, I'm going to call a similar hearing with the
4 County. This pertains to the City. And the reason I'm asking
5 this is because I don't mean a separate hearing within a month
6 for accountability. You may have done an excellent job. Some
7 of the reports are very good. I'll pay you a compliment.

8 Understood that I asked and the City Council was saying,
9 "We're not getting mental health beds out in our districts."
10 What is happening with these 3,500 mental health beds? And the
11 concerns that Judge Pregerson and I have is that they're being
12 put over in his case so that there is a decrease on the City
13 level for the beds you expect your Council districts to have.

14 Mr. Marcus, why don't you join Mira for a moment? Have
15 any of your Council districts received any of these 3,500? Yes
16 or no?

17 MR. MARCUS: I don't know. Your Honor, I don't know.

18 THE COURT: Can you make some calls and start
19 checking.

20 Can I get Bob's letter up for the moment? We just got
21 this the other day. I will give you the letter so the both of
22 you can absorb this. In other words, you're reading the copy.

23 One of you put it on the computer, and one of you put it
24 on the screen.

25 A number of Council members are representing that they're

1 not getting these beds. Have you read it yet? Have you read
2 Council member --

3 MR. MARCUS: Yes, and I've heard that complaint from
4 Council Blumenfeld as well as other Council members. Your
5 question is if I knew we were getting beds, and the answer is I
6 don't.

7 THE COURT: Well, I'll ask my question to the
8 Magistrate. She met with Council people yesterday, and the
9 input is we're not getting any of this. We're getting a
10 homeless return.

11 MS. HASHMALL: Your Honor, we know that we met and
12 exceed the amount of mental health and substance abuse disorder
13 beds called for under the Plaintiff/County Settlement
14 Agreement. But we do also know is that an impasse jogger, he
15 is our greatest need.

16 THE COURT: Yes. Sure.

17 MS. HASHMALL: And, yes, the point in time count of
18 demographics of people experiencing this throughout the County
19 and the City, and the City does have a significant portion. So
20 by definition, they're going to get a significant amount of
21 those resources, but need is what dictates those, not
22 geography.

23 THE COURT: Absolutely. That's agreeable. We're
24 saying the same thing. I agree with you.

25 which Council districts has gotten any of these beds so

1 far?

2 MS. HASHMALL: I do know that people have to be a
3 district by district accounting. That is not how the system
4 works. The system works in identifying people who need these
5 resources and placing them.

6 THE COURT: Okay.

7 MS. HASHMALL: We provided that information in our
8 detailed accounting and our compliance with regards to the
9 settlement. Those are provisions that were heavily negotiated
10 to and agreed to. And the County submission recently met or
11 exceeded all of those benchmarks.

12 THE COURT: Let's assume on paper that that is true.
13 Let me compliment you. Okay? But on paper doesn't mean it's
14 reaching the street. And what I'm asking -- I'm giving the
15 fair opportunity. That's why I keep saying within 30 days,
16 because within 30 days I'm going to hold a formal hearing with
17 County. Okay? You'll have a chance to make all of these
18 points.

19 I'm giving you every courtesy in the world of giving you
20 that 30 days to try to rectify this if there does need to be
21 some rectifying here. Or can we take the position that these
22 are going out? Because on paper you may have complied. The
23 question is where are they going?

24 MS. HASHMALL: Thank you, Your Honor. I certainly
25 appreciate the opportunity.

1 THE COURT: I'm not trying to trap you.

2 MS. HASHMALL: I didn't think I would have to speak
3 much today because this is Plaintiff's motion about the City.

4 THE COURT: Mira, I'm not trying to trap you.

5 MS. HASHMALL: I do want to say, Your Honor --

6 THE COURT: I am giving a month's warning about what
7 is coming and the questions I'm going to be asking you. And
8 you've got to talk to -- if you're not getting these out, talk
9 to Scott, talk to the City to try to get these beds out to the
10 City. And if you don't have them going out, then I'm going to
11 be asking you these same questions, so I am giving you all the
12 courtesy. I'm not trapping you or surprising you.

13 MS. HASHMALL: I appreciate that, Your Honor. I also
14 want to make clear that the coordination on the County and the
15 City on traffic conditions has been significant. There were
16 discussions about a potential MOU between the County and the
17 City. And the City had a change in administration, and it
18 needed time to get its bearings, and that is why that MOU did
19 not move forward --

20 THE COURT: How much more time do you need? Instead
21 of me saying 30 days, how much more time do you need?

22 MS. HASHMALL: I think we learned from today's
23 conversation, Your Honor, that you set deadlines that can't
24 met. It creates frustration and inefficiency.

25 THE COURT: Let's stop that record right now. I not

1 only have set deadlines that can't be met, but I've been
2 patient with the dragging and slow footing on these MOUs on the
3 freeway agreement to the County agreements. And I'm raising
4 the next specter so you're not trapped because, if we have this
5 out months and months with the City and they're not receiving
6 any mental health beds and all of this input is coming to me by
7 the Special Master, then you may have put this on paper but,
8 hey, that is getting produced to the streets once a month.

9 MS. HASHMALL: Your, Honor, our acute MOU was
10 consummated. And every time we have been doing reports show
11 the County is in full and complete compliance and committed
12 over \$300 million and new resources for people experiencing
13 homelessness.

14 THE COURT: No disagreement at all. I just disagree
15 with the fact that it's a constant of slow footing the MOUs.

16 MS. HASHMALL: I also want to say, Your Honor, the
17 County has stepped up. When the City made a declaration of
18 emergency, the County was there side by side assisting with
19 Inside Safe and other City initiatives. This is a partnership
20 that doesn't require paperwork because of County's significant
21 commitment to addressing this all.

22 THE COURT: Let me pay you the courtesy. When would
23 you like to have the hearing with the County, because you are
24 going to have a similar hearing with the County? What date?

25 MS. HASHMALL: I have to look at my calendar.

1 THE COURT: Go get your calendar and make it
2 30 days out or more. Okay? I'm not pressing you. I am giving
3 you every opportunity, and I think you've probably done well.
4 I think -- by the way, there's been a significant change. I
5 think we both agree there. So I will pay some compliments at
6 the end of this. But I'm not paying compliments yet.

7 MS. HASHMALL: Okay.

8 THE COURT: Look at your calendar. Tell me when we
9 can have this date with the County. And that will give
10 everyone a fair warning to look at this to getting out to the
11 City in terms of mental health beds. And, also, remember,
12 these are mental health beds. These are not "beds" where you
13 put somebody in, and then you count that as a mental health
14 bed. These are acute and subacute beds.

15 MS. HASHMALL: Are you thinking maybe first week of
16 April?

17 THE COURT: Give me a date. Make it convenient for
18 you. And don't worry about inconveniencing the Court or the
19 City. Try to get it on a date not conflicting. That's usually
20 a Thursday. But tell me, Mira.

21 MS. HASHMALL: Thursday is April 4.

22 THE COURT: Perfect. Now, if you need an extension,
23 tell me, and I can go back. I don't want to trap you into it.
24 If you need a couple more weeks, just tell me. Okay?

25 MS. HASHMALL: Thank you, Your Honor.

1 THE COURT: Now, is there anything else you'd like to
2 say? Anyone else want to make a general statement about the
3 County? And I agree with you. Okay?

4 MS. HASHMALL: Your Honor, I'm just very, very proud
5 of how hard the County has worked and to have accomplished
6 those significant new mental health and substance abuse
7 disorder beds, to have had the ability to put all three
8 multidisciplinary teams and senile teams serving PHUSA. It's
9 an extraordinary amount of work, and they're continuing to do
10 the work that fast and not slack and do the terms of the
11 Settlement Agreement.

12 THE COURT: Let me say that I agree with you.

13 MS. HASHMALL: Thank you, Your Honor.

14 THE COURT: Okay. Accept. The only part I disagree
15 with is if these mental health beds are being produced on paper
16 and they're either going over to the jail or -- and the City
17 Council isn't any of these beds for L.A. -- is that true? Then
18 on paper it looks good. I just want to see what is being
19 produced on the streets. Okay?

20 And I want to hear from Counsel, so let's put up Bob
21 Blumenfield's letter. "I've read what the interest the County
22 of Los Angeles first status report pursuant to the Settlement
23 Agreement filed on January 30, 2024, and am pleased to see some
24 progress implementing additional beds for mental health,
25 substance abuse disorder per this agreement."

1 And as a side, the Court joins in that.

2 "I have several concerns about the implementation of this
3 settlement to which the City of Los Angeles is not a party."

4 And for the court reporter, I will slow down.

5 And would you get her a copy of this?

6 "About which the City has grateful and meaningful progress
7 in our efforts to serve the unsheltered and reduce street
8 homelessness and encampments, under our own LA Alliance
9 settlement agreement.

10 "As you know the City's ability to implement its own
11 agreement relies on funding for services and support from L.A.
12 County, which has not yet been fully defined or realized. The
13 City and County have been negotiating and not only have they
14 not reached an agreement for settlement implementation."

15 This didn't come on my screen until I got this letter.

16 "The Court may find that, since the City of Los Angeles is
17 not a party to the Settlement Agreement, the City and myself,
18 as representative of 260,000 residents, have no standing to
19 speak up about these concerns; however, having worked with you
20 and followed the direction of all LA Alliance lawsuits since
21 2020, I'm hopeful the Court may be able to facilitate
22 meaningful progress in a timely manner. In particular, the
23 lack of the MOU with the County is a challenge for the City as
24 the payment for services, bed rate, and list of services to be
25 provided remain incomplete.

1 "If the Court could encourage the completion of an MOU" --
2 and I'm encouraging the completion -- "prior to the City
3 Council's consideration of the fiscal year '24-'25 budget
4 anticipated after the release of the Mayor's budget, which is
5 required by April 20, 2024, by charter, would be most
6 beneficial."

7 Can I see the next page. Thank you.

8 "While the September 12, 2022 nonbinding preliminary
9 agreement between the City and the County, signed by the
10 County's Chief Executive Officer and City Administrative set
11 the framework for the Alliance settlements.

12 "The Alliance agreement between the City and the County
13 through a future MOU will require willingness from the County
14 to avail and assure services to residents at City interim and
15 permanent sites.

16 "Unfortunately, Court oversight and agreements with the
17 County are necessary to ensure general relief, social services,
18 health and mental health, and re-entry services are being
19 delivered to County residents within the City. The current
20 Roadmap agreement avails \$60 million in funding for services
21 for every year for five years for the 6,700 homeless housing
22 interventions the City built." that's the freeway agreement.
23 You probably will call that the Roadmap agreement.

24 "The City funds supplemental services at our Roadmap
25 sites. And on January 9, 2024, authorized a midyear bed rate

1 adjustment for service providers. See CAO report CF-23-1348.
2 Additional bed rate increases will occur for both City and
3 County beds and will be important to establish a daily bed rate
4 that clearly defines mainstream services and enhanced services
5 offered by providers and offered by County department staff.

6 "Bed rates determine how many staff members a service
7 provider can hire to operate a site, which impacts their
8 capacity and ability for service delivery. Service providers,
9 that operate our Roadmap alliance and Inside Safe sites, state
10 the higher bed rate is required to provide case management,
11 housing navigation, and connection to health and behavioral
12 health services.

13 "The County needs to play a more active role and avail
14 County staff to support the nonprofit service providers low
15 barrier City sites. As the Roadmap agreement expires in 2025,
16 it will be important to identify a sustained funding source for
17 beds created by the Roadmap agreement and reviewed by the Court
18 on the compliance with the Roadmap agreement is important to
19 set the foundation for this next Alliance agreement.

20 "The MOU of the County should have an agreed-upon
21 definition of main steam and enhanced County services.
22 Clarification, are the cities responsible to provide for
23 City-appropriate shelter, or will the County provide to
24 complement the City's investment of a bed rate for payment that
25 covers the expenses of the services, whether mainstreamed or

1 enhanced, by location, including retroactive payment for
2 services that were obligated by not provided by the County
3 during the term of the agreement."

4 If you'd move that up a little.

5 "Additionally, it would be mutually beneficial to include
6 clear direction for how clients in the City interim housing can
7 access crisis, behavioral health bridge housing, high service
8 need housing, and other County services. Also, important would
9 be a clear direction for how people experiencing homelessness
10 on the" street -- strike that -- "on the streets, in the City
11 can access County services and the required new MH-SUD beds."

12 Next page.

13 "Finally, it would be helpful to all if the MOU provided
14 clarity that the City's general fund and estimates should be
15 focused under priority housing and an obligation that the
16 County provide services with the City funds only tapped for
17 health, mental, or substance services. Rarely, as exception,
18 once the County funds and resources have been exhausted,
19 reimbursement by the County cannot be obtained. Until an MOU
20 is signed, the City will continue to pay for services,
21 mainstream and enhanced, by contracting the service providers
22 already contracted with the County to provide health and mental
23 health and substance abuse disorder and treatment services for
24 people currently in our City sites."

25 what they're saying is that they're double paying.

1 "Including these issues and an MOU would assist the City
2 with creating its own mechanism to comply with the settlement,
3 as approved by the Council, less implementation interruption,
4 CF-23-1054, passed by Council November 2023, when I authored
5 it. I would to call to your attention the following concerns
6 from the County of Los Angeles first status report, and I
7 appreciate your consideration of these issues as you oversee
8 this event.

9 "First, there is no path for placement of individuals who
10 would be better served with higher acuity programs slash County
11 appropriate shelter. And in the meantime many individuals with
12 these needs may, in the City's low barrier, City-appropriate
13 care and housing where they often were exited for class
14 disruption to other clients new in their unmet needs, provides
15 sufficient access to County funded, high-service need beds is a
16 critical point in the City's settlement, Section 9, County
17 obligations, which has not been implemented.

18 "Second, mainstream County services which are supposed to
19 be provided to the City's interim house program under the prior
20 Roadmap agreement and have not been delivered. And there
21 appears to be no prioritization for the City in the newly
22 created 500 beds reported in this document for existing Roadmap
23 clients.

24 "Three, establish the status report of which does not
25 include a list of which interim housing sites are eligible for

1 and should be receiving these County services, which makes it
2 difficult for the City to ensure they are being provided, as
3 required, to the maximum 3,100 interim housing units. Without
4 a list in tracking, the City is unable to know when/if County
5 is deploying staff to interim sites or funding for additional
6 services albeit contracts with service providers are
7 occurring."

8 And then the last page, Oona. Thank you.

9 "Four, the County seems to rely on reporting by the City
10 on requests made for the Department of Mental Health, DMH,
11 services and tracking of those requests by the City. My staff
12 and I were informed that our teams needed to track these
13 requests. I do not believe that there is any system in place
14 for the City to meet its responsibility to provide this
15 information and thus no accountability from the County to
16 provide services.

17 "Furthermore, my staff have only very limited access to
18 HMIS data about clients, i.e., only name and service provider
19 they are linked to if there is one. So the City has very
20 little ability to ensure that a client has been enrolled in
21 County services once referred.

22 "Five, subsidies, vouchers, and other assistance required
23 in the settlement do not appear to have any allocation toward
24 residents of the City and interim housing, connection to the
25 responsibility of the City, in its own settlement agreement

1 with the Alliance. In particular, a board and care subsidy
2 could be a lifesaving resource for an individual on the street
3 in my district with ongoing medical needs who has been placed
4 repeatedly in an error housing program to only walk away due to
5 ongoing medical issues but this resource has never been made
6 available to her.

7 "Six, the Exhibit B chart which lists referrals to
8 high-service need interim housing beds lacks information about
9 which city or location these referrals were made and has no
10 information about where those beds are. Even so, with 900 new
11 traffic beds, the report shows that there are only the total of
12 190 clients placed which makes it difficult to understand why
13 mental health beds should be made so difficult to access.

14 "Seven, the Exhibit D chart listing placements in
15 facilities by facility does not indicate where the client had
16 previously been residing, making it impossible to determine in
17 residents of Los Angeles and in particular skid row benefiting
18 from these placements.

19 "Further, there is no information provided about the
20 request per individual site.

21 "Eight, the implementation of this agreement relies in
22 part on coordination of LAHSA and joint powers authority that
23 is not a party to the agreement and service providers who may
24 be coordinating their efforts to ensure compliance with this
25 agreement.

1 Nine, implementation of the City's Settlement Agreement
2 assumes prioritization of people expressing homelessness in the
3 City of Los Angeles to permanent support of housing beds
4 created in the City of Los Angeles. The placement of the
5 individuals by LAHSA matches service providers relies on a
6 different system tied to the CES system which has facilitated
7 placement of non-City visitors in City public units.

8 "As the City strives to improve the lives of people with
9 disabilities, substance abuse disorder, ongoing medical
10 conditions, mental conditions, your assistance to spur action
11 in a timely manner would be appreciated. If I can be of help
12 to you in this effort, please do not hesitate to call me and my
13 chief of staff, Lisa Hanson, and then there is a phone number.
14 Bob Blumenfield."

15 Now, it's come to me through Michelle Martinez that a
16 number of Council are on board with what this letter spells
17 out. I leave that to you, Mr. Marcus, and indeed the County.
18 I have no comment on that at the present time. It's just a
19 letter I am receiving. That's what peaked my curiosity about
20 where we are in terms of these units actually getting out to
21 the City and in what manner.

22 And of all the information Michelle Martinez has received,
23 Michelle, do you know of any bed going out?

24 MS. MARTINEZ: Not to my knowledge. But I will say
25 that --

1 THE COURT: Why don't you use the microphone?

2 MS. MARTINEZ: Not to my knowledge. But I will say
3 that the County has reduced, as Mira mentioned, 900 beds, and I
4 know they have housed through the Inside Safe Save program. So
5 not speaking to individual Council members requesting beds,
6 they have yet to receive one of those beds.

7 THE COURT: Okay. So, Mira, we'll take that up in
8 April. Okay?

9 MS. HASHMALL: Thank you, Your Honor.

10 THE COURT: I want to hear from the intervenors.
11 Has there been compliance with this agreement? That's
12 ultimately what I'm going to ask you.

13 MR. YAGMAN: Here comes Miss Crazy.

14 MS. MYERS: Your Honor, Shayla Myers on behalf of the
15 intervenors. And to clarify as to what you addressed -- what
16 you want is compliance with which agreement?

17 THE COURT: Has there been compliance with the LA
18 Alliance agreement?

19 MS. MYERS: Between the City and the LA agreements?

20 THE COURT: Yes.

21 MS. MYERS: We don't believe that the City of Los
22 Angeles -- and it pains me to say this because it's something I
23 normally say -- based on the plain --

24 (The court reporter interrupted.)

25 MS. MYERS: Our plan and position is to stand in line

1 with the City of Los Angeles. My concern is that the LA
2 Alliance is pushing for an agreement and a reading of the
3 agreement that by no stretch of the imagination is called for
4 by the plain language of the agreement.

5 And I'm actually incredibly concerned, Your Honor, at this
6 time of deals struck by the City of Los Angeles and the
7 Alliance after months of assertions by LA Alliance that the
8 City was out of compliance is actually contrary to the plain
9 language of the Settlement Agreement. And I'm very, very
10 concerned about the precedent that that is setting and what the
11 LA Alliance is asking this Court to do.

12 The City of Los Angeles and LA Alliance negotiated a
13 Settlement Agreement -- intervenors were no part of it. It was
14 an agreement between business community, the City of Los
15 Angeles to construct beds.

16 We had objections to settlement all along. And a variety
17 of ways we were concerned it didn't provide enforceable
18 provisions. We were concerned how that was seeking
19 enforcement. We were concerned with a variety of other points.
20 And the LA Alliance and the City of Los Angeles stood up to
21 this Court and represented repeatedly that this agreement
22 wasn't about creating beds; it was about bringing people
23 inside.

24 And we are very concerned, Your Honor, that LA Alliance
25 right now is pushing for something that they've never asked for

1 from this Court, which is an enforceable agreement that
2 requires the City of Los Angeles to clean up and resolve the
3 encampments without any connection to bringing people inside.

4 So when this initial outline to what the request was in
5 bringing this lawsuit about, it was about bringing people
6 inside. But now they're seeking encampment resolutions that
7 seem to be untied and untethered to actually bringing people
8 inside.

9 It seems to be talking about encampment resolutions as
10 opposed to people. We want to really, really clear on when
11 we're talking about this agreement. Ms. Mitchell and
12 Mr. Marcus and the Court has repeatedly talked about encampment
13 resolutions. We're talking about the number of beds or the
14 number of tents. We're talking about the number of RVs.
15 They're talking about usable evidence of homelessness on the
16 streets. They're not talking about people, Your Honor.

17 This 9,800 encampments represents tents and people's
18 possessions. It doesn't represent bringing the people inside.
19 The LA Alliance is asking for a separate part of the agreement
20 that simply does not exist in the Settlement Agreement that
21 says that the City has an obligation to clean our encampments
22 on its sidewalks. What the City has no obligation to do, under
23 this agreement, is build shelter beds and build housing units.

24 When the City does that, people will come inside. The
25 reality is, when you build housing, when you provide shelter,

1 people come inside. In the Inside Safe program, my office has
2 some objections to Inside Safe program. Our clients has
3 concerns with how that program implemented.

4 I think what Mayor Bass has been very clear about with the
5 Inside Safe program -- and I think, Your Honor, you have said
6 this all along. When you provide shelter, people will come
7 inside. And so that is what is happening with Inside Safe
8 program; right? Hotel beds are being provided and people are
9 coming inside.

10 This LA Alliance agreement was about negotiating for
11 shelter beds to bring people inside, and now the LA Alliance is
12 looking for something to fight, which is about cleaning up, the
13 visible signs of homelessness, as opposed to bringing people
14 inside.

15 This side agreement that has been negotiated against 9,800
16 encampment resolutions bears no relationship to the Settlement
17 Agreement and the creation of housing. So we are very
18 concerned, Your Honor, this is going to be used by groups like
19 the LA Alliance, plaintiffs in this case, to target specific
20 encampments.

21 I know Your Honor has said that you are not going to
22 entertain that idea. Hopefully you will not entertain
23 targeting specific encampments. But we have to uplift what the
24 LA Alliance did their Pleadings in this case. The intervenors
25 are involved in this case and have been involved since the

1 beginning. And with this Court, we still have standing to
2 participate in these proceedings.

3 And LA Alliance specifically targeted two encampments in
4 Highland Park and represented that they were incredibly
5 dangerous and why put forth no evidence whatsoever, Your Honor,
6 about those specific encampments. They specifically targeted
7 people who were living in those encampments, defamed them in
8 court proceeding with no representation whatsoever, and asked
9 the Court to target -- to require the City of Los Angeles to
10 target those encampments for enforcement activity.

11 That is why the intervenors in this case have been
12 objecting to the participation by LA Alliance without
13 representation by unhoused folks in these negotiations.
14 Because the LA Alliance believes that they can target specific
15 encampments for reduction simply because for whatever reason --
16 their members want it, whatever it is.

17 And, Your Honor, the way that they targeted Highland Park
18 in this representation no different than the way they have
19 targeted skid row, the way they're targeting my clients that
20 have been in LACAN and they're a cabinet worker and they're
21 boarders who live in skid row. They are making gratuitous
22 statements about how dangerous it is in inner city in that
23 location to seek this Court's intervention to require the City
24 to target encampments as opposed to actually bringing people
25 inside.

1 The last thing -- so what we would like to say about this
2 and to your point, obviously, we do not believe that the City
3 of Los Angeles has been, based on what has been represented to
4 this Court -- that the City of Los Angeles by failing to
5 provide specific numbers for the encampment resolutions that
6 they are not obligated to do so by the Settlement Agreement.

7 But we want to raise our continued objection to lack of
8 transparency related to the negotiations that have been going
9 on related to this side agreement at the request by the LA
10 Alliance to turn a side agreement into an enforceable order by
11 this Court.

12 Your Honor, they are specifically requesting the
13 resolution of encampments, not bringing people inside; right?
14 Targeting them with activities that have been problematic and
15 the basis of lawsuits for decades, to actually target those
16 resources through a side agreement that was negotiated.

17 The only reason why anyone, including parties to this
18 case, know that those negotiations were going on, that they
19 were interpreting the Settlement Agreement have a binding
20 obligation on the parties that is not articulated in the
21 agreement, because the LA Alliance wanted \$6.4 million. Absent
22 that, no money to the public and not -- none of the parties to
23 this case, especially that represent unhoused folks living in
24 the encampments that Liz Mitchell is attempting to target for
25 resolution, no one would have had any idea that any of those

1 negotiations were going on but for LA Alliance seeking
2 \$6.4 million after the fact.

3 What we want to say is to the extent, Your Honor, is
4 considering this, the agreement between the parties to anything
5 resembling a binding obligation, the parties who are literally
6 the individuals living in those encampments in skid row should
7 have an opportunity to raise objections. And there should be
8 transparency about these side agreements that are being
9 negotiated. Because they can say the LACAN does not have
10 standing to raise issues, but their members are living in
11 encampments that Liz Mitchell and the LA Alliance is
12 specifically targeting to be "resolved."

13 MR. YAGMAN: Are not? Sit down now.

14 THE COURT: You'll have another opportunity. So if
15 you've forgotten something, don't worry.

16 MS. MYERS: No, Your Honor. So what we would say is
17 we want to raise that.

18 The last thing I want to say, in terms of how this has
19 proceeded, is that we have been raising concerns with the
20 district by district approach that the LA Alliance has forced
21 in this agreement.

22 And we just want to say that we strongly support Mayor
23 Bass's position in a way to move away from a district by
24 district approach. It is not that the district by district
25 approach provides more accountability; it's that the district

1 by district approach provides more opportunities to
2 displacement. Thank you.

3 THE COURT: Mr. Yagman?

4 MR. YAGMAN: I agree more than 100 percent with
5 everything I just heard from the speaker whose name I can't
6 remember. I would add only that I have always said -- and I
7 think the Court knows -- that this is a false flag action. And
8 inherent in the false flag action is what was just described by
9 Counsel who previously spoken.

10 Last, it seems that this action proceed towards resolution
11 like the loser in Zeno's first paradox of the stadium, where
12 you have two guys standing with backs to the wall in the
13 stadium wanting to reach the other side. One of them walks to
14 the other side and touches the wall, and the other one always
15 goes just half the distance and is never able to reach the
16 wall.

17 with respect to the pending motion, which is the reason
18 primarily that we're here today, I strongly oppose the motion
19 to impose \$6 million sanction. I think it should be double
20 that. Thank you.

21 THE COURT: You claim it should be doubled sanctions
22 on the City? 12 million?

23 MR. YAGMAN: I think the request for --

24 THE COURT: 6.4.

25 MR. YAGMAN: So it should be 12.8.

1 THE COURT: So the sanction --

2 MR. YAGMAN: So unless something like that happens,
3 we're going to keep going back here all the time. I mean, the
4 City just needs to get this done. And there isn't any good
5 reason why this isn't getting done, whether it's on a district
6 by district basis or citywide basis. Just do it. It can be
7 done.

8 And this Court needs to do something kind of spectacular
9 to shock the City into doing what it's supposed to do, which is
10 getting people indoors.

11 THE COURT: What basis would I impose those sanctions
12 on? From what you have heard today, what would I impose for
13 the 6.4 or 1 million or 12 million or whatever? What basis?

14 MR. YAGMAN: I think the City is in contempt of
15 court. They're supposed to do things, and they haven't done
16 them. And they haven't done them timely. And that's
17 intolerable because there are actually human beings involved in
18 this, many of whom I represent and live in encampments.

19 And they keep being thrown out of the encampments, their
20 possessions and belongings are taken and being put 18 miles
21 away from where they are to get them.

22 As this Court knows, in my case, in which I represent
23 David Jacobs --

24 THE COURT: Right.

25 MR. YAGMAN: -- who lives on Main Street in Venice,

1 every few weeks they come and grab his stuff. And he's got
2 nowhere to stay. I buy him a new tent. I'm getting tired of
3 that. I don't mind the money for the tent, but I'm getting
4 tired of doing it.

5 There has got to be a solution to this. And if the City
6 needs to be shocked into doing something, Your Honor, I think
7 the bases for the sanctions are appropriately set forth in the
8 subject motion. And the Court needs to do something. It needs
9 to shock the City into doing something. Thank you.

10 THE COURT: Mr. Yagman, thank you.

11 Let me raise a couple issues. Who is available to testify
12 right after lunch? Is Daniel Conway?

13 MS. MITCHELL: Mr. Webster is present. Daniel Conway
14 is available by phone.

15 THE COURT: He's available by phone?

16 MS. MITCHELL: Yes. He's in Sacramento right now.

17 THE COURT: Mercedes Marquez?

18 MR. MARCUS: Your Honor, Ms. Marquez doesn't work for
19 the City anymore. We attempted to contact her earlier today.
20 We have not been able to reach her.

21 THE COURT: Well, why don't we get back to it
22 tomorrow then and reconvene if we can. I would like Daniel
23 Conway to fly down here, not by phone, and I appreciate Paul --
24 what's his name?

25 MS. MITCHELL: Paul Webster.

1 THE COURT: Okay. I want the principals there.
2 You notice, Mr. Newman, I haven't imposed on you. You
3 have a relationship with the Mayor. If you're present at that
4 meeting, and I don't want to cause any conflict in that regard.

5 So can we try to get ahold of Mercedes Marquez?

6 MR. MARCUS: We can continue to try, Your Honor, but
7 if the question is whether or not the facts, as recited by
8 Ms. Mitchell in her declaration, are accurate, the City is not
9 disputing those facts.

10 THE COURT: Let's be certain of this. Because if
11 that is the case, if there is stipulation, no problem. Maybe I
12 don't need people under oath. And I want to be very certain,
13 before I write this opinion, that I'm not taking any estimates.

14 Could you help me, once again -- could you help up that
15 portion -- here we go.

16 Because here's what may have happened, and I'm going to
17 speculate for a moment. Page 5 and 6, without reading this
18 again, what the concern is, that I encapsulate or summarize,
19 is, look, you were misled. Whether that was sanctionable or
20 not, you were misled.

21 MS. MITCHELL: Correct.

22 THE COURT: The plaintiff was misled.

23 You go into this meeting on March 15, and you have no
24 indication that the Mayor is moving in a separate direction and
25 trying to go citywide. Regardless of what the Mayor does, you

1 took it and negotiated citywide or district-wide. The Court
2 can be flexible in that regard. What I will not do is
3 breaching an agreement.

4 And that agreement is district by district, and I remind
5 you that the City refused a citywide settlement way back when.
6 Have a seat, Mr. Marcus.

7 And this was hard fought with the Counsel at that time.
8 And this agreement will be upheld. Now, if you two choose to
9 modify it, come to court with the Mayor, I'm open to that in
10 the future. I am not going to do is to have this agreement
11 broken. This is not just another consent decree -- period.

12 So what do I do about that? Mercedes Marquez allegedly
13 comes in, and I get her under oath. But she is not here today.
14 That answers my question very quickly. I want Daniel Conway
15 under oath, and I want Paul under oath, because I want to hear
16 exactly what was said so you're not making representations,
17 unless if you want to take an oath. That's fine. Or any of
18 the parties for the City, if they disagree with any statement.

19 But you seem to have focused on a confirming e-mail that
20 confirms everything that you said in that agreement. And
21 Mr. Marcus refers to this as an agreement. So I think we're
22 past that. This is an agreement.

23 And the end of the result, what may have happened is that
24 the Mayor or the staff who needs some leeway coming in as a new
25 Mayor forces her to the mat. She could have done two things.

1 She could have come back to the LA Alliance -- adopted the LA
2 Alliance agreement, called it her own for all I care, and
3 services through the County and called it the Mayor Bass
4 program. Terrific. No problem.

5 But instead Inside Safe started, and \$250 million came out
6 the City's budget to kick-start this from the Mayor. And in
7 good faith she has to move this. She has to break the inner
8 shell. Commendable.

9 The problem is much of that money was probably due from
10 the County, quite frankly. Those were services the County
11 should have provided. But if the Mayor has to kick-start a
12 program, she has to get this off -- we're going to say she has
13 to do something, so she gets Inside Safe.

14 But there is duplication potentially happening here.
15 Nobody is communicating you, and nobody is communicating with
16 the City Council. So now the City Council is caught
17 flatfooted. And if representations are made by Mercedes
18 Marquez in the presence of David Michaelson or Scott Marcus and
19 if you're willing to testify, then eventually these
20 representations are made about by district by district applying
21 this. And then we find out that there is a confession or
22 statement that the City had violated its promises in March to
23 higher what was represented as preferred service outreach
24 providers for encampment reduction in each district and assess
25 each district's needs and had set money towards these

1 commitments. That is what you're doing in this letter, and
2 that is where you raise the spectrum. You know, we wasted
3 14 months.

4 MS. MITCHELL: Correct.

5 THE COURT: We wasted a lot of time. I don't know
6 what to do about that yet, but I am going to have to go into it
7 all, number one.

8 Number two, I am requesting the controller, over the
9 inconvenience. But I want to find out can the controller
10 actually audit this. If they can't audit Inside Safe or LA
11 Alliance, then I want to know, because that is going to raise
12 the spectrum of an independent audit, and maybe we need that.

13 And, finally, I want to put up Michelle's report, and I
14 want to show you what I'm concerned with and ask you folks to
15 try to help so we're not in an adversarial position, from the
16 City or from the LA Alliance, because I think we're fighting
17 again.

18 As my wife said, some of our kids came through the front
19 door, some of our kids came through the back, some of our kids
20 came through the window, but they all got to the dinner table.
21 Let's all try to get to the dinner table and do the best that
22 we could.

23 You know, the Mayor has a good theme about that. She's
24 trying.

25 Now, let's watch. I want to pull up Michelle's report,

1 and I want to pull up the encampment portion. Your mindset has
2 to be the City's not in good faith to begin with because what
3 they bring you to begin with is an impossibility.

4 You use the number 32,600--some homeless on the street, and
5 you say, look, the City is nowhere meeting that obligation.

6 But Scott comes back and says, "That's our obligation,
7 Judges." 12,000 eight or 900.

8 MR. MARCUS: 915.

9 THE COURT: 915. So the end result of this is "No,
10 we're not meeting obligation, but, Judge, we're trying. We're
11 substantially trying to comply here in good faith."

12 Yeah. And I need to get my notes. Just a moment.

13 But this is the predicament you put yourself in. All
14 right. This is your encampment resolution, regardless of
15 Shayla's position. This is your agreement. 60 percent of the
16 encampment resolutions.

17 Now, this is finally stipulated by all parties that you're
18 in compliance; right? Your in compliance right now?

19 MS. MITCHELL: As of January 31,, yes.

20 THE COURT: Yes. Okay. I'm going to take a line,
21 and I want you to see the period goal of July through
22 December '23. Do you see that? And I want you to draw
23 hypothetical line, so you've got three reporting periods --
24 July through December 2022. See it? First column?

25 MR. MARCUS: I'm sorry. What document are you

1 referring to?

2 THE COURT: Michelle's report, Special Master's
3 report. It's going to be on page 16. I'm going to show you
4 the impossible position you're both in, in terms of compliance,
5 so three or four years from now we get a "Oops, we don't quite
6 make it" excuse. So here we go.

7 MS. MITCHELL: Your Honor, may I modify a statement?
8 I agree they're in compliance as far as providing the dates and
9 the deadlines and milestones. I just want to be clear on that,
10 not as far as meeting them.

11 THE COURT: No, that is not my point. Thank you.

12 The period goal July to December 22, do you see that first
13 column? And go over to next column, period goal January to
14 June 2023. Do you see that column?

15 Now go over to the third column. Period goal, July 23 --
16 July through December '23. Right there, draw a hypothetical
17 line, because we're now in this period. We're in period goal
18 January through June 24. That is the period we're in right
19 now.

20 Do all of you see that? That is going to get complicated.

21 All right. Just to start with, period goal January-June
22 2024. I'm going to take Hernandez's district, Council District
23 One. Your goal is 110, however you define encampments.

24 How many have been completed?

25 MR. MARCUS: I don't know what that number is, Your

1 Honor.

2 THE COURT: To belabor this, Krekorian, District Two,
3 how many have been complete?

4 MR. MARCUS: I don't have that district by district.

5 THE COURT: Now, watch the catch-up game you're
6 playing. Let's go back just in Hernandez's district for a
7 moment. Not only do we have an unsettling feeling that we are
8 accomplishing very few of these encampment cleanups -- let's
9 just say 15 to 20 -- but you have a makeup here, according to
10 the schedule, of 71, 88, 88, of 110.

11 How can you possibly accomplish that when 40 percent of
12 this agreement has already passed by, other than coming to me
13 in three years -- and I'll still be here -- and saying, "Judge,
14 we didn't make it." In other words, it's doomed to failure
15 right to begin with.

16 Number 2, how can you possibly reach the goal of
17 12,000-some people when the initial offer to you is ridiculous?
18 The initial offer is two to three encampments. Well, multiply
19 that times 12, 36, to 48.

20 How do you possibly even get close when the City offers
21 you that kind of initial bargaining position? And how do you
22 get close when the City offers you 100 for the first six
23 months, let alone 150 persons, so we deal with real people, as
24 Shayla said?

25 This has already failed. And, in fact, you set this up

1 for failure. So in three or four years, unless you get
2 going -- and I don't see how you catch up -- this is going to
3 be just another consent decree given to some judge, giving some
4 excuse about how you couldn't do it.

5 So the question is how restrained am I? I'm trying to
6 make up my mind about that. Mayor Bass has turned the corner
7 on this to some degree. I went down and met her. She met an
8 awful lot of happy people on the boardwalk.

9 Shayla's positions is they got displaced. And if you
10 drive up two blocks, up to PCH, they're all by the market, by
11 the way. Or they get transported down to Kevin de Leons'
12 Street. Check it out.

13 And what I'm concerned about is that this Mayor is trying.
14 You have somebody genuinely out there in good faith trying to
15 make an effort. So I am not looking for perfect, but unless I
16 get some confidence, this is doomed to failure.

17 You can't possibly make up these numbers because you are
18 catching up your past three reporting periods, all of about
19 110.

20 And right now Mr. Marcus can't give us, in good faith --
21 he should be able to -- any encampment cleanups in any of these
22 districts. And I guarantee now out of 110 taking place in
23 Hernandez's district.

24 Do you all understand that? So when do I step in? That's
25 what I'm making up my mind about.

1 Okay. You're going to go to lunch and have a nice lunch.
2 And we'll begin at 1:30, and I'm going to start calling
3 witnesses.

4 You can ask the controller to come over. If the
5 controller is unavailable, tell them I'll sit here until
6 they're available. Okay?

7 MS. MITCHELL: Your Honor, if I can make a suggestion
8 about that, the City has stipulated to the facts in the
9 declaration, so I would ask that the controller comes over, but
10 I don't know if other witnesses need to be called.

11 THE COURT: Okay. You two, over the lunch hour,
12 draft that stipulation. I'm not going to get crocked, or
13 whatever that word is, in the future about whether this is an
14 agreement or not an agreement. This is an agreement -- period.
15 And, now, what we agree to in that agreement is something else.
16 So you can draft that, so I am not mincing words in the future
17 about this. Okay.

18 MR. MARCUS: Again, Your Honor, as I stated earlier,
19 yes, that was the plan. The plan was to -- as Ms. Mitchell
20 describes in her declaration, the RFQ to have that done, that
21 did not happen. The City did not do a good job communicating
22 to Ms. Mitchell the change that the RFQ process was essentially
23 falling apart. This document being, oh, it's got to go
24 forward.

25 THE COURT: My bottom line is you have witnesses on

1 the stand under oath or have a stipulation.

2 See you at 1:30. Have a nice lunch.

3 (Whereupon a lunch recess was taken at 11:55 a.m.)

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10 REPORTER'S CERTIFICATE

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13 I certify that the foregoing is a correct transcript of
14 proceedings in the above-entitled matter.

15

16 /s/ Suzanne M. McKennon, CSR, CRR, RMR

Date: 03/09/2024

17 United States Court Reporter

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