

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA - WESTERN DIVISION

LA ALLIANCE FOR HUMAN RIGHTS,) Case No.
 et al,) 2:20-CV-02291-DOC-KES
)
 Plaintiffs,)
)
 vs.) Los Angeles, California
)
 CITY OF LOS ANGELES, et al,) Wednesday, June 4, 2025
)
 Defendants.) 10:45 a.m. to 5:41 p.m.
)

TRANSCRIPT OF COMPLIANCE HEARING
 BEFORE THE HONORABLE DAVID O. CARTER
 UNITED STATES DISTRICT COURT

Appearances: See next page.

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WITNESSES

PAGE

MICHELE MARTINEZ

Cross-Examination by Ms. Kaounis	5
Redirect Examination by Ms. Mitchell	117
Direct Examination by Ms. Meyers	134
Recross Examination by Ms. Kaounis	140

1
2
3
4
5
6
7
8
9
10
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1 Los Angeles, California; Wednesday, June 4, 2025

2 --o0o--

3 (Call to Order)

4
5 THE COURT: Okay. So, Counsel, we're back on
6 the record. All counsel are present.

7 Have you had enough time with Carlin (phonetic)
8 for submission of your exhibits?

9 MR. SCOLNICK: I'm sorry, Your Honor. I missed
10 that. The exhibits? We're finalizing now. We're going
11 to have it to your staff in the next ten minutes.

12 THE COURT: So they're still not finalized?
13 Because I don't see how we argue this matter until that
14 list is finalized.

15 MR. SCOLNICK: Understood. We're going to get
16 it to you in ten minutes or so.

17 THE COURT: Okay.

18 MR. SCOLNICK: Thank you.

19 THE COURT: All right. Then we're back -- okay.
20 Then we're back on the record. All parties are present.

21 If the Special Master would retake the stand.
22 Thank you. The same oath applies that was administered to
23 you yesterday. Do you recall that oath?

24 THE WITNESS: Yes, Your Honor.

25 THE COURT: Thank you very much.



1 Counsel, if you'd like to continue with cross-
2 examination, please.

3 MS. KAOUNIS: Yes, Your Honor.

4 Is the Special Master ready?

5 THE WITNESS: I am. Yes.

6 MS. KAOUNIS: Okay.

7 MICHELE MARTINEZ,
8 was called as a witness, and having been previously sworn,
9 was examined and testified as follows:

10 CROSS-EXAMINATION

11 BY MS. KAOUNIS:

12 Q I want to turn back to your second report
13 which is Exhibit 93. On page 20 in the second bullet --

14 THE COURT: I want you to please help me by
15 putting that up on the screen. Thank you so much.

16 BY MS. KAOUNIS:

17 Q Under reconcile compliance, your report
18 recommends implementing quarterly compliance audits
19 accompanied by judicial oversight to avoid persistent
20 miscalculations. Do you see that?

21 A Yes.

22 Q Quarterly compliance audits are not a
23 requirement of the settlement agreement; correct?

24 A Can you restate your question?

25 Q You understand that quarterly compliance



1 audits are not required by the settlement agreement?

2 A Yes.

3 Q On that same page under "clarify
4 encampment resolution," the report states "ensure that the
5 City programs for encampment removals are excluded unless
6 accompanied by documented housing placements." Do you see
7 that?

8 A Yes.

9 Q Okay. Again, though, the settlement
10 agreement does not require documented housing placements
11 for a program to be considered an encampment removal;
12 correct?

13 A It does require offering.

14 Q Right. And we established yesterday,
15 right, the difference between offering and actually
16 placing someone; correct?

17 A Well, when you offer most likely they are
18 going to take the bed if it's the appropriate
19 accommodation.

20 Q An offer is not the same thing as an
21 acceptance; correct?

22 A True.

23 Q And encampment reduction to your knowledge
24 is not defined in the settlement agreement; correct?

25 A I think -- I have to go back but I do



1 believe the encampment they use the loss of definition,
2 and I think it's in -- I would have to go back and read,
3 but to my recollection, off the top of my -- I have to
4 read the agreement again.

5 Q Well, let me point you to Exhibit 25 under
6 the terms in Section 1, is definitions.

7 A Okay.

8 Q You don't see encampment reduction defined
9 there; correct?

10 A Correct.

11 Q Okay. And you heard Mr. Szabo in his
12 testimony define encampment reduction as the City taking
13 possession of a tent, makeshift shelter, or vehicle. Do
14 you recall that testimony?

15 A I do.

16 Q Okay. So using Mr. Szabo's definition,
17 you're not saying that a care plus operation cannot
18 achieve an encampment reduction; right?

19 A That's -- I'm not in a position to answer
20 that. As you stated prior, I'm not an attorney. It's
21 not --

22 Q Okay.

23 A Thank you.

24 Q On that same page, 20, the first bullet
25 under address fiscal sustainability, it says, "mandate the



1 City to disclose funding gaps that could impact milestone
2 commitments"; correct?

3 A Correct.

4 Q Okay. The report doesn't describe what
5 milestone it is referring to here; correct?

6 A Correct.

7 Q And the report doesn't identify which
8 funding gaps it is referring to here; right?

9 A No. But specifically, speaking to the
10 doubts of the beds --

11 Q Okay.

12 A -- of the 12,915. A funding plan should
13 be provided.

14 Q Okay. So your statement in -- with
15 respect to funding gaps here is associated with the idea
16 that there would be a funding gap in connection with
17 creation of beds; is that -- do I understand your
18 testimony correctly?

19 A Per council meetings, housing and homeless
20 committee meetings, there's been statements that there is
21 not a funding mechanism for the doubts of the 12,915,
22 which is -- in my report I have 3,000. Obviously, in the
23 2025 quarterly report because of the addition of the
24 Inside Safe beds, that delta now is 1,902 if my
25 recollection serves me correct.



1 Q You understand that a variety of people
2 can speak at city council meetings; correct?

3 THE COURT: Counsel, would you move the
4 microphone just a --

5 THE WITNESS: I'm speaking in particular to --

6 THE COURT: Counsel -- just a moment. Just a
7 moment.

8 Would you move that microphone just a little bit
9 closer to you?

10 MS. KAOUNIS: Sure.

11 THE COURT: Thank you. I appreciate it.

12 MS. KAOUNIS: Is that better?

13 THE COURT: Better. Thank you.

14 THE WITNESS: I'm speaking particularly to the
15 policy makers and the staff.

16 BY MS. KAOUNIS:

17 Q May I --

18 A I'm not speaking about the audience or the
19 public.

20 Q -- may I finish my question?

21 A Sure.

22 Q You understand a variety of people can
23 speak at city council meetings; correct?

24 A In particular, I'm speaking about the
25 elected officials and the City staff.



1 Q But you understand that's the case;
2 correct?

3 A Of course. Public can comment.

4 Q And that doesn't mean that even if a city
5 council member speaks at a meeting, that they're
6 authorized to speak on the City's behalf with respect to
7 the individual topic about which they're speaking;
8 correct?

9 A I'm going to disagree with that.

10 Q Okay.

11 A I'm a former elected official, and I
12 understand the role that policymakers have.

13 Q So it's your testimony that if one council
14 member speaks and there are 15 districts that, that
15 council member is giving the opinion of the entire city?
16 Is that your statement?

17 MS. MITCHELL: Objection. Calls for
18 speculation. Lacks foundation.

19 THE COURT: I'll allow the question, Counsel.

20 THE WITNESS: It does not prevent the council
21 member from giving their opinion. They have every right.

22 BY MS. KAOUNIS:

23 Q Right. And that opinion is not
24 necessarily the position --

25 A It's not policy, but they have every right



1 to provide their opinion.

2 Q Okay. And speaking at the council meeting
3 also does not mean that a person is necessarily informed
4 on a particular topic; correct?

5 A They have the right to deliberate.

6 Q But you would agree with me that just
7 because somebody speaks at a council meeting doesn't mean
8 that they're necessarily informed on a particular topic?

9 MS. MITCHELL: Objection. Improper and
10 incomplete hypothetical.

11 THE WITNESS: It's not my position to answer
12 that. I'm not a staff member for the council members.

13 THE COURT: Also, Counsel, when you ask that
14 question, I'm not sure if you referred to city side or
15 their district when they're speaking. So --

16 MS. KAOUNIS: Sure.

17 THE COURT: -- I'm not precluding you from
18 asking the question.

19 MS. KAOUNIS: Sure. I'm happy to break it down,
20 Your Honor, and thank you for the clarification.

21 BY MS. KAOUNIS:

22 Q You would agree that speaking at a council
23 meeting doesn't mean that a person is necessarily informed
24 on a particular topic as it relates to the City overall?

25 A I cannot speak to that.



1 Q Okay. Speaking at a council meeting also
2 doesn't mean that a person is correct about the facts on a
3 particular topic as it relates to the City overall; right?

4 A I cannot speak to that.

5 Q You understand that the Alliance
6 Settlement Agreement provides that it can only be modified
7 in writing by the parties; right?

8 A I'm not sure if I can answer that. It's
9 not my role.

10 Q Okay. Well, let's pull up Exhibit 25, if
11 we could, and let's go to Section 18 which is on page 17,
12 lines 14 to 16.

13 You see the bottom here that's highlighted that
14 says, "Any alteration, change, or modification of or to
15 this Agreement shall be made by written instrument
16 executed by each party hereto in order to become
17 effective." Do you see that?

18 A I do. But you've made it very clear that
19 I'm not an attorney, and it's not my role, and I don't
20 have expertise in contract to interpret what it says. But
21 yes, I can read and I understand what it says. Yes.

22 Q Okay. And in your understanding, taking
23 into consideration that you're a lay person and you're not
24 a lawyer --

25 A Um-hum.



1 Q -- you understand this to mean that the
2 contract can only be modified by the parties in writing;
3 correct?

4 A That's what it says in the agreement.

5 Q And this settlement agreement that we've
6 been discussing, which is in front of you at Exhibit 25,
7 is the Alliance settlement agreement; correct?

8 A Yes. That's what it states here.

9 Q You understand that the Alliance
10 settlement agreement, therefore, cannot be modified by
11 statements made by city council members in a meeting;
12 correct?

13 MS. MITCHELL: Objection. Vague. Ambiguous.
14 Lacks foundation. Calls for speculation. Calls for a
15 legal conclusion.

16 THE COURT: Overruled. You can answer that if
17 you have an opinion.

18 THE WITNESS: Not my position to answer.

19 BY MS. KAOUNIS:

20 Q Well, let me ask it a different way. Is
21 it your position that a city council member can stand up
22 at a meeting and unilaterally modify the settlement
23 agreement that is Exhibit 25?

24 MS. MITCHELL: Same objections, Your Honor.

25 THE WITNESS: I don't represent the City



1 council.

2 BY MS. KAOUNIS:

3 Q So you don't have an opinion one way or
4 another or an understanding, I should say, one way or
5 another about whether a city council member can stand up
6 at a meeting and unilaterally modify a contract --

7 MS. MITCHELL: Same --

8 MS. KAOUNIS: One second.

9 BY MS. KAOUNIS:

10 Q -- between the City and the Alliance; is
11 that correct?

12 A I'm not an attorney.

13 MS. MITCHELL: Same objection.

14 BY MS. KAOUNIS:

15 Q You understand that the Alliance
16 settlement agreement cannot be modified by words that are
17 merely uttered in an unsigned --

18 A It's not my role to interpret this
19 agreement, as you told me in the past, because I'm not an
20 attorney.

21 Q Okay. Let's go back to Exhibit 93,
22 please.

23 You would agree that there's nothing in the
24 settlement agreement pursuant to which the City has agreed
25 it would disclose funding gaps that impact milestone



1 commitments; right?

2 A Not in the agreement but in conversations,
3 yes, that were had with the parties.

4 Q And just to clarify for the record, are
5 you referring to conversations in the context of mediation
6 discussions?

7 A No.

8 Q Okay.

9 A Actually, here in court, public hearings.

10 THE COURT: Just a moment.

11 Do you have the right document that you're
12 referring to on the screen?

13 MS. KAOUNIS: Yes. This is 93, Your Honor --

14 THE COURT: Thank you.

15 MS. KAOUNIS: -- I believe. Yes.

16 BY MS. KAOUNIS:

17 Q You would agree that there's nothing in
18 the milestone stipulation where the City agrees that it
19 has to disclose funding gaps that impact milestone
20 commitments; correct?

21 A No. It just provides numbers.

22 Q Going back to Exhibit 93 on page 20, under
23 expanding oversight mechanisms, the report recommends the
24 City develop a public facing compliance tracking system;
25 correct?



1 A Correct.

2 Q Okay. But there's no requirement of such
3 a system in the settlement agreement with Alliance;
4 correct?

5 A Well, in many of the hearings the City and
6 the county went back and forth with Your Honor here in
7 regards to providing data publicly. And the City and the
8 City controller's office, and including the county, have
9 now created public websites to provide information on
10 funding, and transparency, and accountability, invoices of
11 such, et cetera, regarding to this agreement. And those
12 two websites are public.

13 Q I understand. But if the City offers to
14 do something more than it is contractually obligated to
15 do, you would agree with me that, that doesn't mean that
16 the settlement says it has to do that thing; correct?

17 MS. MITCHELL: Objection. Vague. Ambiguous.
18 Calls for a legal conclusion.

19 THE COURT: Do you understand the question?

20 THE WITNESS: I do, but it's not my role to
21 answer that question.

22 BY MS. KAOUNIS:

23 Q Well, let me ask it a different way. You
24 and I enter a contract and I agree to pay you \$100 to take
25 a family photo of my family. Okay? You do a fabulous job



1 and I decide I'm going to give you a 25 percent tip. Are
2 we on the same page?

3 A It's not my role to interpret
4 hypotheticals.

5 Q Well, I just want to see if we can
6 understand the contractual obligation here since you're
7 talking about different contractual provisions in the
8 agreement. So let's see if we can work through this, and
9 you can tell me you can't answer it if that's the case.

10 If I provide you \$125 as a result of you
11 providing the service, you would agree with me that the
12 contract didn't require me to give you \$125. It only
13 required me to give you \$100; right?

14 MS. MITCHELL: Objection. Improper, incomplete
15 hypothetical, lacks foundation, and calls for speculation
16 and a legal conclusion.

17 THE COURT: You can answer it if you can.

18 THE WITNESS: I'm not in a position to answer
19 that.

20 BY MS. KAOUNIS:

21 Q On the same page under urgent corrective
22 actions, the report recommends that the City develop a
23 formal funding plan; correct?

24 A That's what it states. Yes.

25 Q And that's not a requirement of the



1 settlement agreement as far as you're aware; correct?

2 A No.

3 Q Okay. In fact, the settlement agreement
4 says funding of housing and shelter opportunities created
5 by the City shall be at the City's sole discretion; right?

6 A Correct.

7 Q On page 21 you state that if certain units
8 slash beds are absent from losses inventory, the City must
9 provide comprehensive data on their location management
10 and oversight; correct?

11 A Yes. That's what it states.

12 Q And that's not a requirement of the
13 Alliance settlement agreement --

14 A Section 7.2 indicates that the parties
15 were going to get a third party expert. It's not my job
16 to validate any of these beds to ensure the compliance of
17 what they were going to report to the Court. It is the
18 responsibility of the City to provide the validation and
19 verification of those beds being created.

20 Q Let's go to 7.2. That's Exhibit 25 for
21 the record. We're going to pull that up.

22 So why don't you go ahead and read 7.2 just to
23 make sure we're both looking at the same text.

24 MS. KAOUNIS: And for the record again, Exhibit
25 25 the Alliance settlement agreement.



1 THE WITNESS: I see it.

2 BY MS. KAOUNIS:

3 Q Okay. Could you read that, please?

4 A Yes. "The parties will engage in a
5 mutually agreed upon third party to provide data
6 collection, analysis, comments, and regular public report
7 on the City's compliance with the terms of this agreement.
8 The City shall be responsible for paying all fees, if any,
9 or for obtaining grants or other private funding, if
10 needed."

11 Q Okay. And you understand that to mean
12 exactly what it says, right, that the parties will engage
13 a third party to provide data collection; correct?

14 A Correct.

15 Q Okay. And the City will pay for that;
16 correct?

17 A Correct.

18 Q And there's no reference here to the term
19 burden; correct?

20 A Well, it's the responsibility, as just
21 mentioned. It's my role to ensure the terms of the
22 agreement, which they're supposed to provide in a
23 quarterly report, is in compliance. It is not my
24 responsibility -- forget the word burden -- it is the
25 responsibility of the City to provide the verification and



1 validation of the beds they are creating. That's not my
2 role. And 7.2 has not been complied with.

3 Q For the record, we're in 7.2 --

4 A Have the parties engaged in a mutually
5 agreed third party? Can you provide to me anywhere in the
6 docket or provide it to the Court that this section has
7 taken place?

8 Q Well, for the record, you do understand
9 that the parties means both parties need to actually agree
10 upon a third party to do that data collection; correct?

11 A Correct.

12 Q Okay. So it's not the City's sole burden
13 as you suggest it is; correct?

14 A In regards to compliance, yes, it is. To
15 provide the documents, the data, to verify that those beds
16 have been created or are in process.

17 Q I want to make sure we're reading the same
18 provision.

19 A I'm reading the same provision.

20 Q Your statement just now is that it's the
21 City's burden to provide the data, but the provision we're
22 looking at here at 7.2 says, "The parties will engage a
23 mutually agreed upon third party to provide data
24 collection." Am I correct?

25 A I used the word responsibility not burden.



1 Q You used the word burden yesterday for the
2 record.

3 A But we're speaking about this today, and I
4 used the word responsibility.

5 Q Okay. So your use of the term "burden"
6 yesterday was incorrect then?

7 A No. But today, if you want and you're
8 trying to validate what my statements are, I did not use
9 the word burden. I used the word responsibility today.

10 Q Okay. Let's go with responsibility today,
11 understanding that burden doesn't appear in 7.2.

12 Just to be clear, your position is that this
13 provision requires it is the City's responsibility to
14 provide data, although the plain language of 7.2 says,
15 "The parties will engage a mutually agreed upon third
16 party to provide data collection"; correct?

17 MS. MITCHELL: Objection. Argumentative. Calls
18 for a legal conclusion. 403.

19 THE COURT: You can answer the question.

20 THE WITNESS: Your Honor, I cannot speak to
21 communications that I've had with the parties here
22 publicly in regards to 7.2.

23 MS. KAOUNIS: I'm not sure I understand. If the
24 communications were public --

25 THE COURT: She might be cautioning us that



1 there's been conversations concerning this with various
2 elected officials.

3 MS. KAOUNIS: Okay.

4 THE COURT: I'll allow you to ask --

5 MS. KAOUNIS: Sure.

6 THE COURT: -- but I just warn you it's about --

7 MS. KAOUNIS: Let's probe that.

8 THE COURT: -- that --

9 MS. KAOUNIS: Thank you.

10 THE COURT: -- potentiality of opening a door
11 here that you may not want to open.

12 BY MS. KAOUNIS:

13 Q So are you suggesting by your testimony
14 that you have had conversations with specific elected
15 officials regarding the responsibility under 7.2?

16 A I'm not going to answer that; not my role.

17 Q On page 22 of your second report under
18 court oversight you state that, "If the City does not
19 present a detailed plan to address the systemic and
20 structural issues identified by the A&M assessment at the
21 next hearing on May 15, 2025, the Court may need to
22 intervene." Do you recall that?

23 A Yes. And that's based on the statement
24 that the Court made to the parties that he wanted a plan
25 from them. And he, particularly Your Honor, addressed



1 those specifically to the elected officials that were
2 present at the time.

3 Q Okay. And to be clear, though, there's no
4 language in any document that the City ever agreed to in
5 which it stated it was going to provide a detailed plan to
6 address systemic structural issues in the assessment;
7 right?

8 A That's correct.

9 Q And you submitted this report to the Court
10 on May 14, 2025; correct?

11 A Let me look at the date. Date, May 13.

12 Q Okay. But it was filed with the Court, if
13 I'm correct --

14 A But you asked me when I submitted; I
15 submitted it May 13.

16 Q Okay. Okay. For the record, there's a
17 docket entry number -- or docket entry date of 05/14/25 at
18 the top of Exhibit 93.

19 So the deadline that you suggested on May 15 was
20 two days after -- the deadline for the detailed plan was
21 two days after you submitted this report to the Court;
22 right?

23 A Correct.

24 Q On the same page in the middle under
25 Special Naster recommendations, you recommended that the



1 City council establish a dedicated department to manage
2 homelessness; correct?

3 A Yes.

4 Q And this department would develop and
5 implement an independent homeless response system and
6 consider becoming its own continuum of care; right?

7 A A recommendation. Yes.

8 Q Okay. And the words continuum of care
9 system don't appear anywhere in the settlement agreement;
10 right?

11 A That's correct.

12 Q At page 25 of Exhibit 93 under
13 introduction, you state that the establishment of an
14 independent fiduciary monitor appointed by the Court
15 presents a strategic opportunity to rectify what you
16 believe are systemic deficiencies in financial and
17 management controls within the City's homelessness
18 response system; right?

19 A Yes, based on my observations and hearing
20 the City council meetings, homeless, party committees, as
21 well as the formation of the City homeless governance
22 structure, reading that document, as well, and others.

23 Q Okay. But there is no reference in the
24 Alliance settlement agreement to financial and management
25 controls within the City's homelessness response system;



1 right?

2 A That is correct.

3 Q Okay. And in fact --

4 MS. MITCHELL: Excuse me, a belated objection.
5 Calls for a legal conclusion; lacks foundation.

6 BY MS. KAOUNIS:

7 Q -- and in fact, the Alliance settlement
8 agreement does not commit the City to do anything with
9 regard to its homelessness response system; correct?

10 MS. MITCHELL: Objection. Calls for a legal
11 conclusion. Misstates the settlement agreement.

12 THE WITNESS: I'm not in a position to
13 answer that.

14 BY MS. KAOUNIS:

15 Q Well, let's pull up the settlement
16 agreement. Let's go back to Exhibit 25, please, and on
17 page 10, line 14, you'll see that there is a reference to
18 county responsibilities. It's page 10 of the actual
19 settlement agreement. I apologize.

20 THE COURT: 15.

21 MS. KAOUNIS: Yes, 15. Thank you.

22 BY MS. KAOUNIS:

23 Q So you see where it says, "These county
24 responsibilities include, but are not limited to"?

25 A Yes.



1 Q And then if we go to the next page
2 included under those bullets, at line 14, you'll see the
3 reference to unified homelessness response center and
4 increasing to at least ten the number of homeless outreach
5 and mobile engagement teams; correct?

6 A I cannot opine on that. That's not
7 something -- that's -- this is county obligations that
8 were written by the City of Los Angeles and the parties
9 not the County of Los Angeles.

10 Q Okay. On page 27 of your report, back to
11 Exhibit 93, you recommended to systematically integrate
12 the recommendations from the Alvarez & Marsal assessment
13 into operation protocols overseen by the independent
14 fiduciary duty; correct?

15 A It's a recommendation. Yes.

16 Q Okay. You're not aware of any agreement
17 requiring the City to implement the recommendations of
18 that assessment; correct?

19 A This is a recommendation.

20 Q And you can't point me to any agreement
21 that the City made to implement the recommendations of
22 that assessment; correct?

23 A I cannot speak to this. Communications
24 are privileged.

25 Q Okay. And when you say communications are



1 privileged, I need to just probe the foundation for that.

2 So --

3 A There was discussions had with the A&M
4 assessment team and the City of Los Angeles, and there
5 were actually two elected officials present, which were
6 Councilwoman Nithya Raman and Councilmember Bloomingfield
7 in that meeting, and of course with the attorneys. And
8 there was -- I cannot go into what the discussions are,
9 but there were conversations related to this.

10 Q Okay. Do you recall the date of those
11 conversations, roughly?

12 A If I could go to my notes, I can but I
13 know it was sometime in April.

14 Q Okay. And just to be clear, you
15 understand -- well, strike that.

16 You understand that the City in connection
17 with the settlement agreement itself only agreed to pay
18 for the assessment done by A&M; correct?

19 A I would have to go back to the scope of
20 work to read that.

21 Q And when you say scope of work, you mean
22 of --

23 A Of the A&M assessment. I don't have it in
24 front of me, and I'm not 100 percent. I'm still a little
25 ill and so -- you know, and I don't have my notes before



1 me. So I just can't recollect everything but, yeah, that
2 scope of work was produced over 10 months -- 11 months
3 ago.

4 MS. KAOUNIS: Your Honor, may I have a moment?

5 THE COURT: Certainly, if you'd like to consult
6 with Counsel.

7 MS. KAOUNIS: Thank you.

8 BY MS. KAOUNIS:

9 Q A couple points of clarification.

10 Are you okay to proceed or are you too ill to
11 proceed?

12 A I can proceed.

13 Q Okay. If at any point you feel you need a
14 break, please let us know.

15 A Thank you. I appreciate it.

16 Q Okay. And going back to the foundation
17 for just a moment, I don't want to probe into settlement
18 communications but you had mentioned that you'd like to go
19 to your notes.

20 Are you able to tell me what documentation
21 you would refer to in order to understand the scope of the
22 City's obligations with respect to the Alvarez & Marsal
23 assessment? It's only if you know; if you can recall.

24 A I can't recall.

25 Q Okay. You understand that LAHSA is not a



1 party to this settlement agreement; correct?

2 A I am, but I am aware that LAHSA is a
3 homeless administrator for the City of Los Angeles for
4 some of its homeless programs and housing interventions.
5 They're technically a subcontractor to the City of Los
6 Angeles.

7 Q Okay. But to -- for the record to be
8 clear --

9 A For technical purposes, because that's
10 what they are.

11 Q Right. LAHSA is not a party to the
12 Alliance settlement agreement; correct?

13 MS. MITCHELL: Objection. Calls for a legal
14 conclusion. This was the subject of briefing.

15 THE COURT: I'm going to sustain that, Counsel.
16 BY MS. KAOUNIS:

17 Q You point to over \$500 million
18 administered throughout LAHSA that supposedly could not be
19 definitively verified as potential noncompliance and
20 mismanagement in your report; correct?

21 A In the Alvarez & Marsal assessment, yes;
22 recommendations, yes.

23 Q It wouldn't surprise you that LAHSA and
24 not the City of Los Angeles is the subject of many of the
25 comments made in that report; correct?



1 MS. MITCHELL: Objection. Vague. Ambiguous.

2 THE COURT: That's fine, Counsel. You can -

3 THE WITNESS: Well, LAHSA is the custodial of
4 data for the City of Los Angeles, so of course LAHSA would
5 be included. But ultimately, the responsibility falls
6 squarely on the City of Los Angeles and not LAHSA. So we
7 are talking about the City of Los Angeles here today. I
8 have never referenced LAHSA being part of this agreement.
9 The key responsibility, regardless of who has their data,
10 who's the custodial, that responsibility falls squarely on
11 the City of Los Angeles.

12 BY MS. KAOUNIS:

13 Q Okay. And just to be clear, when you said
14 "this agreement," for the record, you were referring to
15 the Alliance --

16 A The LA Alliance --

17 Q -- settlement agreement?

18 A -- settlement agreement. Yes.

19 Q Okay. Going back to paragraph 93 of your
20 recommendations. The first paragraph, you recommended
21 that the City council establish a dedicated department to
22 manage homelessness; correct?

23 A Correct.

24 Q Okay. You're aware that the City has
25 approved the creation of the bureau of homelessness



1 oversight; right?

2 A Yeah. And performance management. I'm
3 very aware.

4 Q Okay. And you attended the City council
5 meeting on May 22, 2025?

6 A Online.

7 Q Okay. And you're aware that the budget
8 approved in that meeting included the creation of the
9 bureau of homelessness oversight; right?

10 A Correct.

11 Q Okay. And you're aware that this bureau
12 is intended to utilize staff from across city departments
13 who are already working on homelessness under one
14 umbrella; right?

15 A Correct. In particular, from the CAO's
16 office that will be transferred to the LA Housing
17 Department.

18 Q Okay.

19 A Yes.

20 Q And you're aware that the bureau intends
21 to bring together data and staff to improve performance
22 and coordination across the City's homelessness response
23 system; right?

24 A Correct.

25 Q Okay. And --



1 A And when you mean homelessness response
2 system, do you mean the regional homeless response system
3 or are you talking specifically about the City of Los
4 Angeles component in the homeless response system?

5 Q Forgive me if --

6 A So I can restate my question.

7 Q -- sure. Sure. Forgive me if my question
8 was unclear. I thought I said the City's homelessness
9 response system, but if I didn't let me restate the
10 question.

11 You're aware that the bureau intends to
12 bring together data and staff to improve performance and
13 coordination across the City's homelessness response
14 system; right?

15 A Correct.

16 Q Okay. So you'd agree that the action by
17 the City council that approved the budget for this bureau
18 would render superfluous, at least a portion of your
19 recommendation, to create a department to address the
20 City's homelessness response system; right?

21 A I would have to go back to my notes, but
22 it's not my understanding that there was actually a budget
23 allocated to that specific new bureau. But I would have
24 to go back to my notes to be able to reference that. So I
25 cannot speak to if the City actually approved funding for



1 that specific bureau.

2 Q Well, you understand that the bureau has
3 been approved; correct?

4 A Yeah. I understand it's been approved,
5 but there's a big difference of it being funded.

6 Q And to the extent that the bureau is meant
7 to provide one city department to oversee the homelessness
8 response in the City, you would agree that, that is at
9 least partially duplicative of the recommendation you made
10 to also create a department for that purpose.; correct?

11 MS. MITCHELL: Objection. Argumentative.

12 THE COURT: Overruled. You can cast that
13 opinion if you want.

14 THE WITNESS: Yeah. My opinion is based on
15 watching all those needs and watching the homeless and
16 council committee meetings as they discuss this. So yes.

17 BY MS. KAOUNIS:

18 Q Okay. In your report -- let's go to page
19 25, please -- in the first sentence recommends the
20 establishment of an independent fiduciary monitor
21 appointed by the Court; right?

22 A Yes. A recommendation. Yes.

23 Q And the City would pay for that monitor;
24 right?

25 A It's not my role to talk about that. That



1 is up to the Court if it entertains that. That's not my
2 role. I'm providing a recommendation.

3 Q Okay. Do you have any understanding as to
4 who would pay for it?

5 A It's not my role --

6 Q Okay.

7 A -- to answer that.

8 Q You don't expect somebody other than the
9 City to pay for it; correct?

10 A It's not my role to answer that.

11 Q You don't have any expectation about who
12 would pay for it; is that right?

13 A Not my role to answer that.

14 Q Have you spoken to anyone about the
15 possibility that you might be appointed as the fiduciary
16 monitor in this case?

17 A No. I'm not qualified for that role.

18 Q Okay. Let's go to page 27 if we could of
19 Exhibit 93.

20 In the first sentence under the second
21 heading your report recommends to extend the current
22 settlement agreement until 2029; correct?

23 A Yes. It's a recommendation based on the
24 Court asking both the City and county to extend their
25 agreements.



1 Q Okay. And you understand that the
2 Alliance settlement agreement says the parties to the
3 settlement would need to agree to extend it; correct?

4 A When I'm reading the agreement that's what
5 it says.

6 Q Okay.

7 A Yes.

8 Q And on the same page of Exhibit 93, page
9 27, the third bullet under oversight, your report also
10 recommends "to empower the Special Master, an independent
11 fiduciary, to develop a transition strategy away from
12 LAHSA." Do you see that?

13 A That's a recommendation. Yes.

14 Q Okay. And that Special Master is you;
15 right?

16 A Correct.

17 Q Okay. So your report contemplates that
18 you would be performing such oversight for some period of
19 time after the parties' agreement ends in 2027; correct?

20 MS. MITCHELL: Objection. Vague. Ambiguous.
21 Calls for a legal conclusion.

22 THE COURT: Do you understand the question?

23 THE WITNESS: No.

24 Can you restate that?

25 BY MS. KAOUNIS:



1 Q Oh, sure.

2 So your report contemplates that you would
3 be involved in performing some type of oversight with
4 respect to the parties' obligations that postdate the term
5 of the agreement in June 2027; correct?

6 A I cannot opine. The Court has not taken
7 this into consideration.

8 Q Okay. So you have not contemplated that
9 you would have any involvement with regard to post-
10 termination of the Alliance settlement agreement in this
11 action?

12 A It's not my role. It's a recommendation.

13 Q I understand. But I'm asking you, you
14 have not contemplated that you would be involved past June
15 2027 in any way with regard to the parties' relationship
16 in this matter?

17 A I don't know what the future holds, ma'am.
18 I cannot speculate.

19 Q Okay. You get paid on an hourly basis for
20 your work in this matter; correct?

21 A Correct.

22 Q And you entered into an initial contract
23 with the City regarding your work in July 2022; right?

24 A Correct.

25 Q And under that initial contract, you were



1 paid approximately \$96.15 per hour; correct?

2 MS. MITCHELL: Objection. Relevance.

3 THE WITNESS: I would have to go back but I --

4 THE COURT: Just a moment. Overruled. You can
5 ask those questions but -- ask the questions.

6 MS. KAOUNIS: I have to do my job, Your Honor.

7 THE COURT: No. No. Please. You're more than
8 welcome to. I think you're getting into a very
9 interesting territory because I surrounded myself with
10 people who didn't accept payment for many years, almost
11 seven years before to make sure they were virtuous. And
12 if you get into this area, you're going to find that she
13 probably worked for free for about -- just because of
14 interest -- for about five years. And that's part of the
15 record before, so I'm going to let you get into that but I
16 think it's -- okay. Counsel, you can ask your questions.

17 MS. KAOUNIS: I'm aware of the pro bono work.

18 THE COURT: Okay. All right. Please ask the
19 question if you want to.

20 THE WITNESS: My hourly rate was \$90 per hour,
21 not \$96.

22 BY MS. KAOUNIS:

23 Q Okay. There was an annual cap of \$200,000
24 per year in that initial contract; is that correct?

25 A That is correct.



1 Q And you operated under that agreement from
2 July 2022 to June 2024; correct?

3 A Correct.

4 Q And during the first year you reached the
5 annual cap; right?

6 A I did not.

7 Q Do you recall how close you got to it?

8 THE COURT: I'm sorry, Counsel. Could you say
9 it a little bit slower? Just re-ask the question.

10 MS. KAOUNIS: Sure.

11 BY MS. KAOUNIS:

12 Q In that first year, did you reach the
13 annual cap?

14 A I did not.

15 Q Do you recall how close you got to it?

16 A Not very close.

17 Q How about in the second year, did you
18 reach the annual cap?

19 A No.

20 Q Do you recall how close you got to it?

21 A I would say 70 percent.

22 Q Okay. And in July 2024, you entered into
23 a new agreement with the City; correct?

24 A Correct.

25 Q And that agreement is supposed to last



1 from June 2024 to June 2027; correct?

2 A Correct.

3 Q And under that agreement, your hourly rate
4 went up for cost of living adjustment; correct?

5 A Correct.

6 Q And that rate is now \$150 per hour;
7 correct?

8 A That is correct.

9 Q And the annual cap for this new agreement
10 is \$300,000 per year; correct?

11 A Correct.

12 Q And during the past year, how much of that
13 cap have you charged the City?

14 THE COURT: Could you repeat that?

15 BY MS. KAOUNIS:

16 Q During the past year, how much have you --
17 how much have you charged the City?

18 THE COURT: Thank you very much. I appreciate
19 it.

20 THE WITNESS: \$233,000.

21 BY MS. KAOUNIS:

22 Q Okay. Do you do any work outside of this
23 case as a Special Master?

24 A In this past year, 99 percent of my work
25 has been pertaining to this case.



1 Q Okay. So if this case ended and you were
2 no longer serving as a Special Master, you would go out
3 and look for other work then?

4 A Of course.

5 Q Okay.

6 A I've been offered jobs many times and I've
7 declined

8 Q The City right now pays for the work,
9 though. I'm not sure I established -- for the record --
10 the contract the City is paying for that; correct?

11 A Correct.

12 Q And as it relates to post-June 2027, have
13 you offered to volunteer as a Special Master?

14 A Most definitely, I would always do my very
15 best. I am a public servant. I have been for my entire
16 career, and I will continue to do whatever I can to help
17 Angelinos and this entire region to address this problem.
18 I'm committed and I have been committed.

19 I did pro bono work for Judge Carter as a
20 Special Master from 2018 to 2022. So that, I think, is a
21 testament to my commitment to the unhoused community and
22 to the City of Los Angeles, and County of Los Angeles, and
23 the other 86 cities that I have been helping. If they
24 call to, you know, provide any kind of support, I've been
25 open to that.



1 Q Okay. And just to be clear for the
2 record, are you then suggesting that if you were to do
3 work in this matter that post-dated June 2027, you would
4 do so on a pro bono basis?

5 MS. MITCHELL: Objection. Calls for
6 speculation.

7 THE WITNESS: I did not say that.

8 BY MS. KAOUNIS:

9 Q You testified yesterday that you were
10 overseeing the A&M report. Do you recall that?

11 A Yes.

12 Q Okay. The scope of your services as
13 covered by your contract with the City, however, doesn't
14 mention overseeing the A&M report; correct?

15 A Regardless of that, there were
16 conversations here publicly if they were going to bring on
17 someone else, another Special Master, to provide that
18 assistance and to help the City of Los Angeles. I offered
19 and they agreed that I would oversee that on behalf of the
20 City of Los Angeles.

21 Q And just to be clear, when you say
22 regardless of that, you agree that the scope of services
23 does not include overseeing A&M -- the written document;
24 correct?

25 A Correct.



1 Q Okay. And then with regard to the
2 statements that you just made about in court having
3 discussions, do you recall the date of those discussions?

4 A Not specifically, but they were -- if my
5 recollection serves me -- it was sometime in April.

6 Q Is that April 2025?

7 A '24. Yes.

8 Q Oh, '24. Okay.

9 A April -- May. Yes. The Alvarez & Marsal
10 contract was not signed until June because we went back
11 and forth with the parties.

12 Q And who on behalf of the City do you
13 believe made a statement with regard to your oversight of
14 the A&M contract, if you recall?

15 MS. MITCHELL: Objection. Vague. Ambiguous.

16 THE COURT: Overruled.

17 THE WITNESS: I don't recall.

18 BY MS. KAOUNIS:

19 Q Your report also recommends -- this is on
20 page 28 -- mandating the creation of a new bed plan and
21 strategies for encampment resolution ensuring endorsement
22 by the LA Alliance; right?

23 A That's what it says. Yes.

24 Q Okay. This recommendation means that the
25 City cannot implement a new bed plan or strategy for



1 encampment resolution without the endorsement of the
2 unelected members of the LA Alliance; correct?

3 A It's a recommendation.

4 MS. MITCHELL: Objection. Calls for a legal
5 conclusion.

6 THE WITNESS: Is my reading --

7 THE COURT: Hold on.

8 MS. KAOUNIS: I'm sorry.

9 THE COURT: You're cutting each other off.
10 Overruled.

11 And you said this was a recommendation?

12 THE WITNESS: Yes. To the Court. Yes.

13 THE COURT: Okay. Thank you. I think we have a
14 record now.

15 BY MS. KAOUNIS:

16 Q But is my reading of this recommendation
17 correct?

18 A The recommendation, yes, to the Court.

19 Q Okay. Page 16, the last bullet, your
20 report notes that it is understood it is the sole
21 discretion of the City to choose its interventions; right?

22 A Yes.

23 Q And appointing a receiver would deprive
24 the City of that discretion; right?

25 A I'm not in a position to answer that.



1 Q Okay. You don't know one way or the
2 other?

3 A I'm not in a position to answer that.

4 Q Okay. I know that you stated you would
5 not be considered for a receivership position. If the
6 Court were to appoint somebody to monitor the
7 receivership, would you like to be considered for that
8 position?

9 MS. MITCHELL: Objection. Relevance.

10 THE COURT: That's used in two different ways.
11 That assumes a receivership and also includes the monitor
12 within the receivership.

13 Do you mean monitor or receivership or is
14 the question you're asking assuming a receivership and
15 monitor within that? I just want to be sure.

16 MS. KAOUNIS: Yes.

17 THE COURT: Those are two different --

18 MS. KAOUNIS: And I appreciate the
19 clarification.

20 THE COURT: Thank you.

21 BY MS. KAOUNIS:

22 Q Assuming your receivership and then a
23 monitor within that, would you like to be considered for
24 the monitor position?

25 MS. MITCHELL: Objection. Relevance.



1 THE WITNESS: I'm not in a position to answer
2 that. The Court hasn't taken a position.

3 BY MS. KAOUNIS:

4 Q You don't know today whether you would
5 accept or decline such a position; correct?

6 MS. MITCHELL: Objection. Asked and answered.
7 Argumentative.

8 THE COURT: And which position is that?

9 MS. KAOUNIS: The monitor position.

10 THE COURT: Monitor. Thank you. Overruled.
11 You can answer the question.

12 THE WITNESS: Yeah. I don't know what the
13 future entails for me, personally.

14 BY MS. KAOUNIS:

15 Q Okay. And just so it's clear for the
16 record, you have not had discussions with anyone about
17 whether you would continue to play a role in this case
18 after the current agreement with the parties -- between
19 the parties ends?

20 A I have not.

21 Q Okay. Let's go to page 29 of Exhibit 93.

22 You state in the report that while the
23 Inside Safe program has contributed to interim housing
24 placements, its implementation lacks alignment with
25 equitable service distribution across council districts;



1 right?

2 A I am not going to -- I spoke on this
3 matter. It is something that I -- was this in my -- this
4 report? Is this the 2025 report?

5 Q Yes.

6 A Okay. Great.

7 Q This is docket 904 and Exhibit 93, page
8 29, of your report.

9 A Due to the statements of the -- of Mayor
10 Bass in regards to Inside Safe as it pertains to being --
11 being able to audit a program, specifically in the mayor's
12 office, this is something that she stated in court that
13 the controller doesn't have the ability to audit Inside
14 Safe. And so I leave this question up now up to the
15 Court, if it is going to include any kind of Inside Safe
16 beds into this agreement because of the lack of ability to
17 -- for the City controller to audit the Inside Safe
18 program or any program within the mayor's purview.

19 MS. KAOUNIS: Okay. I'm going to move to strike
20 as nonresponsive, and I'm going to --

21 THE COURT: No. The answer remains.

22 MS. KAOUNIS: -- retry that.

23 THE COURT: The answer remains, Counsel.

24 BY MS. KAOUNIS:

25 Q I want to retry that question because I



1 think you may have misinterpreted my question.

2 You noted that while the Inside Safe
3 program has contributed to interim housing placements, its
4 implementation lacks alignment with equitable service
5 distribution across council districts; right?

6 A That's what it says. Yes.

7 Q So you're not saying that just because
8 everyone cannot benefit from a program -- or everyone who
9 is unsheltered cannot benefit from a program -- it
10 shouldn't be offered; right?

11 A Can you restate that?

12 Q Sure. Your conclusion here is not
13 suggesting that because not everyone who is unhoused --
14 well strike that. That was poorly worded.

15 You're not suggesting that because a
16 program cannot be used by all unhoused persons that means
17 that it shouldn't be offered; right?

18 A I still don't understand your question.

19 Q You would agree with me that some people
20 are benefitted by Inside Safe; right?

21 A What do you mean by people?

22 Q Some unhoused individuals are benefitted
23 by being brought inside through the Inside Safe program;
24 correct?

25 A Yes.



1 Q And just because not all unhoused people
2 are brought inside, that doesn't mean the program
3 shouldn't be offered; correct?

4 A Of course not.

5 Q Going back to Exhibit 25 which is the
6 settlement agreement, on Section 3.3, if we could pull
7 that up for the record.

8 Okay. And you see Section 3.3 does not say
9 that beds must be equitably distributed; right?

10 MS. MITCHELL: Objection. Lacks foundation.
11 Misstates the document.

12 THE WITNESS: If you give me a minute, I think
13 it's somewhere else in a different section, if I can read.
14 Thank you.

15 BY MS. KAOUNIS:

16 Q Sure. Of course.

17 And while the witness is reading, I'm
18 going to grab some water.

19 A Yeah. Now that I've had the chance to
20 read 3.3, it says, "The City agrees to implement an
21 approach of equitably distributing housing and shelter
22 solutions throughout the City."

23 Q Right. And housing and shelter solutions
24 is not the same thing as beds; correct?

25 A That's your interpretation. That's not



1 mine.

2 Q Okay. Well, you would agree with me that
3 the word "beds" does not appear in Section 3.3; right?

4 A The actual word does not. No.

5 Q Okay. Let's go back to your report at
6 paragraph -- I'm sorry, page 12. This is Exhibit 93.

7 The report says that not all Inside Safe
8 beds count towards compliance with the Alliance settlement
9 agreement. Are you aware of that?

10 A Yes.

11 Q Okay. There's no explanation for the
12 assertion that not all Inside Safe beds count towards
13 compliance --

14 A According to the CAO in his housing and
15 homeless committee meetings, he stated originally, and he
16 stated here in testimony, that originally because the
17 program was fairly new, they didn't know what the duration
18 of these beds would be, temporary or end up being long --
19 a longer term. And so those discussions were had, not
20 just here, but in council meetings and in the homeless and
21 housing committee meetings.

22 Q Okay. Just to be clear, my question was
23 there's no reference in your report to that -- to facts
24 underlying that statement. What I heard you just state is
25 that you heard in testimony in this proceeding that Mr.



1 Szabo said what you just articulated; correct?

2 MS. MITCHELL: Objection.

3 THE COURT: You dropped your voice, Counsel.

4 Would you re-ask that question --

5 MS. KAOUNIS: Sure. Sure.

6 THE COURT: -- please?

7 BY MS. KAOUNIS:

8 Q There's no explanation in your report for
9 the assertion that not all Inside Safe beds count towards
10 compliance today with the settlement; correct?

11 MS. MITCHELL: Objection. Lacks foundation.
12 Argumentative.

13 THE COURT: Counsel, what are you referring to,
14 please?

15 MS. KAOUNIS: My apologies, Your Honor. I
16 didn't hear.

17 THE COURT: You said in this document. You've
18 got something up on the screen. Should I be looking at
19 this?

20 MS. KAOUNIS: Yes. Exhibit 93 in the report.

21 THE COURT: And what are you referring to? In
22 other words, what page are you on? I expect it to go on
23 the screen so I can see.

24 MS. KAOUNIS: Oh, I'm sorry. Page 12 of the
25 report.



1 THE COURT: Is this page 12?

2 MS. KAOUNIS: Yes.

3 THE COURT: Okay. And then highlight that for
4 me, please.

5 MS. KAOUNIS: It's the first bullet. Right.
6 There we are.

7 THE COURT: Okay. Thank you.

8 MS. KAOUNIS: Um-hum.

9 THE COURT: All right. Re-ask the question.
10 Thank you, Counsel.

11 MS. KAOUNIS: Sure.

12 BY MS. KAOUNIS:

13 Q There's no authority cited in your report
14 for this assertion that the Inside Safe program -- that
15 pursuant to the Inside Safe program not all beds count for
16 its compliance under the Alliance settlement agreement;
17 correct?

18 A Can you restate your question?

19 Q There's no source provided here to support
20 the sentence that's highlighted that the Inside Safe
21 program, while contributing to housing efforts, not all
22 beds count towards compliance under the Alliance
23 settlement agreement; correct?

24 A I just stated the source, the CAO, the
25 housing and homeless committee, council meetings that I



1 observed and I watched.

2 Q Okay. But to be clear, I'm speaking about
3 the document itself; right? There's nothing cited in the
4 document itself; correct?

5 A Yes.

6 Q Okay. And you can't point to any place in
7 the Alliance settlement agreement to refute that if a bed
8 is open and occupiable, it counts towards the Alliance
9 settlement compliance; correct?

10 MS. MITCHELL: Objection. Calls for a legal
11 conclusion.

12 THE COURT: If you can answer that, you may.

13 THE WITNESS: I'm not in a position to answer
14 that. It's up to the parties and the Court if they're
15 going to accept those beds.

16 BY MS. KAOUNIS:

17 Q Well, nothing in the Alliance settlement
18 agreement prevents the City from changing its mind about
19 which beds it decides to count towards compliance and
20 which beds it will not count for its compliance; correct?

21 MS. MITCHELL: Objection. The document speaks
22 for itself. And calls for legal conclusion.

23 THE COURT: You can answer the question, if you
24 can.

25 THE WITNESS: In my opinion, with the two bed



1 plans that have been provided by the City of Los Angeles,
2 that speaks for itself.

3 BY MS. KAOUNIS:

4 Q Okay. But I want to just focus on the
5 agreement for a moment, if we can. Nothing in the
6 Alliance settlement contract prevents the City from
7 changing its mind about which beds it will count towards
8 compliance and which beds it will not.

9 A Then the question is why did the City
10 create two bed plans?

11 MS. MITCHELL: Well, I'll withdraw that
12 objection then.

13 BY MS. KAOUNIS:

14 Q May I just get an answer to the question?
15 Are you aware of whether such language exists in the
16 agreement?

17 A I'm going based on the two-bed plans that
18 the City created.

19 MS. KAOUNIS: I'm going to move to strike as
20 responsive.

21 BY MS. KAOUNIS:

22 Q Can you point me to any language in the
23 settlement -- in the Alliance settlement agreement -- that
24 prohibits the City from changing its mind about which beds
25 it is allowed to count for purposes of compliance?



1 MS. MITCHELL: Objection. Calls for a legal
2 conclusion.

3 THE COURT: Does that also encompass
4 administration precedent from Garcetti to Bass? In other
5 words, when you say the City changing, we've gone over a
6 period of time between two different administrations
7 so --

8 MS. KAOUNIS: Yeah.

9 THE COURT: -- when you ask that question -- I'm
10 going to allow it -- I just want to understand with
11 finiteness what you're asking.

12 MS. KAOUNIS: I think it would, Your Honor.

13 THE COURT: Okay.

14 MS. KAOUNIS: Yeah.

15 THE COURT: So the question basically is can the
16 City -- if one mayor agrees to a certain, let's say the
17 parameters of the bed plan, can the next mayor change
18 that?

19 MS. KAOUNIS: As long as the mayor --

20 THE COURT: You ask the question. My apologies.

21 MS. KAOUNIS: Yeah.

22 THE COURT: That's my confusion about the
23 question.

24 MS. KAOUNIS: Okay. Okay.

25 BY MS. KAOUNIS:



1 Q Can you point me to any language in the
2 settlement agreement that prohibits the City from
3 revisiting the manner in which it counts beds for purposes
4 of compliance under the settlement agreement?

5 MS. MITCHELL: Objection. Calls for a legal
6 conclusion.

7 THE COURT: I'm going to let you answer that
8 question.

9 THE WITNESS: I'm not in a position to answer
10 that.

11 BY MS. KAOUNIS:

12 Q Okay. So you can't point me to any
13 provision as far you're aware?

14 MS. MITCHELL: Objection. Misstates the
15 testimony.

16 THE COURT: You can answer the question.

17 THE WITNESS: I'm not in a position to answer
18 that.

19 BY MS. KAOUNIS:

20 Q The top of page 16 of your report, Exhibit
21 93, you note that the City's quarterly report docket 728
22 lists 3,018 beds slash units created, while your verified
23 count -- or your verified inventory shows 3,033 beds,
24 resulting in a discrepancy of 15 beds; right?

25 A Correct.



1 Q And if I'm reading this correctly, this
2 means that the discrepancy was that the Special Master,
3 yourself, actually found more beds that had been created
4 not fewer beds than what the City had reported. Is that
5 accurate?

6 MS. MITCHELL: Objection. Vague as to found.

7 THE COURT: Overruled. You can answer the
8 question.

9 THE WITNESS: I'm just going based on what was
10 in the quarterly reports.

11 BY MS. KAOUNIS:

12 Q Right. But I just want to clarify, what
13 you're reporting here is that you actually found more beds
14 than the City reported.

15 MS. MITCHELL: Objection. Vague as to found.

16 THE COURT: Overruled.

17 THE WITNESS: I didn't find. It was in the
18 report. It was just not -- in the cumulative total it was
19 not indicated.

20 BY MS. KAOUNIS:

21 Q So your --

22 A That's a big difference.

23 Q -- so just to be clear for the record.
24 Your assessment was that there were 15 more beds than what
25 the City reported. Is that accurate?



1 A In the quarterly report, yes.

2 Q Okay. Page 17 of the report, first
3 bullet, it says, "In 2024 approximately 2,000 beds were
4 opened under the Alliance settlement. This progress is
5 concerning considering the settlement agreement which
6 requires an additional 3,822 beds to be opened by the June
7 2027." Do you see that?

8 A Yes.

9 Q Okay. But you would agree with me that if
10 2,000 beds were opened in each of fiscal years 2025 and
11 2026, the City would exceed the bed creation goal of 3,822
12 beds under the Alliance settlement agreement by mid-June
13 2027; correct?

14 A Can you repeat that?

15 Q You would agree that if 2,000 beds were
16 opened in each of fiscal years 2025 and 2026, the City
17 would exceed the bed creation goal of 3,822 beds under the
18 Alliance settlement agreement by mid-June 2027; correct?

19 A I'm not in a position to answer that.

20 Q Well, it's math; right? 2,000 beds a
21 year, two years; right?

22 A Well, there are many factors that take
23 account in regards to the funding mechanism, the funding
24 staff, going into -- I could go on and on, you know,
25 about, you know, how the City funds, how long it takes,



1 the construction. There's always going to be different
2 timelines. As I mentioned yesterday in my testimony,
3 there are three specific projects that are in process that
4 may not come to fruition in June 2027, and the City is
5 monitoring those efforts because things change. They're
6 fluid.

7 Q Okay. But your report recognizes that in
8 2024 approximately 2,000 beds were open; correct?

9 A The cumulative total from 2022 to the
10 present time, yes.

11 Q That's not what the report says. The
12 report says in 2024 approximately 2,000 beds were opened
13 under the Alliance settlement. Do you see that?

14 MS. MITCHELL: Objection. Argumentative.

15 THE COURT: Overruled. Answer the question.

16 THE WITNESS: I do, but I'm speaking about the
17 cumulative total.

18 BY MS. KAOUNIS:

19 Q I understand, but I'm asking you about
20 this sentence. Your report recognizes that in 2024
21 approximately 2,000 beds were opened under the Alliance
22 settlement agreement; correct?

23 A That's what it states. Yes.

24 Q Okay. So if the City would simply
25 maintain its rate of bed creation from 2024 through the



1 end of the agreement, you would agree that 4,000 beds
2 would be created under that same rate; correct?

3 A That's a hypothetical. I'm not in the
4 position to answer that.

5 Q Okay. You would agree that if the City
6 maintained its rate of bed creation from 2024, it should
7 exceed its bed goal by approximately 175 beds; correct?

8 MS. MITCHELL: Objection. Lacks foundation;
9 calls for speculation.

10 THE COURT: Overruled. You can answer it, if
11 you can.

12 THE WITNESS: Same position as my last
13 statement.

14 BY MS. KAOUNIS:

15 Q So you're not willing to agree that if the
16 City maintains its bed creation rate, it will not -- it
17 will exceed its goal?

18 MS. MITCHELL: Same objection.

19 THE WITNESS: I'm not in s position -- I use my
20 same statements as prior.

21 BY MS. KAOUNIS:

22 Q And you're likewise not in a position then
23 to state that the City won't reach its goal; correct?

24 MS. MITCHELL: Same objections, Your Honor.

25 THE WITNESS: I'm just going based on what was



1 stated in reports.

2 BY MS. KAOUNIS:

3 Q So you're not in a position to state
4 whether the City won't reach its goal; correct?

5 MS. MITCHELL: Same objections, Your Honor.

6 THE COURT: Overruled.

7 THE WITNESS: If the City provides the
8 verification and validation of those beds that are in
9 process or created, and provide it to the Court, then I
10 could opine.

11 BY MS. KAOUNIS:

12 Q So you're not in a position one way or
13 another to opine about whether or not the City will meet
14 its bed creation goal; is that your testimony?

15 A I stick to my prior statement.

16 Q I just want to clarify for the record. Is
17 that your testimony?

18 MS. MITCHELL: Objection. Asked and answered.
19 And harassing the witness at this point, Your Honor.

20 THE COURT: Overruled. You can ask one more
21 time if you'd like.

22 BY MS. KAOUNIS:

23 Q You're not in a position to state one way
24 or another whether the City will meet its bed requirement
25 in June 2027; correct?



1 A I'm in the same position as I stated in my
2 last statement.

3 Q And that is that you won't -- you're not
4 in a position; correct?

5 A I already stated my position.

6 Q Okay. You can't say that verification and
7 data will not be provided as you requested by June 2027;
8 right?

9 A It has not been provided thus far.

10 Q And we're two years from June 2027;
11 correct?

12 A That is correct.

13 Q So you can't say whether the data and
14 verification will be provided by that date or not;
15 correct?

16 A I'm going to leave that up to the Court to
17 decide.

18 Q There's no language in the settlement
19 agreement that prevents the City from refining its
20 policies from one administration to the next in regards to
21 how it counts beds towards compliance.

22 THE COURT: Counsel, I don't understand that.
23 That's ambiguous for me, the refining.

24 MS. KAOUNIS: Okay. Okay.

25 THE COURT: I don't understand the question.



1 BY MS. KAOUNIS:

2 Q You're not aware of any language in the
3 settlement agreement that prevents the City from changing
4 its mind from one administration to the next about how it
5 counts beds in compliance with the settlement agreement;
6 correct?

7 MS. MITCHELL: Objection. Vague. Ambiguous.

8 THE COURT: Overruled.

9 THE WITNESS: I don't understand the question.
10 Can you restate it?

11 BY MS. KAOUNIS:

12 Q You're not aware of any language in the
13 Alliance settlement agreement that prevents the City from
14 changing its mind about which beds it will count towards
15 compliance with the settlement agreement; correct?

16 MS. MITCHELL: Objection, Your Honor, calls for
17 a legal conclusion, asked and answered.

18 THE COURT: No. This is -- overruled.

19 THE WITNESS: It talks about housing solutions.
20 You told me beds were not included in this agreement. So
21 why are you referencing beds?

22 BY MS. KAOUNIS:

23 Q I'm simply asking if you're aware of --

24 A You just said --

25 Q -- language --



1 Q -- that in the agreement prior statements
2 -- you've told me that beds were not in the agreement. So
3 which one is it? Is it housing solutions or is it now
4 beds --

5 Q Okay.

6 A -- that you're speaking of?

7 Q So you would agree that there is no
8 reference to beds and so there couldn't be a reference or
9 prohibition in the Alliance settlement agreement on how
10 the City from one administration to the other counts beds;
11 correct?

12 MS. MITCHELL: Objection. Compound.
13 Argumentative. Misstates the testimony. Calls for a
14 legal conclusion.

15 THE COURT: If you understand the question, you
16 can answer the question.

17 THE WITNESS: I do not.

18 THE COURT: Okay. All right.

19 BY MS. KAOUNIS:

20 Q Well, we both agree that the settlement
21 agreement doesn't reference beds; right?

22 A Yes.

23 Q So --

24 MS. MITCHELL: Excuse me. Objection as to the
25 word "reference."



1 THE COURT: Counsel, finish your question,
2 please.

3 BY MS. KAOUNIS:

4 Q So if we both agree that the settlement
5 agreement does not use the term "beds," then we can both
6 agree that there is no prohibition in the agreement that
7 states the City is required to count beds a certain way or
8 not during any given administration; correct?

9 MS. MITCHELL: Objection. Argumentative.
10 Misstates the document. Calls for a legal conclusion.
11 Speculation.

12 THE COURT: Overruled. If you have an opinion,
13 you can cast it.

14 THE WITNESS: I'm not in a position to answer
15 that.

16 BY MS. KAOUNIS:

17 Q Page 18 of your report at Exhibit 93, last
18 paragraph, first sentence says, "Judicial site evaluations
19 through 2024 identified instances of unhoused individuals
20 being relocated without proper adherence to formal dispute
21 resolution procedures"; correct?

22 A That's what it says. Yes.

23 Q The report doesn't identify where this is
24 occurring; correct?

25 THE COURT: I'm sorry, Counsel. Could you say



1 that again?

2 BY MS. KAOUNIS:

3 Q The report does not verify where this is
4 occurring.

5 THE COURT: Where this is? I didn't hear the
6 last part.

7 MS. KAOUNIS: Where this is occurring.

8 THE COURT: Thank you very much. I'm sorry.

9 THE WITNESS: No. They're my observations out
10 in the field.

11 BY MS. KAOUNIS:

12 Q Okay. And the report doesn't state when
13 this is occurring; correct?

14 A Correct.

15 Q And the report doesn't state to whom this
16 is occurring; correct?

17 A Correct.

18 Q You mentioned that these were your
19 observations in the field. Did you keep contemporaneous
20 notes of those observations?

21 A I kept notes. Yes.

22 Q And those notes have not been provided to
23 the parties or the Court --

24 A Correct.

25 Q -- correct?



1 MS. KAOUNIS: I would for the record, Your
2 Honor, make a request that any notes that are not
3 reflective of the deliberative process privilege or a
4 mediation, that those be turned over to the Court and the
5 parties.

6 MS. MITCHELL: I think that violates numerous
7 privileges, Your Honor, particularly --

8 THE COURT: It's going to, Counsel, because a
9 lot of information is conveyed to the Court.

10 MS. MITCHELL: Yeah.

11 THE COURT: And it's going to have the same
12 privilege that the City is claiming.

13 MS. KAOUNIS: Okay.

14 BY MS. KAOUNIS:

15 Q You would agree with me that when you're
16 trying to address an issue or solve a problem, it's
17 helpful to know the details of that issue or problem;
18 right?

19 MS. MITCHELL: Objection. Vague and ambiguous.

20 THE COURT: Please restate that. I don't
21 understand the question.

22 MS. KAOUNIS: Well, the Special Master has just
23 identified -- or just confirmed -- that she didn't
24 identify when the issue, where, or to whom this was
25 occurring on page 18 of her report, and I'm simply --



1 THE COURT: My apologies. You can ask the
2 question.

3 MS. KAOUNIS: Sure.

4 BY MS. KAOUNIS:

5 Q I'm simply asking, you would agree that
6 when you're trying to address an issue or solve a problem,
7 it's helpful to know the details of that issue or problem;
8 right?

9 A Yes. But in the context of communications
10 that I'm having, it's very difficult at times to be able
11 to highlight all of this in a report, especially when I'm
12 communicating with elected officials, with the unhoused
13 community, and the Court.

14 Q Okay. But without the details of a
15 particular observed event, it's not particularly
16 informative to the City to just generally identify
17 instances of unhoused individuals being relocated without
18 supposed adherence to the formal dispute resolution
19 process; right?

20 A They had an opportunity in my '24 report
21 and this report to communicate with me to expand my
22 conversations, and in particular regarding this item. I'm
23 always happy to speak to the City of Los Angeles. I've
24 always made myself open and available to helping
25 understand the issues.



1 Q You would agree with me that if there were
2 particular incidents that required attention or
3 remediation, it would be helpful to call that out in the
4 report so that the City could investigate it as soon as
5 possible; correct?

6 A I don't agree.

7 Q Page 19 of the report, please, third
8 bullet under encampment.

9 This makes reference to persistent
10 reporting discrepancies. Do you see that?

11 A Yes.

12 Q The report doesn't identify the specific
13 reporting discrepancies; correct?

14 A Yes.

15 Q Okay. And the report doesn't provide a
16 basis for the statement that such errors are persistent;
17 correct?

18 A Can you restate your question?

19 Q The report doesn't provide a basis for the
20 statement that the reporting errors are in fact
21 persistent; right?

22 A There are inconsistencies in the -- in a
23 lot of the quarterly reports. They were fixed in the
24 prior quarters and, as well, in 2024 there were some
25 inconsistencies and we were able to address those. And in



1 this report, there were some inconsistencies.

2 Q Okay. But it doesn't say that here. It
3 doesn't give the specifics here; right?

4 A It does not. No.

5 Q Okay. And the report also doesn't state
6 whether these supposed discrepancies are material; right?

7 A What do you mean by that?

8 Q Well, the report doesn't explain whether
9 these are overlooking a bed or two or overlooking a
10 substantial number of beds or some other large figure that
11 would impact, in your view, the City's ability to comply
12 with its obligations under the Alliance settlement
13 agreement; correct?

14 MS. MITCHELL: Objection. Vague and ambiguous.

15 THE COURT: If you understand the question --

16 THE WITNESS: I do not.

17 THE COURT: -- you can answer it.

18 BY MS. KAOUNIS:

19 Q The report doesn't say how large or small
20 these discrepancies are; does it?

21 A It does not.

22 Q And in fact, when you raised a potential
23 bed count discrepancy with the City in May of this year,
24 the City attorney's office responded and provided you with
25 an explanation; correct?



1 A Yes. They did.

2 Q And --

3 A For one council district, CD1.

4 Q -- and in that same email the deputy city
5 attorney told you to let the City attorney's office know
6 if you needed additional information concerning the
7 subject site; correct?

8 MS. MITCHELL: Objection. Vague and ambiguous.
9 Lacks foundation.

10 THE COURT: Do you understand the question?

11 THE WITNESS: I do not. Please rephrase.

12 BY MS. KAOUNIS:

13 Q In that same email exchange that you had
14 with the deputy city attorney's office, the City
15 attorney's office told you if you had further questions to
16 feel free and follow up; correct?

17 A Yes.

18 Q And you didn't follow up on that request;
19 right?

20 A I didn't because they helped with CD1.

21 Q Okay.

22 A Yes.

23 Q Page 20 of your report, second bullet,
24 under compliance refers to supposed persistent
25 miscalculations that in your view require quarterly



1 compliance audits accompanied by judicial oversight;
2 correct?

3 A That's what it states. Yes.

4 Q The report does not identify what those
5 persistent miscalculations are; correct?

6 A Can you restate your question?

7 Q You're not saying here what those
8 persistent miscalculations actually are; right?

9 A I mention in the tables -- there is
10 reference, yes, in the tables in my report.

11 Q So are you talking about a single
12 miscalculation in your report or are you talking about
13 persistent --

14 A I'm talking about the table. If you want
15 to reference the table --

16 Q Sure.

17 A -- we could go to the key findings.

18 Q And this is Exhibit 93; correct?

19 A I don't know what your exhibit is. I just
20 have my report in front of me.

21 Q Sure.

22 THE COURT: Will somebody hand her a report?
23 Are these the deltas they're referring to?

24 THE WITNESS: No. It's the report. It's the
25 table 1, city shelter compliance with 60 percent of PEH



1 standard based on city data provided to the Court.

2 THE COURT: Okay.

3 THE WITNESS: Quarterly reports.

4 BY MS. KAOUNIS:

5 Q What page are you looking at?

6 A 15.

7 Q 15?

8 A 15.

9 Q Okay. So just to be clear for the record.

10 It's your testimony that this table 1 at page 15
11 supposedly reflects persistent miscalculations by the
12 City; is that right?

13 A I say in my report it presents that there
14 was independent review of potential overstatement in beds
15 in process.

16 Q Okay. And that's different from
17 persistent miscalculations; right?

18 A I'm just stating what it says in my
19 report.

20 Q And you're not stating -- well, the report
21 doesn't tie the supposed persistent miscalculations to
22 compliance with the terms of the Alliance settlement
23 agreement; correct?

24 A Can you rephrase your -- I don't
25 understand your question.



1 Q Sure. The report doesn't say that these
2 supposed persistent miscalculations are somehow a
3 violation of a specific provision of the Alliance
4 settlement agreement; correct?

5 A If the City can verify and validate its
6 records, then there's no question here.

7 MS. KAOUNIS: Would now be an okay time for a
8 break?

9 THE COURT: A perfect time.

10 MS. KAOUNIS: Yeah. Okay.

11 THE COURT: Counsel, 20 minutes?

12 MR. SCOLNICK: Yes. Thank you.

13 MS. KAOUNIS: Twenty minutes is fine.

14 THE COURT: Twenty minutes. All right. Twenty
15 minutes. Thank you very much.

16 By the way, just as I paid the courtesy to
17 Mr. Szabo, you can talk to any of the counsel if they want
18 to talk to you.

19 (A recess was taken off the record.)

20 THE COURT: Okay. Counsel, we're going back on
21 the record.

22 MS. KAOUNIS: Yes, Your Honor.

23 MS. MITCHELL: Yes, Your Honor.

24 THE COURT: Okay. Then we're back on. We're on
25 the record, Counsel. Thank you.



1 All counsel are present. The witness is
2 present.

3 Continue your cross-examination, please.

4 MS. KAOUNIS: Thank you, Your Honor.

5 BY MS. KAOUNIS:

6 Q You're aware that the settlement
7 agreement, Plaintiff's Exhibit 25, at paragraph 5, states
8 that, "A dispute resolution process is required as to any
9 dispute regarding the required number of housing or
10 shelter solutions necessary to accommodate 60 percent of
11 unsheltered city appropriate PEH in the City based on
12 LAHSA's 2022 point in time count before enforcement under
13 Paragraph 4 of the Agreement"; right?

14 A Correct.

15 Q Okay. And paragraph 4 of the agreement
16 discusses enforcement of public space regulations and
17 ordinances; correct?

18 A Yes.

19 Q And there's no factual support cited in
20 the report that the City is engaged in any enforcement
21 under paragraph 4 relative to any persons experiencing
22 homelessness; correct?

23 A Can you restate that?

24 Q There's no instances or examples cited in
25 your report that the City is engaged in the enforcement



1 under paragraph 4 relative to persons experiencing
2 homelessness; correct?

3 A I still don't understand your question.

4 Q There's no examples provided in the report
5 of the City enforcing under paragraph 4 regulations
6 against any homeless persons; correct?

7 A What do you mean by enforcing?

8 Q Well, engaging in the enforcement that is
9 provided under paragraph 4; correct?

10 A I cannot answer that.

11 Q You're aware that the settlement agreement
12 has a force majeure clause?

13 A As you stated earlier, I'm not an
14 attorney.

15 Q But you're aware of Section 8.2; correct?

16 A Yeah. I've read it. Yes.

17 Q Okay. And that clause provides that, "In
18 the event of fires, floods, earthquakes, epidemics,
19 quarantine restrictions, or other natural catastrophic
20 occurrences, terrorist acts, et cetera, the obligations of
21 the City are set forth in Section 3, 4, and 5 of this
22 Agreement shall be paused, and the parties agree to meet
23 and confer on any necessary and appropriate amendments to
24 those obligations"; correct?

25 A That's what it states there.



1 Q Okay. You understand -- and I'm only
2 asking you for your understanding -- that the force
3 majeure clause pauses the City's compliance obligations
4 under the agreement in the event of fires, or other
5 natural catastrophic occurrences, or a local emergency
6 declared by the mayor; correct?

7 A That's what it states here. Yes.

8 Q Okay. And on January 7, Los Angeles
9 experienced the Palisades fire; correct?

10 A I don't know the specific date, but I know
11 it was in January.

12 Q Okay.

13 A Yeah. I'm not going to allude to a date
14 that I'm not certain.

15 Q Let's say for the record on or about
16 January 7. We can take judicial notice at a later time.
17 Fair?

18 A I'm still not -- I don't know -- I can --
19 I can look it up but I'm not going to give you a date that
20 I'm not certain of.

21 Q Okay. On or about January 7, portions of
22 Los Angeles also experienced severe windstorms; correct?

23 A Santa Ana winds. Yes.

24 Q And on January 7, on or about January 7,
25 Mayor Bass declared a state of emergency to amplify the



1 City's response to the devastating Palisades fire;
2 correct?

3 A I'm not aware of -- I'm not sure of the
4 actual date. So I cannot speak to that.

5 Q But you are aware that at some point in
6 early January, Mayor Bass declared a state of emergency in
7 response to the Palisades fire; right?

8 A Sometime in January. Yes.

9 Q Okay. Knowing all of this, you didn't
10 include any recommendations in your May 2025 report to
11 address the fact that the City's obligation to comply
12 under the agreement may be paused; right?

13 A Yeah, because the parties were going back
14 and forth, and there's motions to that, and I'm sure
15 you've seen that on the docket, as it pertains to meet and
16 confer. That is something that's between the parties,
17 obviously, not with me. And I'm not sure if there was a
18 resolution with that, so I did not speak to it.

19 Q Okay. So you're assessing the City's
20 ability to comply with the Alliance settlement agreement
21 by June 2027 without addressing that its obligations may
22 have been paused because of the January 7 Palisades fire?

23 A I cannot speak to that. I'm not sure if
24 they met and confer.

25 Q Right. My point is just that your



1 assessment in the report is not taking into account that
2 the obligations may have been paused; right?

3 A I cannot speak to that.

4 Q Well, let me ask it differently. You're
5 not making any accommodations in the report suggesting
6 that the City's obligations were paused because of the
7 January 7 fire; correct?

8 A Again, I cannot speak to that.

9 Q Okay. You can't speak to it one way or
10 another?

11 A Yeah. In my '23 -- '24 report I spoke
12 about the challenges and changes in city government,
13 because I was aware of that and privy to that. This
14 issue, as I mentioned and I'll state again, this is a
15 discussion that was out with motions on both sides as it
16 pertains to this issue. And I'm not sure if they moved
17 forward with the meet and confer process, so I cannot
18 speak to this issue.

19 Q Okay. Going back to the date you signed
20 the report. You signed the report on May 13, 2025;
21 correct?

22 A Yes.

23 Q Prior to you signing and submitting the
24 report to the Court, did anybody review the report?

25 A Yes.



1 Q Who reviewed it?

2 A Judge Birotte.

3 Q Okay. Anyone else?

4 A No, just Judge Birotte.

5 Q Did Judge Birotte give you any feedback on
6 the report?

7 A What do you mean by feedback?

8 Q Just comments, suggestions, things of that
9 nature.

10 THE COURT: Counsel, do you really want to go
11 into this area? I think maybe you ought to meet and
12 consult about this for a moment.

13 MS. KAOUNIS: Okay. We can put a pause on it.
14 I'll withdraw the question.

15 THE COURT: All right.

16 MS. KAOUNIS: I'll withdraw the question.

17 THE COURT: No. You're more than welcome to
18 but --

19 MS. KAOUNIS: I can confer --

20 THE COURT: -- that door is going to be opened.

21 MS. KAOUNIS: -- I can confer with my counsel
22 after when we get to the end, if it's necessary.

23 THE COURT: Okay.

24 BY MS. KAOUNIS:

25 Q Your report does mention the January



1 fires; correct?

2 A If you can please highlight that again.
3 Where does it highlight that in my report?

4 Q Well, let me ask a different question.
5 Does your report mention the fires?

6 A You know, I would have to go back. I'm
7 not going to remember every single thing that I wrote in
8 this report.

9 Q Okay.

10 A I'm not sure if you're aware the amount of
11 documents I read. I'm sure when you downloaded the
12 information just for a reason, I read thousands of
13 documents. Yes.

14 Q Let me ask a different question. Did you
15 submit anything to the Court after the January 7 fires
16 that addressed the fires in relation to compliance with
17 the settlement agreement at all?

18 A I'm not in a position to answer that. Any
19 communications with the Court, I don't have to provide
20 those.

21 Q Just to be clear, I'm talking about any
22 filing that you could have made with this court. Any
23 submission that you made to this court that is not subject
24 to any deliberative process privilege or any mediation
25 privilege. Are you aware of submitting anything to this



1 court that mentions the January 7 fires?

2 THE COURT: Are you including conversations, for
3 instance, with Judge Birotte or this court? In other
4 words, when you say submitting, there's a lot of different
5 submissions.

6 BY MS. KAOUNIS:

7 Q Okay. Just so we're clear for the record.

8 THE COURT: It could be text. It could be
9 emails. It could be both courts involved; one court
10 involved. That's my concern. So I'll extend the same
11 privilege. By the same token, if you're opening that
12 door, I'm not precluding you from it.

13 BY MS. KAOUNIS:

14 Q I want to be very clear. I am not getting
15 into mediation privilege. I am not getting into
16 deliberative process privilege, any conversations that
17 you're referring to with any elected officials.

18 THE COURT: Okay. You're just referring to this
19 report --

20 MS. KAOUNIS: Yeah.

21 THE COURT: -- because it mentioned fires in
22 this report.

23 BY MS. KAOUNIS:

24 Q If there's something that was submitted to
25 this court either on the docket or another public



1 document, a statement that was made in open court --

2 THE COURT: Counsel, that wasn't the question.

3 The question was submitted to this court, and that's what

4 I'm worried about.

5 MS. KAOUNIS: Let's break it down.

6 THE COURT: No. I think maybe you ought to meet

7 and confer about that. That's -- I'm not precluding you.

8 I want that on my record. But if that door opens --

9 MS. KAOUNIS: Okay.

10 BY MS. KAOUNIS:

11 Q Did you submit any report at all to this
12 court on the docket that mentions the fires?

13 A I'm not in a position to answer that.

14 Q You don't recall whether you submitted on
15 the public docket any report that mentions the fires?

16 A I never submit anything on the public
17 docket beyond my report.

18 Q Okay. Other than Judge Birotte, no one
19 else commented on your report; correct?

20 A No.

21 Q The report was signed on the 13th and
22 filed with the Court on 14 May; correct?

23 A Correct.

24 Q And on page 17, the last bullet, you
25 state, "The referral system and challenges with what the



1 City is reporting versus county must be addressed by May
2 30, 2025." Correct?

3 A Yes.

4 Q So you're stating that the City is
5 supposed to comply within 16 days of the recommendations
6 were made in this report; correct?

7 A This has been a one year, ongoing
8 conversation, learning and observation sessions, on this
9 specific topic. So I included it in my report because
10 there has never been a resolution on this specific issue,
11 and it still has not been resolved.

12 Q Okay. But your report is dated May 13;
13 right?

14 A Correct.

15 Q And you're imposing or suggesting a
16 compliance date of May 30; correct?

17 A Recommendation. Yes.

18 Q Okay. That's not a requirement of the
19 Alliance settlement agreement; correct?

20 A It's a recommendation.

21 Q Page 20, the last heading and the first
22 sentence, you state that "The City must provide beds and
23 process construction permitting and/or delays timelines to
24 the Court by May 30, 2025, to verify operational readiness
25 before the June 2027 deadline." Correct?



1 A That's what it states. Yes.

2 Q And again, that is not a requirement of
3 the Alliance settlement agreement. That is a
4 recommendation by you; correct?

5 A A recommendation. Yes.

6 Q Page 23, the last bullet in the middle of
7 the page, you state that, "The City should be ready to
8 present a structured plan by May 27, 2025, to demonstrate
9 readiness and accountability." Correct?

10 A That's what it states. Yes.

11 Q Okay. And for the record that, too, is
12 not a requirement of the Alliance settlement agreement --

13 A A recommendation.

14 Q Sorry?

15 A A recommendation.

16 Q That is a recommendation by yourself;
17 correct?

18 A Correct.

19 Q Okay. Without getting into the substance,
20 you have provided the Court with periodic updates on the
21 status of your reports; correct?

22 A I've had communications with the Court,
23 yes, weekly with -- yes.

24 Q Okay. And at times, those communications
25 were with the parties; correct?



1 A Yes.

2 Q And at times those communications were
3 without the parties; correct?

4 A Correct.

5 Q And all of those discussions would be
6 reflected in your invoices that were provided to the City.
7 Is that accurate?

8 THE COURT: Just a moment. All discussions with
9 the Court and with the parties or separately?

10 MS. KAOUNIS: Any of them. Whether it be with
11 the Court or the Court and the parties.

12 THE COURT: Fine. I understand. Thank you.

13 MS. KAOUNIS: Yeah. Thank you.

14 THE COURT: You can answer.

15 THE WITNESS: No. Because to be quite honest
16 with you, I don't submit all my hours to the -- there's a
17 tremendous amount more hours that I do submit of work that
18 I do, whether it's communicating with the elected
19 officials or with the other parties. I don't always
20 document that or submit for payment.

21 BY MS. KAOUNIS:

22 Q Okay. So then to be clear for the record.
23 The invoices do not reflect all the work that you've done
24 on this matter; is that what I'm to understand?

25 A Yeah. There's instances where I do not



1 submit where I have 5 -- 10- --15-minute conversation
2 with an elected official or a city staffer. I do not.

3 Q Okay. Sorry. Go ahead.

4 A I'm not in the business to -- I just think
5 it's just a minor thing and I'm not going to charge the
6 City for.

7 Q Okay.

8 A I just think it's the right thing to do.

9 Q Okay. And understanding that the Court
10 has allowed witnesses to speak with Counsel and other
11 people in the gallery throughout this proceeding, have you
12 had communications with Plaintiff's counsel regarding the
13 substance of your testimony or your report?

14 A Yeah. They contacted me and I had a -- I
15 think it was a zoom or Teams -- I don't really know --
16 meeting in regards to the questions that they were going
17 to ask me, and they also asked me to be concise.

18 Q And when did that --

19 A Because I do like to talk. I think
20 everybody knows that.

21 Q You wouldn't be the only person.

22 And when did that occur?

23 A Off the top -- I would have to go into my
24 phone to get that. It's in my phone.

25 Q It was sometime in May?



1 A Yes.

2 Q Okay. And other than --

3 A It was a Friday. I know it was a Friday.
4 I just don't know which Friday.

5 Q Okay.

6 A I have a pretty good memory but, you know,
7 I'm a little sick so I can't remember everything.

8 Q Understood. Understood. And again, if
9 there's any point where you need to stop, just let me
10 know.

11 A Will do.

12 Q Okay. Other than communications with
13 Counsel, was that with both counsel present, both
14 Plaintiff's counsel?

15 A For the most part, the majority of the
16 conversation was with --

17 Q Ms. Mitchell?

18 A -- Ms. Mitchell and then I think he was
19 coming back from a flight or something and he joined for
20 the like the last 15 minutes, if I'm not mistaken,
21 Matthew.

22 Q Okay. And the subject matter generally
23 was the questions that you would be asked in the
24 proceeding; correct?

25 A Correct.



1 Q Okay. And other than the conversations
2 with Plaintiff's counsel in connection with preparing for
3 your testimony, did you speak with counsel for the
4 Intervenor, or counsel for the City, or counsel for the
5 county, in preparation for your testimony?

6 A No.

7 Q Okay. And you didn't speak with the Court
8 in preparation for your testimony?

9 A No.

10 Q Okay.

11 THE COURT: When you say the Court, I assume
12 it's Judge Carter? I'm not sure that, that may be
13 accurate concerning Judge Birotte.

14 MS. KAOUNIS: Let me clarify.

15 THE COURT: Because I want to be sure that your
16 record is clear; all party's are clear. I don't know.
17 I'm not a party to that but --

18 BY MS. KAOUNIS:

19 Q In my catch-all question --

20 THE COURT: Thank you.

21 BY MS. KAOUNIS:

22 Q -- I asked whether you spoke with the
23 Court. Did you speak with Judge Carter in preparation
24 specifically for your testimony in this matter?

25 A No.



1 Q Okay. Did you speak with -- and I don't
2 want to know the substance -- did you speak with Judge
3 Birotte in connection with your testimony? And I didn't
4 mean to --

5 A I don't think I have to answer that on my
6 communications with who I'm speaking to. Specifically, if
7 it's Judge Birotte or not.

8 Q Okay. Yesterday you had a large stack of
9 papers in front of you while you were testifying; correct?

10 A I still have them before me today.

11 Q Okay. And those documents included
12 documents with tabs and handwritten notes; correct?

13 A There's really not handwritten notes,
14 actually, on them. They're just a little paper. It's
15 just so -- yeah.

16 Q Oh, so they're just tabs?

17 A Yeah. Tabs.

18 Q Okay. During your testimony, you referred
19 to several documentation; correct?

20 A Correct.

21 Q And I asked you for copies of those
22 documents; correct?

23 A Yes.

24 Q And you didn't provide copies, but you
25 instead provided me with clerk file numbers; correct?



1 A Correct. For three.

2 Q And for the record, those clerk file
3 numbers were 231, 022, 231, 182, and 240, 330; correct?

4 A Can you repeat that again?

5 Q Sure. Those file numbers were 231, 022,
6 231, 182, and 240, 330; correct?

7 A Correct.

8 Q Okay. And after you gave me the numbers,
9 I explained that we needed the titles of those documents
10 because the clerk file numbers are each associated with
11 several documents; correct?

12 A That is correct.

13 Q And you said that you wouldn't be able to
14 do that because you had to run and get your car. Do you
15 recall?

16 A Yes.

17 Q Okay.

18 A Because I was locked out on Tuesday and
19 had to wait for 30 minutes. I didn't want that to happen
20 to me again yesterday, especially because I'm sick.

21 Q You're aware that on the LA City Clerk's
22 Connect website, each of those clerk file numbers is
23 associated with numerous documents; right?

24 A Yes.

25 Q Okay. For example, you're aware that the



1 clerk file number 23-1022 is associated with 136
2 documents; right?

3 A Um-hum. Most likely, yes.

4 Q And you have no idea sitting here, how
5 many pages those 136 documents comprise; right?

6 A No. I would have to go back into my file.
7 It's all on my phone. As I mentioned, I could not print
8 every single document here. I just printed a few.

9 Q Okay. And you can't point me, sitting
10 here today, to which portion of those documents you were
11 relying on yesterday; right?

12 A No. I would have to go back to my phone
13 and my notes.

14 Q And then you're aware that clerk file
15 number 23-1182 is associated with 21 documents; right?

16 A Again, I would have to go back. Yes. So
17 I would have to go back to -- yeah. There are several
18 document as you stated. Yes.

19 Q Okay. And sitting here today --

20 A You have motions from housing homeless --
21 I can go on and on. Yes. They keep track of all the
22 specific things that are happening. Yes.

23 Q Okay. And sitting here today, you don't
24 know how many pages those 21 documents contain; correct?

25 A No. I would have to go to my phone.



1 Q And you can't point me to which portion of
2 those documents you were relying on yesterday; correct?

3 A Only to these documents that are before
4 me. And as I mentioned, I can't have my phone or my
5 notes, and again, I'm trying to conserve. You know, I'm
6 not going to print, you know, all these documents. I read
7 them from my phone or my computer.

8 This is actually the very first time that I
9 actually printed this many documents. I tend to --
10 couldn't -- you know, try to respect mother nature and the
11 environment.

12 Q You're aware that clerk file number 24-
13 0330 is also associated with six documents; correct?

14 A I would have to go and reference my phone.

15 Q Okay. It's multiple documents?

16 A It's multiple documents. Yes.

17 Q And you have no idea sitting here today
18 how many pages those six documents contained; correct?

19 A No. Not at the top off my head. I would
20 have to go back to my phone.

21 Q Okay. And you can't point me to which
22 portion of the documents you were relying on yesterday;
23 correct?

24 A This specific one I can. The formation of
25 the City homeless governance structure? Yes.



1 Q And which CF number is that?

2 A 240330.

3 Q Okay. And the title of the document,
4 could you please read that?

5 A Formation of a City Homeless Governance
6 Structure.

7 Q Okay. And you have a page number that you
8 were referring to yesterday

9 A I can -- on the homeless response? Yes.
10 Page 3. But at this point, again, you have the documents
11 and I'm going to, you know, if you have the document you
12 can read it yourself.

13 MS. KAOUNIS: Just a moment, Your Honor. If you
14 don't mind.

15 BY MS. KAOUNIS:

16 Q As part of your engagement, you were not
17 tasked with interpreting which beds will be counted under
18 the Alliance settlement agreement; correct?

19 MS. MITCHELL: Objection.

20 THE COURT: Yeah.

21 MS. MITCHELL: Calls for speculation; calls for
22 a legal conclusion; vague and ambiguous.

23 THE COURT: Are you referring back to the
24 Alliance agreement specifically or a task as a Special
25 Master to the Court?



1 MS. KAOUNIS: Alliance agreement, specifically.

2 THE COURT: Thank you. Overruled.

3 THE WITNESS: For the Alliance agreement, yes;
4 but with my interpretation with the Court, no.

5 BY MS. KAOUNIS:

6 Q Okay. I just want to make sure I
7 understand. So your testimony is that part of your job is
8 to interpret which beds will be counted under the
9 settlement agreement?

10 A I don't understand your question.

11 Q Let me see if I can rephrase it.

12 You have never been engaged by the City
13 and the Alliance to interpret the terms of the settlement
14 agreement to qualify certain beds as counting and certain
15 beds as not counting; correct?

16 MS. MITCHELL: Objection. Misstates the terms
17 of the settlement agreement. Calls for speculation.
18 Lacks foundation. Potentially calls for privileged
19 information.

20 THE COURT: I'm not sure but I'm going to
21 overrule the objection.

22 You can answer if you can.

23 THE WITNESS: I cannot speak to that.

24 BY MS. KAOUNIS:

25 Q Okay. So you don't know one way or the



1 other whether you were tasked with identifying which beds
2 count under the settlement agreement?

3 MS. MITCHELL: Objection. Misstates the
4 testimony.

5 THE COURT: I'm going to be cautious.

6 If you can answer the question, you may.

7 THE WITNESS: If you referenced city documents,
8 either they're a projected list or they're quarterly
9 reports. Those are the beds or units, as they call them,
10 because that's what they use. And in various documents,
11 city documents, they use the word bed not housing
12 solutions. But for the purposes here, and specifically in
13 their quarterly reports, they use bed slash unit.

14 And so those are the documents that they
15 say that they are -- that beds that are in process or beds
16 that have been created. So yes, based on those
17 documents -

18 BY MS. KAOUNIS:

19 Q I think my question was unclear and I
20 apologize. You are not tasked with deciding which beds
21 count towards the Alliance settlement agreement compliance
22 and which do not; correct?

23 MS. MITCHELL: Objection. Misstates the
24 settlement agreement; misstates the parties' agreement on
25 the record several years ago; it also potentially calls



1 for privileged information; lacks foundation; calls for
2 speculation.

3 MS. KAOUNIS: Your Honor, that was clearly an
4 instruction to the witness to refer to certain --

5 THE COURT: I'm going to overrule the objection.
6 You can answer if you can.

7 THE WITNESS: I'm not in a position to answer
8 that, Your Honor.

9 BY MS. KAOUNIS:

10 Q Okay. And you've never been tasked with
11 deciding what qualifies as an encampment reduction under
12 the Alliance settlement agreement or not; correct?

13 MS. MITCHELL: Same objections, Your Honor.

14 THE COURT: Overruled. You can answer.

15 THE WITNESS: I'm not in a position to answer
16 that, Your Honor.

17 BY MS. KAOUNIS:

18 Q You believe that you are qualified to give
19 recommendations regarding alleviating funding constraints;
20 correct?

21 A You stated yesterday that --

22 THE COURT: As the Special Master, again? I
23 want to be certain.

24 MS. KAOUNIS: Yes.

25 THE COURT: I'll allow the question, Counsel.



1 THE WITNESS: You stated yesterday that I'm not
2 an expert. So I'm not going to answer that question.

3 BY MS. KAOUNIS:

4 Q Well, you --

5 A Nor am I an attorney.

6 Q -- you gave recommendations in your report
7 to alleviate funding constraints; correct?

8 A I can provide recommendations. Yes.

9 Q The Alliance settlement agreement, to your
10 knowledge, does not say that the Special Master will
11 decide what constitutes compliance with the agreement;
12 correct?

13 A The terms of the agreement does.

14 Q The terms of which agreement?

15 A Of the LA Alliance.

16 Q So your testimony is that the terms of the
17 Alliance settlement agreement say that the Special Master
18 will decide what constitutes compliance with the
19 settlement agreement?

20 A That's not what I said.

21 Q Oh.

22 A The terms are in the agreement.

23 Q Okay. Okay. Just to be clear.

24 So it's not your position that the
25 Alliance settlement agreement gives you the authority to



1 decide what constitutes compliance under that agreement?

2 A My job is to monitor. Yes.

3 Q Okay. You recommended a thorough funding
4 strategy is urgently needed to address funding constraints
5 with the City; correct?

6 A Yes.

7 Q And you believe you're qualified to opine
8 on the City's management of taxpayer funds; correct?

9 A Is that as a Special Master or my previous
10 experience?

11 Q Well, regardless, it's your
12 qualifications. So do you believe you're qualified since
13 you gave the recommendation?

14 A I do.

15 Q Okay. In your time as councilwoman for
16 Santa Ana, you were never criticized for handling taxpayer
17 funds?

18 A Yes. Of course.

19 Q You were?

20 A What elected official is not?

21 Q Okay. In fact, you were personally
22 criticized by the Orange County political press for what
23 was described as a shocking pattern of living large at the
24 public's expense, raising questions whether you had
25 violated governmental travel policies, state disclosure



1 rules, or state's ethics laws; correct?

2 MS. MITCHELL: Objection. 402, 403, Your Honor.

3 MS. KAOUNIS: This goes directly to the funding
4 and oversight recommendations, Your Honor, and
5 credibility.

6 THE COURT: If you want to ask that question,
7 I'm going to allow it. But you better go back and check
8 with the City and Scott Marcus, et cetera, concerning
9 engagement with the City, and all of this being an
10 allegation. And also, the Court's screening and
11 confidence in her, and the engagement that the next person
12 or entity was recommended at \$700 an hour for pro bono
13 rate.

14 Have you consulted with Scott Marcus
15 concerning this? Because the City is well aware of this,
16 and that's what's disturbing to me that this inference is
17 being raised now. Now, be very careful with this.

18 I'm going to order you to meet and confer
19 for just a moment. If you're going to go down this path,
20 I may not preclude you. But if this is an attempt to
21 destroy credibility, then we're going to have a number of
22 people in here and you're not going to be claiming the
23 privilege. So go over and talk about this for just a
24 moment. Counsel, that's an order. That's not a request.

25 MR. MCRAE: Thanks.



1 THE COURT: This is very dangerous now.

2 MS. KAOUNIS: Your Honor, just so I can
3 understand --

4 THE COURT: Counsel, let me be very clear. I'm
5 requesting that you really discuss this for a moment. If
6 this door is opened voluntarily on your part, we may have
7 quite a parade of city officials in here.

8 Please take your time with this. And I'm
9 not going to preclude you, but this has been very
10 carefully discussed and these allegations were screened by
11 the Court, were known by the City. These were de minimis,
12 Counsel. So this inference, I really want you to consider
13 now.

14 (A recess was taken off the record.)

15 MR. SCOLNICK: Your Honor, I understand you
16 asked for Counsel.

17 THE COURT: I'd like to see counsel, please.

18 MR. SCOLNICK: Okay. The same -- the counsel
19 that were meeting with the client?

20 THE COURT: Counsel, please. Yeah.

21 MR. SCOLNICK: Okay.

22 THE COURT: Yeah. Sir? Okay. Thank you very
23 much.

24 Counsel, in your discussions -- I want a record
25 -- I'm not going to preclude that question. Okay? So you



1 know. In fact, I don't quite know where that leads. It
2 may lead absolutely nowhere. But upon reflection, I'm
3 going to allow the question to be asked.

4 So you ask the question, Counsel, and I
5 expect a response from the witness.

6 MS. KAOUNIS: May I confer with my --

7 THE COURT: Certainly.

8 MS. KAOUNIS: -- lead counsel for one moment?

9 THE COURT: And that's no iteration (phonetic)
10 that any person is going to be called in the future, et
11 cetera. You're more than welcome to ask that question.

12 MR. SCOLNICK: I didn't hear what you just said.

13 THE COURT: That's no iteration from this point
14 forward that any person would be called in the future. It
15 may not open up a parade of horrors (sic) or additional
16 witnesses.

17 MR. SCOLNICK: Okay. That's what I --

18 THE COURT: I want that clear. You're entitled
19 to ask that question if you choose.

20 MR. SCOLNICK: Okay.

21 MS. KAOUNIS: I'm going to withdraw the
22 question, Your Honor.

23 THE COURT: All right.

24 MS. KAOUNIS: May I have one moment --

25 THE COURT: Certainly.



1 MS. KAOUNIS: -- to confer?

2 MS. KAOUNIS: I'm going to seek the Court's
3 guidance with this next line of questioning.

4 THE COURT: I'm sorry?

5 MS. KAOUNIS: I'm going to seek the Court's
6 guidance with this next line of questioning.

7 THE COURT: You know, I'm going to just have you
8 ask the question. Okay?

9 BY MS. KAOUNIS:

10 Q You've been criticized for your own lack
11 of accountability; correct?

12 MS. MITCHELL: Objection. 402. 403.

13 THE COURT: Overruled.

14 THE WITNESS: That's irrelevant as my role as a
15 Special Master. If the City had an issue with me being
16 the Special Master, they would not have entered into a
17 second agreement for the remaining three years. So I
18 think my record speaks for itself.

19 BY MS. KAOUNIS:

20 Q You believe you're qualified to make
21 recommendations about accountability, though; correct?

22 A Yes.

23 Q And in 2016, you were criticized for
24 missing nearly all of the meetings for committees you
25 served on as Santa Ana's representative at Southern



1 California's main water agency; correct?

2 MS. MITCHELL: Objection. 402. 403.

3 THE COURT: Overruled. You can answer the
4 question.

5 THE WITNESS: That's a false statement.

6 BY MS. KAOUNIS:

7 Q It was reported that you only attended 3
8 of 37 committee meetings you were assigned to; correct?

9 MS. MITCHELL: Objection. Relevance. 403.

10 THE WITNESS: Those committee meetings were not
11 mandatory. I attended all the board meetings. Big
12 difference.

13 BY MS. KAOUNIS:

14 Q It was actually reported that between May
15 2015 and your removal from the board in January 2016, you
16 missed seven out of the nine water planning meetings;
17 correct?

18 MS. MITCHELL: Objection. Relevance. 403.

19 THE COURT: You can answer the question.

20 THE WITNESS: I attended the board meetings.

21 BY MS. KAOUNIS:

22 Q So that reporting was incorrect? Is that
23 your testimony?

24 A I attended the board meetings. You said
25 planning meetings. Very different.



1 Q Okay. So the reporting was correct then?

2 You did actually miss seven of the nine --

3 A I attended the board meetings.

4 Q -- correct?

5 A I don't recall, but I attended board
6 meetings.

7 Q And your attendance record on two of the
8 committees on which you served was so bad that your fellow
9 members voted to remove you from those committees less
10 than a year after you were appointed; correct?

11 MS. MITCHELL: Objection ; relevance; 403.

12 THE COURT: You can answer the question.

13 THE WITNESS: That's not a factual statement.

14 BY MS. KAOUNIS:

15 Q Were you not removed from those committees
16 by a vote of your fellow committee members?

17 MS. MITCHELL: Same objection. I'd just like a
18 standing objection to this entire line of questioning,
19 Your Honor.

20 THE COURT: Overruled.

21 THE WITNESS: I don't know what board members or
22 who you're referring to.

23 BY MS. KAOUNIS:

24 Q Were you not removed from those committees
25 for which you missed the meetings?



1 A What -- are you aware that I served on
2 nine different committees? That is from a regional
3 perspective. I also served on six city council committee
4 meetings, plus being the vice mayor and the president at
5 the time of the Southern California Association of
6 Governments, and the president of the National Association
7 of Latino Elected Officials. So obviously, if you're
8 asking me if I could attend every single meeting based on
9 all those duties, obviously, that is not going to be the
10 case. So if you're speaking about my elected officials
11 that I served with on the Santa Ana City Council, they did
12 not want to serve on regional boards. So I served on
13 these regional boards here in the Los Angeles region.

14 Q So you're not denying that --

15 A Plus, my duties in the region in Orange
16 County.

17 Q -- so you're not denying that you were
18 removed from the three committees for which you --

19 A What committees are you speaking of,
20 ma'am?

21 Q Well, you were involved in several
22 committees; correct?

23 A I just mentioned nine. Yes.

24 Q Do you recall which committees those were?

25 A Yes.



1 Q Could you list them for us?

2 A For the City of Santa Ana? Those specific
3 committee meetings?

4 Q For --

5 A Or the regional?

6 Q -- for the water -- for the water agency.

7 A Which water agency?

8 Q The Southern California Regional Water
9 Agency.

10 A Which agency?

11 Q The Southern California Water Board.

12 A Do you mean the Metropolitan Water
13 District; the MET?

14 Q Let's get the article. No. No. No.
15 It's actually number -- give me one moment.

16 You're familiar with Voice of OC; correct?

17 A Yes.

18 Q Okay. And you're familiar with the fact
19 that there was an article done on November 3, 2016,
20 concerning your --

21 THE COURT: Could you speak up just a little bit
22 louder? Thank you.

23 BY MS. KAOUNIS:

24 Q You're familiar with an article that was
25 done concerning your attendance at various meetings?



1 A That was in 2016, ma'am. I'm not sure if
2 you want me to remember that. I cannot recollect from
3 2016. It's been over six years. Longer than six years.

4 Q The OC Political reported that you had
5 missed nearly all --

6 THE COURT: Counsel, just a little louder,
7 please, or pull the microphone closer.

8 BY MS. KAOUNIS:

9 Q The OC Political had reported that you
10 missed nearly all of the meetings for committees that you
11 serve on as the City's representative of Southern
12 California's main water agency. Do you recall that?

13 MS. MITCHELL: Renewing my standing objection to
14 this entire line of questioning under 402, 403, Your
15 Honor.

16 THE COURT: You can answer.

17 THE WITENSS: I don't understand the question.

18 BY MS. KAOUNIS:

19 Q You were appointed to three committees on
20 the water district board; correct?

21 A Which water district board? Can you
22 please be very specific?

23 Q The Metropolitan Water District of
24 Southern California; correct?

25 A Yes.



1 Q And that included -- those committees
2 included finance, legislation, and water planning;
3 correct?

4 A Yes.

5 Q And in those three committees there were
6 37 meetings during your tenure; correct?

7 A Yes.

8 Q And you attended 3 of those 37 meetings?

9 A I don't recall.

10 Q You don't dispute the reporting that you
11 only attended 3 of those 37 meetings; correct?

12 A I don't recall. It was long ago, ma'am.

13 Q You did respond to the press about
14 concerns over your expenditures as a member of the City
15 council, but you did not respond to the press concerning
16 your absenteeism from these meetings; correct?

17 MS. MITCHELL: Renew the objection 402, 403,
18 Your Honor.

19 THE WITNESS: I don't recall.

20 MS. KAOUNIS: Your Honor, please give me one
21 moment. I think I may be finished.

22 THE COURT: Certainly.

23 MS. KAOUNIS: Your Honor, I want to be very
24 clear for the record. Are you instructing that if I asked
25 about expenditures while the Special Master was on the



1 City council or in another elected or appointed position,
2 that would open the door to communications --

3 THE COURT: No. Ask her any question you'd
4 like, Counsel.

5 MS. KAOUNIS: Okay.

6 BY MS. KAOUNIS:

7 Q I questioned you briefly before about the
8 allegations that you had violated government travel
9 policies, state disclosure rules, and state ethics laws.
10 Do you recall that?

11 A I don't.

12 Q Do you recall allegations concerning a
13 reported summer trip to Europe that cost taxpayers
14 \$53,000?

15 MS. MITCHELL: Objection. 402. 403.

16 THE COURT: You can answer that question.

17 THE WITNESS: For what agency?

18 BY MS. KAOUNIS:

19 Q This was while you were on the City
20 council.

21 A Yes. But what agency was I representing
22 when I went on that Europe trip? Was it a regional entity
23 or was it for the City of Santa Ana?

24 Q Do you recall which agency --

25 A Yes. The Southern --



1 Q -- you were representing?

2 A -- California Association of Governments,
3 SCAG.

4 Q Okay. And you were criticized for that
5 expenditure of \$53,000 in connection with that trip to
6 Europe; correct?

7 MS. MITCHELL: Same standing objection, Your
8 Honor, to this entire --

9 THE WITNESS: That's an allegation. I'm not
10 sure what you're speaking to of \$53,000. I don't know.

11 BY MS. KAOUNIS:

12 Q That was a week-long trip to London and
13 Milan; correct?

14 A On behalf of SCAG, yes. With SCAG staff,
15 yes.

16 Q And the allegations criticizing your trip
17 concerned a separate taxpayer-funded trip, as well, for
18 yourself and close to a dozen others at a cost of \$15,551;
19 correct?

20 A That's a cumulative total with other
21 elected officials, correct, from the region? Including, I
22 think, some Los Angeles council members at the time --

23 Q And that was --

24 A -- if I'm not mistaken.

25 Q -- and that was in connection with a trip



1 that was near Vegas; correct?

2 A Where?

3 Q Las Vegas.

4 A For what entity?

5 Q You just said a moment ago it was in
6 connection with the water board. No?

7 A I did not say -- no. That's a
8 misstatement. I did not say the water board.

9 Q Okay. So just to be clear for the record.
10 What was the prior trip in connection with?

11 A I don't know. I've been on many trips to
12 Las Vegas on behalf of various different -- whether it be
13 the City, whether it be different regional boards.

14 I'm not sure if you're aware the City of
15 Santa is not a full-time position like the City of Los
16 Angeles. It is a part-time position. And if you don't
17 understand the magnitude when I served on nine regional
18 boards while -- I did not get paid for a majority of those
19 boards. And specifically that you're speaking of in
20 regards to the Metropolitan Water District, I was not
21 compensated for those meetings. So I just want to state
22 that for the record.

23 Q Okay. You were not compensated except for
24 the fact that you took a \$53,000 trip; correct?

25 A I did not take a 53,000. That is a



1 cumulative total with other elected officials, including
2 staff.

3 Q In response to the article, you didn't
4 deny taking the trip to Europe; correct?

5 A No. I went on behalf of the Southern
6 California Association of Governments as president of the
7 organization to understand transportation and specifically
8 cordon bleu pricing, which the City of Los Angeles and
9 this region was trying to move towards with LA Metro.

10 Q And you didn't deny that you stayed at
11 five-star hotels?

12 A I'm not -- I don't know what hotels. I
13 don't recall. I didn't make those reservations. The SCAG
14 staff made those.

15 Q Okay. And you didn't deny that the trip
16 was paid for with federal money?

17 A And again, those are allegations and I
18 don't know what source of revenue was paid -- paid for
19 what. That was on behalf of the Southern California
20 Association of Governments.

21 Q You did say in response to the article
22 that the trip to Europe was paid for by a federal grant in
23 order to explore ways to reduce traffic in Southern
24 California; correct?

25 A Yeah. The cordon bleu as I mentioned



1 prior. So yeah, I do have that recollection. Yes.

2 Q And you told the reporter that, "Had I not
3 gone, the grant would have likely funded the travel of a
4 non-Orange County representative." Correct?

5 A I don't recall. It's very -- a long time
6 ago.

7 Q Traffic in Southern California hasn't been
8 solved; right?

9 A I don't know. I'm no longer a policy
10 maker.

11 Q You have personal experience with traffic
12 in California having been solved?

13 A I served on the California Transportation
14 Commission so, yes, throughout the state. Yes.

15 Q So just to be clear. Your understanding
16 is traffic has not been solved in California -- in
17 Southern California; correct?

18 A I did not say that.

19 Q Well, do you --

20 A I have experience with policy in regards
21 to traffic conditions and/or other ways to mediate traffic
22 congestion in the State of California in my role as the
23 California Transportation -- as a California
24 Transportation Commissioner appointed by Governor Newsom.

25 Q It's really hard to try and solve the



1 problem of traffic in Southern California, if it ever can
2 be solved; right?

3 A I disagree.

4 MS. MITCHELL: Objection. This is so far afield
5 of --

6 THE WITNESS: Yes.

7 MS. MITCHELL: -- what this case is about. This
8 is a 403 issue. This is argumentative at this point.

9 MS. KAOUNIS: I'll withdraw the question.

10 BY MS. KAOUNIS:

11 Q I have just a question in relation to your
12 payment.

13 You stated that you were a public
14 official. You were not paid for some of the meetings that
15 you went to; is that right?

16 A Correct.

17 Q While you were employed by the City of
18 Santa Ana, you did receive income as a principal of a
19 consulting firm; correct?

20 A I don't understand your question.

21 Q You received other income while you were
22 employed by the City of Santa Ana; correct?

23 A I wasn't employed by the City of Santa
24 Ana. I'm not sure what you're alluding to. I was elected
25 to the position.



1 Q Right. And while you were an elected
2 official in the City of Santa Ana, you also received
3 income as the principal of a consulting firm?

4 A It's a part-time job, ma'am. It's not a
5 full-time job like in the City of Los Angeles. So yes,
6 you have to have a full-time job as a council member in
7 the City of Santa Ana. And I worked -- I was in a
8 consulting firm. I worked for the Orange County Alliance
9 for a Healthy Community that was funded by the California
10 Endowment for nine years.

11 Q You made a public disclosure that you were
12 the principal of a consulting firm during your term as a
13 Santa Ana council member; correct?

14 MS. MITCHELL: Renewed objection. 402. 403.

15 THE COURT: You can answer.

16 THE WITNESS: I don't know if it was prior to my
17 role for the last nine years as the executive director for
18 the Alliance. I don't know what you're speaking to
19 specifically. What time period?

20 BY MS. KAOUNIS:

21 Q Well, in --

22 A I served for 12 years consecutively from
23 2006 to 2018.

24 Q -- okay. In 2018 you filed a public
25 disclosure sating that you received compensation as both a



1 principal of a consulting firm, as well as the director of
2 a "fiscal sponsor," with each ranging in compensation
3 between \$10,000 and \$100,000 for that year. Is that
4 accurate?

5 A I don't have my -- the information in
6 front of me to answer that. I don't recollect.

7 Q You have no reason to believe that your
8 public disclosures were inaccurate; correct?

9 A They were not inaccurate. No. I don't
10 have those disclosures in front of me.

11 MS. MITCHELL: I just want to renew and make
12 sure that the record is clear, when we look at this later,
13 that I still have a standing objection for 402, 403.

14 MS. KAOUNIS: Okay. Thank you, Your Honor.

15 THE COURT: Redirect?

16 MS. MITCHELL: Sure.

17 THE COURT: Do you need a break?

18 MS. MITCHELL: You know what, Your Honor? If we
19 could take just five minutes so I can get a set up, I
20 think that would be helpful.

21 THE COURT: Yeah. Ten minutes. Thank you.
22 We're in recess.

23 (A recess was taken off the record.)

24 THE COURT: Let's go back on the record. Are we
25 on the record? Excellent.



1 So, Counsel, we're back on the record.

2 All counsel are present and this would be
3 redirect.

4 And, once again, would you introduce
5 yourself to the record just because we're on CourtSmart.

6 MS. MITCHELL: Yes, Your Honor. Thank you.
7 Good morning. I think it's still morning. Elizabeth
8 Mitchell on behalf of Plaintiff, LA Alliance for Human
9 Rights.

10 REDIRECT EXAMINATION3

11 BY MS. MITCHELL:

12 Q Ms. Martinez, did the City agree to your
13 appointment as a monitor back in 2020 when this case first
14 started?

15 MS. KAOUNIS: Objection. Relevance.
16 Foundation.

17 MS. MITCHELL: Let me rephrase the question.
18 That was a bad question.

19 BY MS. MITCHELL:

20 Q Did the City object to the Court's
21 appointment of you as Special Master when this case first
22 started back in 2020?

23 MS. KAOUNIS: Objection. Foundation.

24 THE WITNESS: A Not to my recollection.

25 THE COURT: Overruled.



1 BY MS. MITCHELL:

2 Q Did the City object to you continuing to
3 serve as Special Master as this case was pending in 2021?

4 MS. KAOUNIS: Objection. Foundation.

5 THE COURT: Overruled.

6 THE WITNESS: Not to my recollection.

7 BY MS. MITCHELL:

8 Q Did the City agree to your appointment as
9 monitor over this agreement to help the Court enforce and
10 oversee this agreement in 2022?

11 MS. KAOUNIS: Objection. Foundation. Calls for
12 a legal conclusion. Vague.

13 THE COURT: Overruled.

14 THE WITNESS: Yes. I signed a contract
15 agreement with the City of Los Angeles.

16 BY MS. MITCHELL:

17 Q Okay. And did the City recently renew
18 that contract to have you continue to serve as monitor
19 over this agreement to assist the Court through the
20 continuation of this agreement until 2027?

21 MS. KAOUNIS: Objection. Vague. Calls for a
22 legal conclusion. Foundation.

23 THE COURT: Overruled

24 THE WITNESS: Yes.

25 BY MS. MITCHELL:



1 Q Approximately, how many public hearings
2 have we had in this case since its inception in March 10,
3 2020?

4 MS. KAOUNIS: Objection. Relevance.

5 THE COURT: I don't know what you mean by public
6 hearings.

7 MS. MITCHELL: Hearings in this case, Your
8 Honor. Status conferences, et cetera.

9 THE COURT: In court?

10 MS. MITCHELL: In court. Yes.

11 THE COURT: Not council meetings, et cetera? In
12 court?

13 MS. MITCHELL: I'll clarify the question, Your
14 Honor. Thank you.

15 THE COURT: Sure.

16 BY MS. MITCHELL:

17 Q How many hearings or status conferences
18 have we had here in court today regarding this case --
19 sorry. How many hearings have we had in this case since
20 2020 which you have attended?

21 MS. KAOUNIS: I'm sorry. Could we hear that
22 question again, Your Honor.

23 MS. MITCHELL: Sure.

24 BY MS. MITCHELL:

25 Q How many -- I don't want to call them all



1 hearings. So I will say --

2 MS. MITCHELL: Well, I'll call them hearings,
3 Your Honor.

4 BY MS. MITCHELL:

5 Q Special Master Martinez, if I refer to any
6 time we have appeared on the record here in this court on
7 these proceedings as hearings, will you understand that
8 phrase?

9 A Yes.

10 Q Okay. How many hearings have you attended
11 in your role as either Special Master or monitor as part
12 of this case?

13 A I couldn't tell you a specific number, but
14 it was several.

15 Q Hundreds, maybe?

16 A Potentially. You know, off the top of my
17 head, I don't know.

18 Q Potentially thousands?

19 A I wouldn't be able to tell you but there
20 were a lot of -- a lot of hearings.

21 MS. KAOUNIS: Objection. Calls for speculation.

22 BY MS. MITCHELL:

23 Q Has anybody from the City, prior to these
24 evidentiary hearings, objected to your participation or
25 appointment as Special Master or monitor in this case?



1 MS. KAOUNIS: Objection. Foundation. Calls for
2 a legal conclusion. Vague.

3 THE COURT: Overruled.

4 THE WITNESS: Not to my recollection.

5 BY MS. MITCHELL:

6 Q Okay. Does the failure to attend some
7 committee meetings nine years ago have anything to do with
8 what we're here talking about in these evidentiary
9 hearings from your perspective?

10 MS. KAOUNIS: Objection. Vague. Calls for a
11 legal conclusion.

12 THE COURT: That's sustained.

13 THE WITNESS: No.

14 MS. KAOUNIS: The objection was sustained.

15 THE COURT: Sustained. Stricken.

16 BY MS. MITCHELL:

17 Q How many hours per week on average since
18 2020, your appointment as Special Master in 2020, have you
19 worked on the Los Angeles homeless issues?

20 MS. KAOUNIS: Objection. Vague.

21 THE COURT: Overruled.

22 THE WITNESS: From what I submit to what I don't
23 submit, you know, this is a 24/7 job. I don't -- you
24 know, I wouldn't be able to tell you -- you know, I don't
25 turn on a clock or turn off a clock. I'm working at all



1 hours. There's times where I'm watching homeless and
2 housing committee meetings at 12:00 o'clock or 1:00
3 o'clock in the morning, you know, to catch up or reviewing
4 documents.

5 As many of you are aware, there's hundreds
6 of documents on the issues of housing and homelessness.
7 You know, so I wouldn't be able to tell you. I have been
8 -- I've done my very best to do the right thing, and that
9 means that I don't, you know, submit every single minute,
10 hour, to the City. I do it because it's the right thing
11 to do.

12 BY MS. MITCHELL:

13 Q Would you be able to give us an estimate
14 of the number of hours that you spend on the issue of Los
15 Angeles homelessness between the hours that you do pro
16 bono, that you don't charge anybody, the hours that you
17 spend overseeing the City agreement, and the hours that
18 you spend overseeing the county agreement, in total.
19 Would you be able to give us an average estimate of the
20 number of hours that you work on these issues per week?

21 MS. KAOUNIS: Objection. Calls for speculation.
22 Relevance.

23 THE COURT: Overruled.

24 THE WITNESS: I can tell you, off the top of my
25 head, no, but I could tell you that 99 percent of the time



1 I'm working seven days a week.

2 BY MS. MITCHELL:

3 Q Would you estimate that it's more than 40
4 hours a week?

5 A Yes.

6 Q More than 50 hours a week?

7 MS. KAOUNIS: Objection. Relevance.

8 THE WITNESS: Yes.

9 MS. KAOUNIS: Relevance.

10 THE COURT: Overruled.

11 BY MS. MITCHELL:

12 Q And have you worked approximately, you
13 know, more than 50 hours per week on these issues since
14 you were appointed as Special Master in 2020, on average?

15 MS. KAOUNIS: Objection. Relevance. Vague.
16 Foundation.

17 THE COURT: Overruled.

18 THE WITNESS: Yes.

19 BY MS. MITCHELL:

20 Q I'm sorry. What was the answer?

21 A Yes.

22 Q Yes. Okay. Would you agree that in that
23 process of the last five years, working so many hours, you
24 have become very knowledgeable about the homelessness
25 response system in Los Angeles?



1 MS. KAOUNIS: Objection. Calls for expert
2 opinion. Vague. Foundation. Relevance.

3 THE COURT: Overruled.

4 THE WITNESS: I have a good understanding of the
5 system. Yes.

6 BY MS. MITCHELL:

7 Q More knowledge of the system than a lay
8 person would have?

9 MS. KAOUNIS: Objection. Foundation.
10 Relevance. Vague.

11 THE COURT: I don't know what a lay person has,
12 Counsel.

13 BY MS. MITCHELL:

14 Q Is the homelessness response system in
15 your view in Los Angeles complicated?

16 MS. KAOUNIS: Objection. Vague.

17 THE COURT: Overruled.

18 THE WITNESS: It's complex and very nuance.

19 BY MS. MITCHELL:

20 Q In order to meet the -- for the City to
21 meet its obligations under the settlement agreement, does
22 there need to be a functioning homelessness response
23 system in Los Angeles, in your opinion?

24 MS. KAOUNIS: Objection. Vague. Asked and
25 answered. Calls for a legal conclusion. Calls for



1 speculation. Foundation. Calls for expert opinion, if I
2 didn't say that.

3 THE COURT: Overruled.

4 THE WITNESS: In my opinion, based on the
5 components of the homeless response system specifically
6 for the City of Los Angeles, and I've discussed this
7 various times in many of the public hearings here and with
8 the parties, that the regional system that the City of Los
9 Angeles puts as housing solutions, or bed, or units, into
10 the CES system does not function well for the City of Los
11 Angeles.

12 BY MS. MITCHELL:

13 Q Okay. And in providing the
14 recommendations that you provided in Exhibit 93, which is
15 before you, and I'm specifically showing you page 20 but
16 I'm referring to all of the recommendations, did you make
17 these recommendations in order to suggest ways that the
18 City could change the way it's operating in order to
19 comply with the agreement?

20 MS. KAOUNIS: Objection. Vague. Relevance.
21 Calls for an expert opinion. Calls for a legal
22 conclusion.

23 THE COURT: Overruled.

24 THE WITNESS: In my opinion, and yes, they are
25 recommendations that I feel based on my observations and



1 learning sessions, communications with elected officials,
2 hearing the homeless and housing committee meetings, and
3 council meetings, these are some of the issues that have
4 been brought up, and I believe these recommendations would
5 fit the City of Los Angeles to address its components
6 within the homeless response system.

7 BY MS. MITCHELL:

8 Q And those recommendations are made in
9 order to advise the City of how it could change its
10 operations in order to meet the terms of the settlement
11 agreement. Is that right?

12 MS. KAOUNIS: Objection. Vague. Speculation.
13 Foundation. Calls for a legal conclusion. Calls for
14 expert opinion. Relevance.

15 THE COURT: Overruled.

16 THE WITNESS: In my opinion, recommendations,
17 yes.

18 BY MS. MITCHELL:

19 Q Now showing you page 27 of Exhibit 93.
20 You were asked this question on Counsel's cross-
21 examination regarding this phrase in your recommendation.
22 The full paragraph reads, "It is recommended to mandate
23 the creation of a new bed plan and strategies for
24 encampment resolution ensuring endorsement by the LA
25 Alliance to promote consensus on operational objectives



1 aligned with the City's vision for homeless services."

2 Did I read that right?

3 A Yes.

4 Q Okay. Now, ensuring endorsement by the LA
5 Alliance, was that provision included in your
6 recommendations in order to comply with the terms of the
7 settlement?

8 MS. KAOUNIS: Objection. Leading. Vague.
9 Foundation. Legal opinion. Relevance.

10 THE COURT: Overruled.

11 THE WITNESS: Yes. This agreement is with the
12 parties, the LA Alliance and the City of Los Angeles.

13 BY MS. MITCHELL:

14 Q Showing you Exhibit 25, Section 5.2. Does
15 Section 5.2 provide for the City and Plaintiffs to agree
16 to work together in good faith to resolve any concerns or
17 disputes about plans, milestones, and deadlines provided?

18 MS. KAOUNIS: Objection. Calls for a legal
19 opinion. Foundation. Vague.

20 THE WITNESS: For what I'm reading here, yes.

21 BY MS. MITCHELL:

22 Q And is that section that --

23 THE COURT: Counsel, it's overruled.

24 MS. MITCHELL: Thank you, Your Honor.

25 BY MS. MITCHELL:



1 Q The section that you referred to as -- of
2 Exhibit 93 that suggested that the City ensured
3 endorsement by LA Alliance, was that intended to meet this
4 section of the settlement agreement, Section 5.2?

5 MS. KAOUNIS: Objection. Leading. Calls for a
6 legal opinion. Relevance. Vague. Speculation.

7 THE WITNESS: Yes.

8 THE COURT: Overruled.

9 THE WITNESS: Where it states here that, "The
10 City will provide the plans, milestones, and deadlines to
11 Plaintiffs and the City, and Plaintiffs agree to work
12 together in good faith to resolve any concerns or disputes
13 about the plans necessary."

14 BY MS. MITCHELL:

15 Q Thank you. Showing you page 17,
16 specifically regarding the recommendations that you made
17 as your role as Special Master and monitor in this case.

18 MS. MITCHELL: May I have a moment, Your Honor?

19 THE COURT: Certainly.

20 BY MS. MITCHELL:

21 Q There we go. I showed you the wrong
22 section. I apologize.

23 So regarding the 3,822 beds that were not
24 opened by -- or excuse me -- there was no plan for the
25 3,822 beds by the end of 2024, Counsel asked you some



1 questions about the City producing 2,000 beds per year for
2 the next two years and whether that would satisfy the
3 agreement. Do you recall that line of questioning?

4 A I do.

5 Q Okay. Based on your review of all of the
6 City's documents, of the housing and homelessness
7 committee, the city council meetings -- and I apologize,
8 THE WITNESS. What is the third city entity committee that
9 deals with homelessness? It's like an ad hoc committee.

10 A The CAO, the homeless strategy committee
11 meeting.

12 Q The homeless strategy committee meeting.
13 Thank you.

14 So between the homeless strategy committee
15 meeting, and housing and homelessness committee meeting,
16 the city council meetings, all of which you observed, have
17 you seen any indication that the City actually has a plan
18 to meet the delta to fulfill the agreement in this case?

19 MS. KAOUNIS: Objection. Foundation. The
20 witness previously testified that she couldn't answer the
21 question. Also, assumes facts. She said that the witness
22 actually attended all of those meetings for those three
23 individual groups. Calls for a legal opinion. Vague.
24 Speculation.

25 THE COURT: Overruled.



1 THE WITNESS: Can you repeat your question?

2 BY MS. MITCHELL:

3 Q Sure. Based on your review of the
4 documents and watching -- or attending or monitoring the
5 various meetings, have you seen any evidence that the City
6 has an actual plan to meet its delta to provide those
7 beds, which it currently doesn't have a plan, by June
8 2027?

9 MS. KAOUNIS: Same objections. And
10 argumentative.

11 THE COURT: Overruled.

12 THE WITNESS: I could only speak to what the
13 City council and the staff continually trying to
14 understand how they're going to be able to meet the LA
15 Alliance agreement, and specifically the beds that they
16 don't have a funding plan for. That is a continue (sic)
17 conversation. Not only in the housing and homeless
18 committee meeting, but obviously in the city council
19 meetings, as well.

20 BY MS. MITCHELL:

21 Q Thank you.

22 A And recent budget discussions.

23 Q Understood. Thank you.

24 Showing you Exhibit 25 -- and thank you
25 for bearing with me as we bounce back and forth.



1 Specifically, focusing on Section 3.1
2 where the City has agreed to create a required number of
3 housing or shelter solutions in those first two lines. Do
4 you see that?

5 A Yes.

6 Q Do you also refer to that phrase, "housing
7 or shelter solutions" as beds?

8 MS. KAOUNIS: Objection. Misstates the
9 document.

10 THE COURT: Overruled.

11 THE WITNESS: Yes. In reference to the -- also
12 the City quarterly reports, they don't use "housing" or
13 "shelter." They use "bed" or "units."

14 MS. KAOUNIS: Also foundation.

15 THE COURT: Overruled.

16 BY MS. MITCHELL:

17 Q Did anyone from the City contact you to
18 discuss your testimony prior to this hearing?

19 A No.

20 Q Had anybody from the City contacted you to
21 discuss your testimony prior to this hearing, would you
22 have met with them?

23 A Yes. Of course. I've always had an open
24 door with all the parties. And every time they want --
25 wish to -- the City has wished to speak to me, I've always



1 made myself available.

2 Q Showing you page 4 of the settlement
3 agreement, Exhibit 25.

4 Specifically referring to the sentence
5 from line 19 to line 21 regarding the Special Master, can
6 you read that into the record, please, that I've
7 highlighted?

8 A "The parties acknowledge that the Court
9 may in its sole discretion appoint one or more Special
10 Masters to assist the Court in overseeing and enforcing
11 this agreement."

12 Q And do you -- and in fact, you were
13 appointed as Special Master to assist the Court in this
14 case; correct?

15 MS. KAOUNIS: Objection. Vague.

16 THE COURT: Overruled.

17 THE WITNESS: Yes.

18 BY MS. MITCHELL:

19 Q And in issuing your last yearly report and
20 this -- I will say your first yearly report which has been
21 identified, and I believe introduced, as Exhibit 90, and
22 the most recent yearly report, which has been introduced
23 as Exhibit 93 -- in issuing those reports, are you
24 fulfilling your obligation from your view to assist the
25 Court in overseeing and enforcing this agreement?



1 MS. KAOUNIS: Objection. Vague. Foundation.
2 Calls for a legal opinion. Calls for an expert opinion.

3 THE COURT: Overruled.

4 THE WITNESS: Yes.

5 BY MS. MITCHELL:

6 Q And aside from the occasional typo that
7 we've talked about in Exhibits 90 and 93, as you sit here
8 today, do you agree with everything that you included in
9 those two reports?

10 A Yes.

11 MS. MITCHELL: I have no further questions.

12 THE COURT: Ms. Myers?

13 MS. MITCHELL: I didn't realize it was you. I'm
14 sorry. Go ahead. I'll set it up.

15 THE COURT: Do you need time to set up?

16 MS. MYERS: Just a couple minutes, Your Honor.

17 THE COURT: Do you need a recess or --

18 MS. MYERS: No. It'll literally be less than a
19 minute. Not even that long. Thanks.

20 THE COURT: Okay.

21 MS. MYERS: Shayla Myers on behalf of the Legal
22 Aid Foundation of Los Angeles for the Intervenors in this
23 case.

24 Special Master Martinez, good morning.

25 THE WITNESS: Good morning.



1 MS. MYERS: I just have a couple of questions
2 for you.

3 DIRECT EXAMINATION

4 BY MS. MYERS:

5 Q So in the course of both your examinations
6 from both parties, you were asked a lot of questions
7 related to Exhibit 93, your report. In preparation for
8 your testimony in this proceeding, did you review your
9 report?

10 A I skimmed through it. Yes. I skimmed
11 through both of them. I have them both handy here while
12 we were in the court. Yes.

13 Q And you've been asked a lot of questions
14 in the course --

15 A Yes.

16 Q -- in the course --

17 A Yes.

18 Q -- of the last day and today about that
19 report. Did any of the questions that you were asked, or
20 anything that you reviewed in anticipation of this, change
21 any of the conclusions that you made in your report?

22 MS. KAOUNIS: Objection. Vague.

23 THE WITNESS: No.

24 THE COURT: Overruled.

25 BY MS. MYERS:



1 Q And then you also submitted an earlier
2 report which is Exhibit 90. And in the course of
3 preparing for this examination in this hearing, did you
4 review Exhibit 90, your earlier report?

5 A Yes. I skimmed through it.

6 Q And you've been asked a lot of questions
7 about the report in the course of the past couple of days.
8 Did any of the questions, or anything that you reviewed,
9 change any of the conclusions that you made in the report?

10 A No.

11 Q Really quickly, I'm going to ask you just
12 a quick -- a couple of quick questions related to Exhibit
13 90. And again, this is Docket 674, which is your earlier
14 report to the Court -- your first report to the Court --
15 which was filed on February 29, 2024.

16 I'm going to show you specifically Table 2,
17 which is the 60 percent encampment resolutions per council
18 district target. Are you familiar with this table?

19 A Yes.

20 Q What's your understanding of what this
21 table is?

22 A This is based on the encampment,
23 milestones, or goals, whatever we want to call them, that
24 the City provided per each council district.

25 Q And you received this from the City; is



1 that correct?

2 A The City. Yes.

3 Q Okay. And it says in the paragraph before
4 the table, it says, "On January 31, 2024, the city council
5 approved the milestones."

6 Milestones refer to Table No. 2?

7 MS. KAOUNIS: Objection. Vague. Calls for a
8 legal opinion.

9 THE COURT: Overruled.

10 THE WITNESS: This is my table. The City
11 provided a different format of the 9,800 milestones, yes,
12 that the City approved.

13 BY MS. MYERS:

14 Q Okay. But the contents in Table 2 match
15 the milestones that the city council approved based on
16 your understanding; correct?

17 MS. KAOUNIS: Objection. Vague. Foundation.
18 Hearsay.

19 THE COURT: Overruled.

20 THE WITNESS: Yes.

21 BY MS. MYERS:

22 Q Okay. And so when it says, "The City
23 provided the confirmed proposal of 9,800 encampment
24 reduction milestones over four years," that refers to
25 Table 2; correct?



1 A Yes.

2 MS. KAOUNIS: Objection. Vague.

3 THE COURT: Overruled.

4 BY MS. MYERS:

5 Q Did the City provide you any other
6 documentation other than the table that was included as
7 part of the encampment reduction plan that was approved by
8 the city council?

9 MS. KAOUNIS: Objection. Vague. Foundation.
10 Relevance.

11 THE WITNESS: Not to my recollection.

12 THE COURT: Overruled.

13 BY MS. MYERS:

14 Q And just for the record, this -- the table
15 continues on to page 17.

16 When you look at this document it refers
17 to encampment resolutions per council district targets;
18 correct?

19 A Correct.

20 Q In the previous paragraph you refer to
21 encampment reductions; correct?

22 A Yes.

23 Q For purposes of your reporting, have you
24 used the term "reduction" and "resolution"
25 interchangeably?



1 MS. KAOUNIS: Objection. Vague. Calls for an
2 expert opinion.

3 THE WITNESS: Yes.

4 THE COURT: Overruled.

5 BY MS. MYERS:

6 Q And are you aware if the City has also --

7 THE COURT: Let's slow down the question and
8 answer. I don't think there's a chance to lodge the
9 objection before the answer is coming out. So re-ask the
10 question.

11 MS. MYERS: The prior question?

12 THE COURT: Yes.

13 BY MS. MYERS:

14 Q So is it your understanding that the City
15 of Los Angeles has also used the term "encampment
16 reduction" and "encampment resolution" interchangeably?

17 THE COURT: Just a moment. Don't answer,
18 please.

19 MS. KAOUNIS: Objection. Hearsay. Calls for a
20 legal opinion. Relevance.

21 THE COURT: Overruled.

22 Now, you can answer.

23 THE WITNESS: Yes. Per council meetings,
24 housing and homeless committee meetings, yes, they have.

25 BY MS. MYERS:



1 Q And also for purposes of the City's
2 quarterly reports; correct?

3 A Yes.

4 MS. KAOUNIS: Same objections.

5 THE COURT: Overruled.

6 BY MS. MYERS:

7 Q When you provided this report to the
8 Court, when you filed it, did you receive any corrections
9 from the City of Los Angeles related to your referral of
10 the -- in Table 90 to encampment resolutions?

11 MS. KAOUNIS: Objection. Relevance.
12 Foundation. Vague.

13 THE COURT: Overruled.

14 THE WITNESS: I did not.

15 BY MS. MYERS:

16 Q In fact, have you ever received any
17 correction from the City of Los Angeles for your use of
18 the term "resolution" interchangeably with the term
19 "reduction"?

20 MS. KAOUNIS: Objection. Vague. Calls for a
21 legal opinion. I'm sorry. Assumes facts. Foundation.

22 THE COURT: Overruled.

23 THE WITNESS: Not to my recollection.

24 MS. MYERS: Okay. Thank you. I have no
25 further questions.



1 THE COURT: Counsel, recross? Would you like
2 time to set up?

3 MS. KAOUNIS: No. Just a few short questions.

4 THE COURT: No recess. Okay.

5 MS. KAOUNIS: Thank you.

6 RECROSS-EXAMINATION

7 BY MS. KAOUNIS:

8 Q You were asked about whether the city had
9 objected at any point to your appointment as a Special
10 Master. Do you recall that testimony?

11 A Yes.

12 Q Did you give the City any documents prior
13 to your appointment disclosing any of the issues related
14 to your fiscal responsibility, or trips, or attendance at
15 committee meetings, that I examined you about previously?

16 MS. MITCHELL: Objection. Assumes facts.

17 THE COURT: Overruled. You can answer the
18 question.

19 THE WITNESS: That's irrelevant.

20 BY MS. KAOUNIS:

21 Q So the answer is you did not give the City
22 any --

23 A They never asked and it's irrelevant. Why
24 would they -- my prior elected position in -- no.

25 Q So the answer is no?



1 A They never asked. That is correct. No.

2 Q You also testified about your meeting with
3 Counsel. How long was your meeting with the counsel for
4 Alliance prior to your -- or in preparation for your
5 testimony?

6 A I don't recall. I wouldn't be able to
7 tell you. Yeah. I don't know.

8 Q You could -- would you estimate that it
9 was more than an hour?

10 A I wouldn't be able to -- I'm not sure. I
11 can't tell you. Yeah. I don't -- I don't -- I wasn't
12 looking at my watch, unfortunately.

13 Q Well, you --

14 A So when we ended, we ended and I moved on
15 to the very next thing. I actually was moving on to get
16 ready to watch the council meeting. So I had a lot of
17 other things on my mind.

18 Q Okay. You don't recall whether you
19 calendared it for an hour or a half day?

20 A I could go and look at my phone and tell
21 you what I calendared it for, if you'd like.

22 Q Well, do you have a specific -- I'd be
23 happy for you to do that, but I don't know if the Court
24 would entertain that.

25 THE COURT: What would you like? Would you like



1 her to look at her phone?

2 BY MS. KAOUNIS:

3 Q Yeah. If you could tell us how long you
4 did calendar for it, it would be helpful.

5 A It was from 9:00 o'clock to 10:00 a.m.

6 Q Okay.

7 THE COURT: Would you come back so that we can
8 hear your answer?

9 THE WITNESS: It was a Friday from 9:00 o'clock
10 to 10:00 a.m.

11 BY MS. KAOUNIS:

12 Q Okay. And you testified that generally
13 you discussed the topics about what you would be
14 testifying; correct?

15 A Questions. Yes.

16 Q Okay. And do you recall Counsel providing
17 you with specific questions that you would be asked?

18 A Off the top of my head, I don't have them
19 specifically. No.

20 Q But there was a mock Q&A, so to speak, a
21 mock question and answer during the call?

22 A It wasn't really -- they asked me
23 questions, but I don't think they asked me the answer --
24 asked me to answer. No.

25 Q So they gave you questions, sample



1 questions, that they might ask you while you were on the
2 stand; correct?

3 A Yes. Based on my report, yes.

4 Q Okay. And to the best of your
5 recollection, the subject matter of the questions were
6 solely related to your report?

7 A Predominantly, and the agreement. Yes.

8 Q Okay. And the agreement is the settlement
9 agreement, the Alliance settlement agreement; correct?

10 A Um-hum. Yes.

11 Q And to the best of your recollection, do
12 you recall referring to any other documents during that
13 one-hour session in which you were preparing for your
14 testimony?

15 A Not that I recall.

16 Q And did you -- are you planning to bill
17 the City for that meeting?

18 THE COURT: Would you -- would you say that
19 slower? I'm sorry.

20 BY MS. KAOUNIS:

21 Q Are you planning to bill the City for that
22 meeting?

23 THE COURT: Okay. Thank you.

24 THE WITNESS: I'm not sure yet.

25 BY MS. KAOUNIS:



1 Q Okay. And did you --

2 A I have not submitted my hours. I have not
3 reviewed any of that yet. So - because I've -- we've
4 obviously been here for the past now, I think, seven days.
5 So I have not had the time to yet.

6 Q -- and did you think that it was proper to
7 meet with Plaintiff's counsel in preparation for your
8 testimony without notifying the City or Intervenors that
9 you would be doing so?

10 A I didn't even notify the Court. I just
11 asked -- there are times I have meetings with the City and
12 other parties, and I don't say that I, you know, I'm going
13 to go and call the LA Alliance that I met -- that I had a
14 meeting with the City of Los Angeles. No. I don't do
15 that.

16 Q I understand.

17 A Unless I'm asked, but yeah. No.

18 Q I didn't mean to interrupt you. Sorry.

19 I understood your prior testimony to say that
20 you were willing to meet with the City or the Intervenors
21 in preparation for your testimony if they had asked;
22 correct?

23 A Yes. Of course.

24 Q But you hadn't disclosed to the City or
25 the Intervenors that you would be meeting with Plaintiff's



1 counsel in preparation for your testimony; right?

2 A It's not my job to advise. If they wanted
3 -- knowing that we were going to have this hearing and my
4 name was on the list to be a witness, the City and the
5 Intervenors had the opportunity to contact me. They had
6 the list of who were the witnesses.

7 Q You understand that the assistance that
8 you are providing to the Court is not providing legal
9 opinions as to what the Alliance settlement requires;
10 correct?

11 A That's not my role. I'm not an attorney.
12 You've state (sic) that many times.

13 Q Okay. And your understanding is that the
14 Alliance settlement agreement only requires that the bed
15 count and the encampment reductions be achieved, but it
16 doesn't dictate how the bed count and encampment
17 reductions are to be achieved; correct?

18 MS. MITCHELL: Objection. Beyond the scope.
19 Vague. Calls for speculation. And calls for a legal
20 conclusion.

21 THE COURT: Overruled.

22 THE WITNESS: Can you restate your question?

23 BY MS. KAOUNIS:

24 Q Sure. You understand that the Alliance
25 settlement agreement requires that the bed count and the



1 encampment reductions be achieved; correct?

2 A Yes. Through the milestones that were
3 provided by the City of Los Angeles. Yes.

4 Q Okay. But the settlement agreement does
5 not dictate how the City must achieve those bed counts and
6 encampment reductions; correct?

7 MS. MITCHELL: Objection. Vague.

8 I'm sorry. Were you done?

9 MS. KAOUNIS: Now, I am.

10 MS. MITCHELL: Okay. Objection. Vague. Calls
11 for a legal conclusion.

12 THE COURT: Overruled. You can answer the
13 question.

14 THE WITNESS: My job is just on the compliance
15 portion of the terms of the agreement.

16 BY MS. KAOUNIS:

17 Q You have no reason to believe based on
18 your review of the settlement agreement, the Alliance
19 settlement agreement, and your work on this matter, that
20 the agreement does dictate how the bed counts and the
21 encampment reductions must be achieved; right?

22 MS. MITCHELL: Same objection.

23 THE COURT: Overruled.

24 THE WITNESS: Again, I'm not an attorney. I'm
25 not in the position to answer that.



1 BY MS. KAOUNIS:

2 Q So you can't answer one way or another?

3 A I'm not in a position to answer that.

4 Q So if you make a recommendation to the
5 Court regarding -- well, strike that.

6 MS. KAOUNIS: Thank you. I'm done.

7 THE COURT: Do you want to consult with your
8 colleagues to make sure?

9 MR. MCRAE: We're done.

10 THE COURT: Okay. All right. Thank you very
11 much. You may step down.

12 Where are we in terms of witnesses?

13 MS. MITCHELL: Your Honor, we have no more
14 witnesses from our perspective. So subject to the
15 introduction of exhibits into evidence which -- and that
16 was submitted to chambers this morning -- the Plaintiffs
17 rest.

18 THE COURT: Okay. What are your thoughts,
19 Counsel.

20 MR. MCRAE: Do you want the Intervenors to go
21 first, Your Honor?

22 THE COURT: It doesn't matter.

23 Ms. Myers?

24 Thank you, Counsel, that's the proper, I
25 think, order.



1 Do you have any --

2 MS. MYERS: Your Honor, we're not presenting any
3 witnesses. We weren't prepared to present any witnesses.
4 Thank you.

5 THE COURT: Okay. Thank you.

6 Now, let me turn to --

7 MR. MCRAE: Your Honor, the City will not be
8 calling anymore witnesses at this point, and we agree with
9 Counsel that the exhibit list has been submitted per the
10 Court's instruction.

11 THE COURT: Now, we need to go over that exhibit
12 list; don't we? I'd expect there to be some
13 disagreements.

14 MR. MCRAE: There are objections, Your Honor.
15 Yes.

16 THE COURT: We need to go through those, I
17 think, one by one and make certain -- and I haven't had a
18 chance to look at the exhibit list because we've been in
19 session. So perhaps we ought to turn to that next.

20 MR. MCRAE: Whatever pleases the Court. That's
21 fine.

22 THE COURT: I need that exhibit list, which I
23 haven't had a chance to look at, and I'll probably need
24 Carlin, also.

25 All right. The first is the roadmap



1 binding term sheet. Exhibit No. 136. And the note I just
2 received is the City is objecting to relevance.

3 MR. SCOLNICK: Yes, Your Honor.

4 THE COURT: All right. Counsel?

5 MR. SCOLNICK: This proceeding involves a
6 question of whether the City is in violation of the
7 Alliance settlement agreement and not the roadmap
8 agreement, in our view, Your Honor. That's the relevance
9 objection.

10 MR. MCRAE: Can I have one moment to confer with
11 my colleague? Just one quick second.

12 THE COURT: Absolutely.

13 MR. SCOLNICK: And just for the record, Your
14 Honor, Section 2 of Exhibit 25, the Alliance settlement
15 agreement, defines the parties and the County is not a
16 party to the Alliance settlement agreement.

17 THE COURT: Ms. Myers?

18 MS. MYERS: No objections, Your Honor.

19 THE COURT: LA Alliance?

20 MS. MITCHELL: Well, Your Honor, the LA Alliance
21 has submitted that the roadmap agreement has been
22 violated, and we discussed this at this last hearing.
23 Certainly, the City is objecting to standing, but that is
24 a significant basis for us to push for the Court to find
25 that there was a breach. And so, I mean, I think it's



1 relevant on its face, Your Honor.

2 THE COURT: It's received, Counsel.

3 185-1, which is the MOU between the County
4 and City of Los Angeles.

5 Counsel, the City's objecting?

6 MR. SCOLNICK: Yes, Your Honor. Exhibits 2, 3,
7 5, and 22 are all on the same basis. Those all deal with
8 the roadmap agreement, Your Honor. That's the relevance
9 objection.

10 THE COURT: All right. Ms. Myers?

11 MS. MYERS: No response, Your Honor.

12 THE COURT: LA Alliance?

13 MS. MITCHELL: Same argument as before, Your
14 Honor. It's inherently relevant because it forms the
15 basis for one of the breaches that have been alleged in
16 this hearing.

17 THE COURT: 1, 2, 3, 5, and 22 are received.

18 23, the A&M independent assessment of city-
19 funded homelessness assistance programs. Objection has
20 been by the City for lack of foundation, hearsay, rule
21 403, and relevance.

22 Counsel?

23 MR. SCOLNICK: That's right, Your Honor. It is
24 an out-of-court statement offered for its truth. It's
25 hearsay and it doesn't purport to find any violations of



1 the Alliance settlement agreement, and it's also, you
2 know, it has all sorts of issues we talked about during
3 the testimony. So those are the -- those are the
4 objections.

5 THE COURT: Ms. Myers?

6 MS. MYERS: No objections and will likely join
7 the Plaintiffs in their response.

8 THE COURT: Plaintiff?

9 MS. MITCHELL: Yes, Your Honor. This is a
10 court-ordered audit which was part of a stipulated
11 sanction imposed against the City last year. I think
12 there has been tremendous testimony regarding the audit
13 today. There was sufficient -- excuse me -- through this
14 evidentiary proceeding there was significant foundation
15 laid for its development. The Court has also held a
16 number of hearings on this issue, as well as provided
17 Special Master Martinez to help oversee it.

18 I think it is inherently relevant, and
19 certainly we would ask the Court to take judicial notice
20 of this assessment. I don't see how it could possibly be
21 excluded under Rule 403, Your Honor.

22 THE COURT: 23 is received.

23 Exhibit 31 -- strike that. Exhibit 36, the
24 tracking chart of the City settlement.

25 Objections by the City concerning



1 relevance, argument, hearsay, lacks foundation, Federal
2 Rule of Evidence 403.

3 Counsel?

4 MR. SCOLNICK: Your Honor, this is a
5 demonstrative created, we think, by Counsel. The
6 testimony wasn't clear on how that was created or who
7 created it. So it lacks foundation on that sense. We
8 also think it's irrelevant, and it's confusing, and
9 prejudicial.

10 THE COURT: Ms. Myers?

11 MS. MYERS: No objection, Your Honor.

12 THE COURT: LA Alliance?

13 MS. MITCHELL: Yes. Thank you, Your Honor.
14 This is being submitted under Federal Rule of Evidence
15 1006. It is a summary of the Exhibits 25 through 35.
16 Excuse me. No. This is number 36. Yes. 25 through 35.
17 And there was significant testimony from -- specifically,
18 Paul Webster, regarding how it was developed and the
19 details contained therein.

20 THE COURT: It's received.

21 37, LA Alliance's motion for order re
22 settlement agreement and compliance.

23 MR. SCOLNICK: Your Honor, this is a pleading
24 filed in the case. It's arguments of Counsel. There's
25 plenty of case law that says arguments of counsel are not



1 evidence. In addition, there wasn't testimony about it.
2 So there's no foundation and, again, 403.

3 THE COURT: Counsel, I'll short circuit that --
4 for both parties. It's received. I'll take judicial
5 notice of the Court's own docket and the filings, but I'm
6 not certain of the relevance of that, Counsel. That can
7 be argued.

8 The 863-1 which should be Exhibit 38. This
9 is the Mitchell declaration.

10 Once again, Counsel, lack of foundation.

11 I'm going to receive that. Once again, it
12 could be argued it's already read by the Court.

13 MR. SCOLNICK: And understanding there's no
14 testimony on what that was.

15 THE COURT: Understood, Counsel.

16 MR. SCOLNICK: Okay. And we can go through --
17 it's the same document, just exhibits. It's 38 all the
18 way through, I think, 45. Same document.

19 THE COURT: Each will be received, Counsel.
20 Simply judicial notice quite frankly can be argued. I'm
21 not certain how the Court would apply that necessarily.

22 45 is the demand for breach of settlement
23 agreement, August 16, 2024, which is Exhibit G.
24 Relevance. Lacks foundation.

25 MR. SCOLNICK: It's the same objection. This



1 wasn't introduced. There wasn't testimony about it.

2 THE COURT: It's received. It's the Court's own
3 filings. It's already been read by the Court.

4 46 is Exhibit H, notice of violation of
5 settlement agreement. Same objection. Lacks foundation.
6 Relevance.

7 Counsel?

8 MR. SCOLNICK: Yes, Your Honor. Same issue.
9 Just no testimony, and what that was, and it wasn't
10 introduced.

11 THE COURT: Received.

12 Concerning 48, the City of Los Angeles
13 opposition to the motion for order of settlement agreement
14 and compliance.

15 Counsel?

16 MR. SCOLNICK: That's another pleading. We
17 think it's persuasive, but it's not evidence, Your Honor.

18 THE COURT: Received.

19 49 is the LA Alliance's reply ISO motion
20 for order re settlement agreement and compliance. Once
21 again, the same objections. Relevance. Lacks foundation.
22 Argument. Hearsay. 403.

23 MR. SCOLNICK: Same issue, Your Honor.

24 THE COURT: Received.

25 Next is the Mitchell declaration. It's



1 Exhibit 50. It's 872-1. The Court is taking judicial
2 notice. I've already read these documents, Counsel. How
3 they're applied is --

4 MR. SCOLNICK: Understood.

5 THE COURT: -- if any --

6 MR. SCOLNICK: And we filed the document an hour
7 or so ago just explaining our position that judicial
8 notice of the existence of documents may be appropriate,
9 but not for their truth.

10 THE COURT: All right. Thank you very much.

11 50 is received.

12 I assume the same is the objection to 51.

13 Also received.

14 MR. SCOLNICK: Correct.

15 THE COURT: Plaintiff's response re issues
16 raised by the Court on March 27, 2025. It's Exhibit 53.
17 Objections are relevance. Lacks foundation. Argument.
18 Hearsay. 403.

19 MR. SCOLNICK: And same issue, Your Honor. It's
20 a pleading.

21 THE COURT: All right. It's received.

22 55 -- strike that. 54 is the Mitchell
23 declaration. Lacks foundation.

24 Counsel?

25 MR. SCOLNICK: This one we believe was not



1 introduced or discussed during the evidentiary hearing.

2 If I'm wrong about that, Counsel will let me know.

3 THE COURT: It doesn't matter. I'm taking
4 judicial notice of all the pleadings and filings with the
5 Court, Counsel, for both -- all parties.

6 So it's received.

7 55 is the Exhibit 1, LAHSA's memo, TLS beds
8 open to date. Client served with the roadmap. Relevance.
9 Lacks foundation. And hearsay, again.

10 Counsel?

11 MR. SCOLNICK: Same issue for 55 and 56, Your
12 Honor. It just wasn't introduced and, again, we just --
13 you know, any of these judicial notice rulings we would
14 just object that it's being noticed for anything beyond
15 its existence.

16 THE COURT: Received, Counsel, as 55 and 56.
17 Once again, the Court takes judicial notice of its own
18 records.

19 On 66, opposition by the City to the motion
20 for order re settlement agreement, compliance for
21 sanctions.

22 66, Counsel, on relevance; is that correct?

23 MR. SCOLNICK: Right, Your Honor. The same
24 issue. It's a pleading.

25 THE COURT: Received.



1 74 is LA Alliance's reply to the ISO motion
2 for order re settlement agreement, compliance, and
3 sanctions. Objections are relevance. Lacks foundation.
4 Argument. Hearsay. Federal Rule of Evidence 403.

5 Counsel?

6 MR. SCOLNICK: The same issue. It's a pleading.

7 THE COURT: Received.

8 83 is the HUD audit re LAHSA. Objection
9 relevance. Hearsay. Lacks foundation.

10 Counsel?

11 MR. SCOLNICK: We don't believe this was
12 introduced along with 113.

13 THE COURT: It's been introduced a number of
14 times, Counsel. It was in the prior proceeding with the
15 Court, going back to the document -- going back to the
16 docket. This was one of the docketed entries.

17 MR. SCOLNICK: Understood. And I was just
18 referring to introduce during this evidentiary hearing.

19 THE COURT: It's received.

20 The -- 84 is the LA County auditor follow
21 up review of LAHSA.

22 Same objection, Counsel?

23 MR. SCOLNICK: Same objection.

24 THE COURT: Received.

25 Next is the LA City Controller's audit,



1 improving LAHSA outreach program.

2 Same objection, Counsel?

3 MR. SCOLNICK: And apologies, Your Honor. I've
4 lost track. What exhibit number are we on?

5 THE COURT: 85. I'm sorry. So to go back.

6 MR. SCOLNICK: Okay.

7 THE COURT: 83 and 84 are received, as well 74
8 and 66.

9 MR. SCOLNICK: And we don't think this is
10 relevant to the -- any alleged breach of the Alliance
11 settlement agreement.

12 THE COURT: Received.

13 86 is the LA City Controller's review of
14 Proposition HHH. Same objections. Relevance. Lacks
15 foundation.

16 MR. SCOLNICK: Same issue, Your Honor.

17 THE COURT: Received.

18 The County of Los Angeles LAHSA audit,
19 which is 87. And from my record, 85 and 86 have been
20 received. This is the County of Los Angeles LAHSA audit.
21 Objections by the City, relevance. Lacks foundation.
22 Hearsay.

23 Counsel?

24 MR. SCOLNICK: Right. And this is on the county
25 and LAHSA, and so this is not the City of Los Angeles and



1 the Alliance Settlement, and also I don't believe there
2 was a witness that talked about how this was prepared or
3 who did it.

4 THE COURT: Received.

5 88 is the HUD audit concerning LAHSA.

6 Same objections, Counsel?

7 MR. SCOLNICK: Same issue, Your Honor. It's
8 LAHSA.

9 THE COURT: Received.

10 89 is the LA City Controller's audit of the
11 interim housing bed availability data.

12 Same objection, Counsel?

13 MR. SCOLNICK: Same objection. Not relevant to
14 breach, or alleged breach, of settlement agreement.

15 THE COURT: Overruled and it's received.

16 90, which is Special Master independent
17 monitoring report year 1, which was just referred to.

18 Objections, Counsel?

19 MR. SCOLNICK: Not relevant to alleged breach of
20 the settlement agreement and it's hearsay.

21 THE COURT: Received.

22 91 is the County of Los Angeles LAHSA
23 audit.

24 Same objections, Counsel, by the City?

25 MR. SCOLNICK: Yes. Same issues with LAHSA.



1 Yes.

2 THE COURT: It's received.

3 92 is the LA City Controller homeless audit
4 permanent pathways to permanent housing.

5 Same objections, Counsel?

6 MR. SCOLNICK: Yes. It doesn't speak to breach
7 or lack thereof of the settlement agreement.

8 THE COURT: Received.

9 93 is the Special Master independent
10 monitoring report and recommendations number 2.

11 Same objections, Counsel?

12 MR. SCOLNICK: Yes. Same as with 90.

13 THE COURT: This is 93.

14 MR. SCOLNICK: Correct. But it goes 90, 93 of
15 the Special Master report. Same objections.

16 THE COURT: Received.

17 95 is the 2022 Greater Los Angeles Homeless
18 Count, City of Los Angeles Council District 2.

19 Counsel, this is 95.

20 MR. SCOLNICK: The same. Not relevant to
21 breach.

22 THE COURT: Received.

23 109 is the redesigned required lessons for
24 permanent support of housing for skid row, housing trust
25 buildings.



1 Same objections, Counsel?

2 MR. SCOLNICK: Same objection, and we don't
3 believe it was introduced in this evidentiary hearing.

4 THE COURT: Received. That's a public document
5 and the Court was aware of this before, Counsel, as well.

6 113 is the City of Los Angeles' proposed
7 bed plan, which was withdrawn.

8 Counsel, the same objections?

9 MR. SCOLNICK: Same objection and it wasn't
10 introduced as far as we know, and it was withdrawn. So I
11 don't know what the relevance is.

12 THE COURT: Received.

13 114 is the LA Alliance milestones potential
14 project list.

15 Relevancy?

16 MR. SCOLNICK: The same issue with no relevancy
17 to alleged breach.

18 THE COURT: Received.

19 126 is the LA Alliance open bed charts.

20 Same objections on behalf of the City?

21 MR. SCOLNICK: Same objection and I believe this
22 is another demonstrative. It's just argument, not
23 evidence.

24 THE COURT: Received.

25 The transcript of March 27 hearing motion



1 for SA.

2 Counsel, all of these are public records
3 that have been posted. This is received.

4 MR. SCOLNICK: And that would go to 133, as
5 well, I believe?

6 THE COURT: That goes to -- well, let me go down
7 to 133. I don't think there's a 132.

8 MR. SCOLNICK: Correct.

9 THE COURT: 133. Yes. It's received as well,
10 Counsel.

11 And all prior transcripts of all
12 proceedings are received.

13 140 is the City of Los Angeles and County
14 of Los Angeles joint status report, MOU.

15 MR. SCOLNICK: The same issue with the MOU
16 roadmap not being at issue in this proceeding. So
17 relevance.

18 THE COURT: It's received.

19 141 is the LAS article. Now, this is the
20 first issue that I have with some of these articles that
21 are being referred to.

22 I'm going to be consistent about this. The
23 articles are going to be excluded or they're all going to
24 be included, and so there's an advantage and disadvantage
25 to both sides in a sense. Some of them may have more



1 relevance so it may not be consistent with some of the
2 rulings I make. And this was the first one, I think, that
3 caused problems between the parties. I really do a
4 substantial, and here apparently is an article concerning
5 LA as to Nick Gerda, I believe.

6 MR. SCOLNICK: Your Honor, maybe we can simply
7 this by withdrawing the objection.

8 THE COURT: That's pretty simple. I'm just
9 joking with you, Counsel.

10 MR. SCOLNICK: I'm sorry, Your Honor. I
11 misunderstood.

12 THE COURT: Counsel, go over and talk to the
13 other counsel.

14 MR. SCOLNICK: I'm sorry, Your Honor. We have
15 an exhibit that we would withdraw, depending on if Your
16 Honor -- if Your Honor is going to treat all of them the
17 same way. We'd be happy to withdraw. I apologize, Your
18 Honor. We do not withdraw our objection to the LAS
19 article, Exhibit 141.

20 THE COURT: Okay.

21 MR. SCOLNICK: It's irrelevant. And it's
22 hearsay. And it has a bunch out-of-court statements in
23 there that can't be offered for their truth.

24 THE COURT: So are you withdrawing your
25 objection to it or are you still objecting to it?



1 MR. SCOLNICK: To be clear, I apologize, we are
2 still objecting to it. The offer to withdraw was on a
3 different -- on our own exhibit. So that's -- apologies.

4 THE COURT: But the point is you're still
5 objecting to it?

6 MR. SCOLNICK: We are still objecting to it.

7 THE COURT: Okay. Let me put a question mark.

8 142, final resolution of Proposition HHH.

9 Counsel?

10 MR. SCOLNICK: Relevance and hearsay, Your
11 Honor. It's not -- it has nothing to do with the
12 settlement agreement.

13 THE COURT: Received.

14 143 is the high cost of homeless housing,
15 review of Prop HHH.

16 Counsel?

17 MR. SCOLNICK: The whole series that's coming on
18 videos, I believe these are just snippets that were played
19 for the Court, for some witnesses, where public officials
20 made statements about homelessness at large. So we don't
21 think it's relevant.

22 THE COURT: And I would assume that, that would
23 go all the way on this page from 143 -- or 150, 151, 152,
24 153, 154, 155.

25 MR. SCOLNICK: And --



1 THE COURT: No. Let's just finish that page to
2 begin with.

3 MR. SCOLNICK: Yeah. That is correct, Your
4 Honor.

5 THE COURT: Okay. Now, let me hear from LA
6 Alliance.

7 MS. MITCHELL: Yeah. And just to correct the
8 record, what was submitted was not snippets. Pursuant to
9 the Court's request, the entire video has been submitted.
10 But these are certainly party opponent statements. I
11 think they're highly relevant to the extent they are
12 talking about the issues that are directly at issue here
13 today.

14 In particular, there are statements by
15 various councilmembers and the mayor that are in direct
16 conflict and serve as an impeachment to the testimony that
17 was provided both regarding the sufficiency of the data
18 and the integrity of the homelessness response system in
19 Los Angeles. There are also statements by both the CAO
20 and members of the CAO's office that contradict Mr.
21 Szabo's testimony here today.

22 So not only is it inherently relevant
23 because it identifies issues that we are talking about
24 today, it's also a party opponent admission. It is self-
25 authenticating, given that these all -- were all pulled



1 directly from the City's website and are still publicly
2 accessible.

3 We have filed a request for judicial notice
4 on all of these, and we'd ask that they all come in.

5 THE COURT: Ms. Myers?

6 MS. MYERS: We would join the Plaintiffs on this
7 exhibit.

8 THE COURT: 143, 150, 151, 152, 153, 154, 155
9 are received.

10 150 is the video of the HHH meeting on
11 January 29, 2025.

12 151 is the video of the HHH meeting on
13 02/12/2025.

14 152 is the video of the regular city
15 council on 05/22/2025.

16 153 is the video of Mayor Bass' State of
17 the City address on 2025.

18 154 is the video of the budget hearing on
19 05/01/2025.

20 And 155 is the homeless committee and
21 poverty committee on September 9, 2021.

22 I represent to you that I recognize and
23 I've heard most of these documents, but I can't recall
24 prior in my moderating position. But I'm not sure about
25 155. I'm not certain from recollection if I recall that.



1 But each of those are received, Counsel.
2 They're public documents.

3 Let's turn the page for a moment.

4 156, once again, is the homeless and
5 poverty committee meeting of September 22, 2022.

6 The next is the housing and homeless
7 committee of August 2, 2023.

8 And the next is the city council on May 22.

9 Counsel, same objection?

10 MR. SCOLNICK: Same objection. And again, on
11 hearsay, Your Honor, there's a lot of people talking
12 during a long meeting and they're certainly not all party
13 opponents. If you can take judicial notice of the fact
14 that these happened, but not the truth of what was said.

15 THE COURT: All right. Thank you, Counsel.

16 Each of those are received. 156, 157, 158.

17 Now, the next issue that is of some concern
18 are these hundred notes that came in on a subsequent day.
19 I think Ms. Frost sat here for three or four days waiting
20 to testify.

21 These notes have been read into evidence.
22 They're already in the record. The question is if the
23 notes themselves would be allowed, and I think there was
24 an objection concerning relevance, hearsay, lack of
25 foundation.



1 MR. SCOLNICK: Yes, Your Honor. I mean, and
2 quite literally, it's an out-of-court statement offered
3 for its truth. It's irrelevant, anyhow, because none of
4 that testimony went to the alleged breach of the
5 settlement agreement, and it was very unclear who prepared
6 that. It certainly wasn't just Ms. Frost. And so the
7 contributors were unclear and unnamed, other than the
8 subteam. So we think that it's excludable for all those
9 reasons, in addition to 403.

10 THE COURT: Okay. Let me take that under
11 submission while you go to lunch.

12 Intervenor's exhibit was 305. There was a
13 relevance objection by the City to the Care and Care Plus
14 schedule.

15 So Counsel?

16 MR. SCOLNICK: The timing and location of
17 cleanings is irrelevant to the alleged breach of the
18 settlement agreement.

19 THE COURT: Ms. Myers?

20 MS. MYERS: Your Honor, this is an exemplar of
21 the types of schedules that are used by the City of Los
22 Angeles and contain information about the Care and Care
23 Plus program, which is part of the encampment resolution
24 plan.

25 THE COURT: Received.



1 Defendant, City of Los Angeles, exhibits.
2 The 2005 A&M engagement letter. There's no objection.
3 The only -- the objection occurs 208, the government
4 auditing standards under Federal Rule of Evidence 402,
5 403.

6 Counsel, I'm inclined to receive that.

7 MS. KAOUNIS: Your Honor, just to clarify for
8 the record, I think you might have said 2005 instead of
9 2025. I may have misheard it.

10 THE COURT: I said -- if I did, I misspoke. I'm
11 down to 208.

12 MS. KAOUNIS: Okay.

13 THE COURT: And 208 is the government auditing
14 standards that you referred to. The objection is by LA
15 Alliance. Received.

16 Well, Counsel, I'll hear your argument.

17 MS. MITCHELL: Sure. I mean, I don't see how
18 the government auditing standards are relevant here. I
19 think it's a waste of time and we'd submit on that.

20 THE COURT: All right. Received.

21 210, the agreement for the Special Master
22 services. There's an objection by LA Alliance.

23 Counsel?

24 MS. MITCHELL: I'll withdraw our objection to
25 that document, Your Honor.



1 THE COURT: It's received.

2 The next is the 2011 renewal Special Master
3 agreement.

4 MS. MITCHELL: The Alliance will also withdraw
5 its objection to that document.

6 THE COURT: Received.

7 212, the Special Master invoice dated
8 04/04/25.

9 MS. MITCHELL: Yes, Your Honor. There were not
10 questions that were asked about it, and I think it's
11 inappropriate to introduce that on to the record at this
12 time. I think it does run into some privileged issues, in
13 particular. So we would object to having that invoice
14 admitted as an exhibit.

15 THE COURT: It's received. In fact, all of
16 these invoices can be received.

17 The email between the City of Los Angeles
18 and LA Alliance revised milestones and plans dated
19 12/29/2023, which is 216. Alliance objects under 403 and
20 foundation.

21 MS. MITCHELL: Yes, Your Honor. 216, 217, and
22 218, there is no dispute that they are authentic emails
23 for what they purport to be. The issue is that they are
24 emails to and from attorneys, and there's been no
25 testimony on the context. There are a lot of sort of out-



1 of -context statements that are being made, and so we
2 would certainly object to those emails being introduced,
3 particularly for the truth of the matter.

4 THE COURT: 216, 217, and 218 are received,
5 Counsel.

6 MR. SCOLNICK: Thank you.

7 THE COURT: Now, that leaves two matters I'd
8 like to consider over the lunch hour. I think it's 400
9 and the LAS article of May 15.

10 With those other rulings in abeyance for a
11 very short period of time, are you prepared to argue this
12 matter today?

13 MS. MITCHELL: Yes, Your Honor.

14 MR. UMHOFFER: We are, Your Honor.

15 THE COURT: Okay. Then you know, my suggestion
16 is you reconvene at 1:30. Give yourselves at extra 15
17 minutes just to prepare.

18 MR. MCRAE: Thank you, Your Honor.

19 MS. MITCHELL: Thank you, Your Honor.

20 THE COURT: That way you can have a good lunch,
21 and get your notes together, have a break, and consult.
22 Have a good lunch.

23 MS. MITCHELL: Thank you, Your Honor.

24 MR. SCOLNICK: Thank you, Your Honor.

25 (A recess was taken off the record.)



1 THE COURT: Counsel, if you could have a seat
2 for just a moment. I'd like to address you with a couple
3 of matters before we start.

4 I've given the parties widely latitude, but
5 this case is fundamentally about ensuring compliance with
6 the terms of the roadmap agreement and the LA Alliance
7 settlement. It's not a forum for political discourse.
8 And therefore, I'm not going to permit in these
9 proceedings any devolvment into a platform for political
10 posturing or personal commentary.

11 Accordingly, when you argue this matter to
12 the Court, I'm directing the parties to refrain from
13 making any statements regarding their views of any
14 political figures associated with this matter and to limit
15 their arguments strictly to the legal and factual issues
16 before the Court.

17 Next, I'm going to give you extended
18 argument in one area besides the agreed upon format of 45
19 minutes, 45 minutes, 45 minutes, and 10 minutes.

20 Based on the evidence presented to this
21 court during these hearings, this Court is concerned about
22 the verification of the 2,679 beds that are reported by
23 the City to comply with the roadmap agreement most
24 recently in the April 15, 2025, status report, docket 891.

25 Laura Frost, previously Laura Collier,



1 testified that A&M could not verify a number of TLS beds
2 due to expenditure gaps and missing addresses. Ms. Frost
3 also testified that some of the TLS addresses provided
4 with the roadmap agreement and settlement were the same
5 addresses listed for permanent supportive housing in the
6 LA Alliance settlement reporting.

7 These issues raise serious concerns about
8 the accuracy of the roadmap compliance reporting and
9 potential double counting between the two agreements. To
10 ensure roadmap compliance, the Court is considering
11 requiring the City to provide the following data on the
12 TLS beds and the roadmap reporting.

- 13 1. The HMIS identifier.
- 14 2. Verification that this HMIS
15 identifier is also logged into the CES system.
- 16 3. Address of the lease being paid
17 for.
- 18 4. The move-in date for the lease
19 being paid for.
- 20 5. The current occupancy status of
21 each TLS slot.

22 I would require that this data be provided
23 by June 11, 2025, at 5:00 p.m., in a spreadsheet format.

24 This Court would also require that the City
25 compare the TLS addresses reported for roadmap with the



1 address reported for the LA Alliance settlement, and sign
2 an affidavit stating whether there is any overlap of
3 addresses in the reporting.

4 I'm going to give you each ten minutes
5 after you consult with each other or internally to argue
6 this matter.

7 I'd like to see Exhibit 141. I don't have
8 that in a copy form in front of me. You can do that
9 before the arguments begin and I make a final
10 determination.

11 Exhibit 400 is not received because it was
12 used only to refresh the witness' memory and as a rebuttal
13 attack on A&M assessor's credibility. But this has
14 already been read into the record, and Counsel can refer
15 back to Laura Frost's testimony related to this document.

16 And finally, I don't know what your
17 briefing schedule is, but I'm going to hold to June 16
18 because I need time as I stated to you. And therefore, my
19 tentative schedule is that LA Alliance is to file their
20 brief by June 10, 2025.

21 That the City's responding brief is then
22 due by June 13, 2025.

23 LA Alliance's reply is due June 16, 2025.

24 Now, for the Intervenor, giving that
25 tentative schedule to Counsel -- and I'll listen once



1 again to their schedule -- you can decide in a few moments
2 when you wish to submit your briefing. You're in an
3 interesting situation, and so give me your best input.

4 Now, I'm going to take a -- oh, you also
5 asked about the page limitation. 35 pages. I'm extending
6 it from 25 to 35, but not 50 pages. I've read all of your
7 briefing now, and the issues are well-placed before the
8 Court.

9 Now, I'm going to take five or ten minutes
10 so you can discuss my tentative ruling to you, and then
11 you'll commence with ten minutes concerning the issues
12 I've raised with you

13 (A recess was taken off the record.)

14 THE COURT: All right. We're back on the
15 record. All counsel are present. I'm going to turn to
16 the City first, then to the Intervenorors, then to LA
17 Alliance.

18 So Counsel, your argument, please.

19 MS. EVANGELIS: The City?

20 MR. MCRAE: In closing?

21 THE COURT: No. It concerns the ten minutes I
22 am giving you concerning the Court's concern about the
23 roadmap agreement to argue this separately. It's not
24 included in the time period of 45 minutes each.

25 MS. EVANGELIS: Thank you, Your Honor. Theano



1 Evangelis on behalf of the City.

2 Thank you for outlining the information
3 that you've requested. I just want to note that this
4 information is actually with LAHSA. So we will request
5 the information in writing immediately. We'll refer it
6 back to the Court, of course. If there are any issues, we
7 may ask for the Court's assistance or involvement there.

8 I just want to say first we're about to get
9 into why we think that this is -- the roadmap agreement is
10 of course irrelevant; that the Alliance doesn't have
11 standing to enforce it; and also that the County has never
12 alleged any breach. So for legal reasons, we think this
13 is inappropriate.

14 We also want to point out, Your Honor, that
15 there's been no evidence whatsoever of any of this double
16 counting. There was some speculation and some questions
17 raised, but there is no evidence whatsoever. So I would
18 ask that we have a couple of extra days, until June 13. I
19 think the Court asked for it by June 11. I would ask for
20 the 13th to enable us to prepare this response, and that's
21 also when our brief is due.

22 So I think at this point that was what I
23 wanted to say in response to the Court's request.

24 THE COURT: Okay. Thank you very much.

25 Let me turn to the Intervenors, please.



1 MS. MYERS: Thank you, Your Honor. I would just
2 say the Intervenor strongly supports the requirement that
3 the City provide verification data here. Time-limited
4 subsidies are the way in which the City has fulfilled its
5 obligations under the roadmap agreement to the tune of 30
6 percent of the beds allocated under the roadmap agreement.
7 But Mr. Szabo testified that the normal methods of
8 verifying the beds under the roadmap agreement don't exist
9 for time-limited subsidies. There is no record that the
10 City relies on; that the public can rely on for purposes
11 of verifying that. So we strongly support the Court's
12 efforts related to this.

13 I would just disagree with the City's
14 position that there is no evidence in the record related
15 to this. Mr. Szabo testified that the City of Los Angeles
16 is master leasing units that were just added to the
17 quarterly reports. Those master leased buildings are
18 subsidized by time-limited subsidies. And the only
19 representation in this case that the time-limited
20 subsidies are not counted towards the roadmap agreement is
21 Mr. Szabo's testimony that those are excluded, but he
22 wasn't aware of this particular issue before the
23 questioning. And this issue was not raised previously.

24 There's also Ms. Frost's testimony that
25 came up in the course of this evidentiary proceeding.



1 So again, we strongly support that --
2 strongly believe that there is evidence, and sufficient
3 evidence, in the record to support the Court's order on
4 this point.

5 The only thing that I would say, Your
6 Honor, is that I think it's important to provide this
7 information to the parties, but we would ask that any
8 information that ties HMIS identifiers or addresses is
9 under seal, to the extent that it -- and I'm not sure how
10 Your Honor is contemplating that this be provided to the
11 Court. We just want to make sure that none of this
12 information becomes public because it is related to
13 unhoused folks who are not a party to the case.

14 THE COURT: Okay. Thank you. Let me turn to LA
15 Alliance.

16 MR. UMHOFFER: Your Honor, I will defer because I
17 plan on addressing the legal aspects of this argument
18 during our closing, our formal closing. So I'll defer
19 that piece of it. But as to the factual piece, I just
20 thought it would be helpful to lay out -- and I apologize
21 while we're waiting for this to come up here -- I thought
22 I would lay out and affirm the Plaintiff's concerns around
23 this.

24 Exhibit 22 is the latest quarterly report
25 on the roadmap. The first line of Exhibit 32 -- excuse me



1 -- Exhibit 22 reflects time-limited subsidies. It
2 reflects time-limited subsidies.

3 THE COURT: Just a moment. Are you putting
4 something up on the screen?

5 MR. UMHOFFER: Yes. I'm pulling it up right now,
6 but I'm talking as I'm doing it so as not to delay matters
7 unnecessarily.

8 THE COURT: Well, Counsel, I just got done
9 looking at this document. So I'm familiar with it.

10 MR. UMHOFFER: Right.

11 THE COURT: So please proceed.

12 MR. UMHOFFER: And so this is Exhibit 22. This
13 is where the Court's concern is, and this is where that
14 number is that is the concern that Alliance has that the
15 time-limited subsidies noted on the first line of Exhibit
16 22 total out to 2,679.

17 And if we go then to the last page of
18 Exhibit 22 and we zoom in on those beds, and you do some
19 basic math to subtract 26 -- just do 2,600 minus -- 7,624
20 minus 2,600, you are at 5,000, which is below the 6,700
21 that the City -- and even below the 6,000 that the City
22 committed to.

23 So there's where the concern of course is.
24 And if we then go to Exhibit 23, which is the A&M report,
25 pages 63 and 64 lay out the concerns around the time-



1 limited subsidies. And so on page 63, the -- A&M noted
2 that LAHSA's accounting records show that an additional
3 1.5 -- 151.2 million in services for the roadmap program
4 was funded through other sources of funds. The vast
5 majority of this amount relates to TLS, time-limited
6 subsidies, or are also known as rapid rehousing, and other
7 funding sources providing more than half of the funding
8 for TLS service provider contracts linked to the roadmap
9 program.

10 Turning to page 63 -- excuse me -- turning
11 over to page 64 and zooming in there, A&M notes that the
12 largest discrepancy that they observed on this issue
13 relates to TLS contracts. LAHSA identified 95 contracts
14 for the 2,293 scattered sites reported by the City as of
15 June 30, 2024. Of the contracts identified by LAHSA,
16 approximately 70 percent did not report expenditures. So
17 you have that expenditure problem there, and then
18 requested supporting work papers from LAHSA regarding the
19 TLS bed count to investigate this discrepancy.

20 Further, in an effort to ensure all costs
21 related to TLS were captured, however, LAHSA was unable to
22 provide the requested documentation and instead furnished
23 a memorandum that was not sufficient to permit
24 reconciliation of the identified misalignment in
25 contracts. Therefore, A&M could not validate the reported



1 number of TLS beds or the total expenses necessary to
2 support those beds.

3 Now, Ms. Frost added to that during her
4 testimony. She added that by noting that the information
5 she received from LAHSA omits basics, such as street
6 addresses, and overlapped with sites under the Alliance
7 settlement. That's testimony. Testimony is actual
8 evidence.

9 There is evidence before this court. You
10 have not only the insufficient evidence of spend, you also
11 have these omissions of street addresses and you have the
12 overlap in sites and potentially double counting between
13 the roadmap agreement and the LA Alliance agreement.

14 So that's the state of the record here,
15 Your Honor, and we share -- we share the Court's concerns
16 about this, and we anticipate that there will be, you
17 know, problems with the data, especially if LAHSA ends up
18 being the source of the data on this. We look forward to
19 receiving that data so that we can look at it and
20 determine the details of the concerns raised by A&M around
21 this issue. We have no objection to the Court's request
22 for additional documentation on the schedule requested by
23 the Court.

24 MR. MCRAE: Your Honor, given that there were
25 comments about Mr. Szabo's testimony, could we have a one-



1 minute response to what we just heard?

2 THE COURT: You can have more than that,
3 Counsel.

4 MR. MCRAE: Thank you. And is it okay if I do
5 it?

6 THE COURT: Absolutely. Then we'll have around
7 round. In other words, turn back to --

8 MR. MCRAE: Sure.

9 THE COURT: -- Ms. Myers, depending upon your
10 comments, and turn back to LA Alliance.

11 MR. MCRAE: Your Honor, first of all, in
12 addition to obviously my joinder with the comments and
13 arguments of my colleague, Ms. Evangelis, that we
14 strenuously object to coupling the roadmap MOU with the
15 Alliance settlement agreement, these agreements -- at
16 least insofar as the Alliance settlement agreement is
17 concerned -- has an integration clause. And in addition
18 to the integration clause being in paragraph 18, it also
19 has a Section 2 that defines the parties. And it's
20 critically important, as we all know it's axiomatic, that
21 once you have an integrated agreement no one can rewrite
22 the parties' agreement, and conflate people who are not
23 parties to an agreement and make them parties to an
24 agreement, or import terms that would transgress the
25 integration clause.



1 We are standing here talking about an
2 agreement, in terms of the roadmap agreement, where the
3 Alliance is not a party to the agreement. The Intervenor
4 is not a party to the agreement. And the only parties to
5 the agreement, as set forth in the recital to the MOU
6 itself, are the City and the County of Los Angeles,
7 neither of which has declared a breach.

8 So one might suggest that not only is it
9 inappropriate, as Ms. Evangelis noted, for us to be
10 talking about this, this issue isn't ripe. It's not
11 justiciable because there's not a controversy. You need a
12 case or controversy. And if the parties to the agreement
13 are in violent agreement that there is no breach, there is
14 no case for controversy. I would submit that this is
15 perhaps even a jurisdictional bar to the Court hearing
16 this issue, which is a nonissue.

17 In addition to that, we strenuously object
18 to any mischaracterization of the record as to what Mr.
19 Szabo said. The record speaks for itself. Those
20 transcripts have been filed.

21 I would further note that even at the
22 lectern, moments ago in an opportunity to say their peace
23 with respect to the so-called concerns about double-
24 counting and overlap, once again we heard the word
25 "potential," which is tantamount to may, which is



1 tantamount to could be. Obviously, the comments of
2 Counsel are argument not evidence, but it bears noting
3 that "may," and "could be," and "potential," have an even
4 more tangential relationship to is and, obviously, cannot
5 carry a burden of proof which at no point is in anybody
6 else's court other than the Plaintiffs.

7 So the Alliance has no standing to be
8 talking about the roadmap agreement. Its concerns,
9 respectfully, are irrelevant in terms of compliance with
10 the roadmap agreement, which could not possibly be an
11 issue where no party has claimed breach and those comments
12 are equally applicable to the Intervenors.

13 THE COURT: Thank you, Counsel.

14 Ms. Myers, do you have additional comments?

15 MS. MYERS: No, Your Honor.

16 THE COURT: LA Alliance, additional comments?

17 MR. UMHOFFER: Your Honor, I present to you the
18 roadmap agreement. I'm calling out Section 7. And I
19 don't fault Counsel for not necessarily focusing on this,
20 new to the case and all, but the suggestion that the Court
21 lacks jurisdiction when the agreement they signed
22 specifically says this MOU is subject to enforcement by
23 the Court.

24 Let's go to Exhibit 1, which is the term
25 sheet. It also speaks to the Court's role. The parties



1 will submit this term sheet to the Court. Now, the notion
2 that you can look at this exhibit and claim that this
3 court lacks jurisdiction, I would submit respectfully is
4 laughable. I would also submit that this court has
5 specifically addressed this, and I'll talk about this in
6 my closing briefly. It'll save myself a little bit of
7 time. But the Court specifically held in a prior hearing
8 that the Plaintiffs -- that this case -- that this
9 agreement came about because of a case -- arose out of a
10 case brought by the Plaintiffs and this court held that
11 the Plaintiffs were the proper party to raise this.

12 So you're asked -- what they're asking is
13 for the Court to reconsider what the Court has already
14 held in a prior hearing in this case, and they're asking
15 the Court to ignore Section 7 of the agreement that they
16 signed which gives the Court jurisdiction.

17 I'll submit, Your Honor.

18 THE COURT: All right. Thank you, Counsel.

19 Exhibit 141 will be received for the purpose of
20 showing the difficulty of receiving the data on the TLS
21 beds but not for the truth. It's impossible to cross-
22 examine. The person is obviously not going to be asked to
23 testify.

24 Exhibit 400 is not received. It was used
25 only to refresh the witness' memory, and quite frankly I



1 think is rebuttal attack on the A&M assessor's credibility
2 brought by a compilation of people in A&M. Counsel can
3 refer or go back to Laura Frost's testimony relating to
4 this document. It's basically been read into evidence.

5 So Counsel, are you ready on behalf of the
6 Plaintiffs at this time for your 45-minutes?

7 MR. UMHOFFER: Yes, Your Honor.

8 THE COURT: All right. Please.

9 MR. UMHOFFER: Your Honor, while I'm getting
10 setting up -- set up, I wanted to address the issue of the
11 briefing schedule and make it -- and streamline it a bit
12 even more.

13 I believe the parties had already discussed
14 the possibility of -- or had already agreed to -- had
15 already agreed to a briefing schedule where the
16 Plaintiffs, who have already submitted a brief on
17 receivership, would forego an opening brief, and that the
18 City would submit its brief on June 9, 35 pages, and that
19 the Plaintiffs would submit a responsive brief to that on
20 June 16.

21 I believe I'm stating that correctly.
22 Counsel will correct me if I'm wrong. But we're prepared
23 to do that and, obviously, Ms. Myers on behalf of the
24 Intervenor can brief on either time frame from our
25 perspective.



1 THE COURT: Yeah. Before that's confirmed, I'd
2 like to hear from Ms. Myers on where she wants to fit into
3 the schedule.

4 MS. MYERS: Yes, Your Honor. We had previously
5 agreed amongst all of the parties that the Intervenors and
6 the County, if they so choose, would file a responsive
7 brief at the same time as the Plaintiff's reply brief and
8 we wouldn't change that.

9 THE COURT: On the 16th?

10 MS. MYERS: On the 16th.

11 THE COURT: Okay. Well, Counsel, I'll put that
12 in written form during the recess.

13 MR. UMHOFFER: Okay, Your Honor.

14 THE COURT: Let me think about that. I think it
15 sounds acceptable but --

16 MR. SCOLNICK: Your Honor, just to revisit the
17 schedule. Your Honor put a schedule on the record. It's
18 very helpful to us, obviously, to have a couple of days
19 extra. We would appreciate that.

20 THE COURT: Well, Counsel, just a moment. Do
21 you have an agreement or not?

22 MR. SCOLNICK: No. We don't at this point.

23 THE COURT: Okay. No. We're going to commence
24 now with our arguments.

25 MR. SCOLNICK: Thank you, Your Honor.



1 THE COURT: Otherwise, I'll set the schedule.

2 Thank you.

3 MR. UMHOFFER: Breached and broken, Your Honor.

4 That's what we're here to talk about today. We're here to
5 talk about the fact that the settlement agreements in this
6 case, both the LA Alliance agreement and the roadmap
7 agreement, were breached and that the system is broken and
8 demands extraordinary judicial action.

9 I want to take you through the breaches
10 briefly and then in greater detail, Your Honor.

11 The first -- there are four breaches we're
12 going to focus on in our argument today. The first, that
13 the city violated its agreements to create and provide to
14 the Plaintiffs a bed plan. The first step required after
15 the PIT count and that 60 percent number was set.

16 The second breach, that the City missed the
17 Alliance bed milestones and has reported unverified beds.

18 Third, that the City missed the Alliance
19 agreements encampment milestones and deadlines and has
20 provided unverified reduction reports and numbers to the
21 Court.

22 And fourth, the City has missed its numbers
23 under the roadmap agreement, and as we just discussed,
24 provided unverified beds in support of its report on the
25 roadmap agreement.



1 We start, of course, with the settlement
2 agreement in this case, Your Honor. The settlement
3 agreement that was reached in 2022, Exhibit 25. That's
4 the -- the key portions are in Section 5. "5.1. Within
5 30 days from the date of the information from the 2022 PIT
6 Count is confirmed by LAHSA and released, the City will,"
7 mandatory language, "calculate the required number and
8 provide its calculation to the Plaintiffs."

9 That was required and Mr. Szabo confirmed
10 that, that was a mandatory requirement of this agreement,
11 not that Ms. Szabo's interpretation of this agreement
12 matters. The plain language does.

13 So let's talk about the first breach, Your
14 Honor. Under Section 5.2, the City was required to create
15 plans and provide the plans for beds. A key moment where
16 the City has to have a plan before it implements that plan
17 through milestones and deadlines. It has not created
18 those plans, and it has not provided them to the
19 Plaintiff.

20 Here's the language, 5.2, "Thereafter" --
21 after we got that PIT count set and that 60 percent number
22 -- "the City will create plans and develop milestones and
23 deadlines." No dispute that the City -- for Mr. Szabo --
24 that the City was obligated to create that mandatory
25 language. The City will create those plans.



1 5.2 goes further. In Sections and 1 and 3
2 it requires the City to create plans, and milestones, and
3 deadlines for the City's creation of shelter and housing
4 solutions in each council district and then -- and that's
5 in (i).

6 And then under (iii), the City also had an
7 obligation to create milestones and deadlines for the
8 City's creation of shelter housing in the City -- at
9 citywide level. Sixty percent of the unsheltered in the
10 city. That's an obligation. The City will provide, make
11 a plan, and provide milestones and deadlines.

12 Then the City has an obligation under 5.2
13 to provide the plans. Of course, we know again the City
14 will. The plain language of the agreement. The mandatory
15 language of the agreement. They're required to provide
16 those plans and, of course, because they were apparently
17 trying to comply with some aspects of this agreement but
18 not others, they did provide something of a plan in 2022.
19 But that plan was required to reach that 12,915 number.
20 If you read the requirement, it's you must create a plan
21 for 60 percent citywide and in each district. That's that
22 12,915 number. They had to submit a plan that met -- that
23 hit that 12,915 number. They were 4,000 beds short in
24 their 2022 plan.

25 And then, of course, they tried to throw in



1 a new plan in 2024. And as the Court knows, here's the
2 transcript of October 25, 2024, page 5, the City made
3 quite a show of withdrawing that plan. The City hereby
4 withdraws the 2024 bed plan. They have never submitted.
5 They've never provided it to the Plaintiffs. They've
6 never submitted to the Court a compliant bed plan. They
7 don't have a plan, and Mr. Szabo himself confirmed that on
8 the stand.

9 This is the City's last quarterly report on
10 bed creation. Exhibit 35, right there you have it. They
11 only have a plan right now, apparently, to get up to
12 11,002. We still don't know have the actual plan, but
13 they seem to think they have one, but it still falls short
14 of the plan number that they were required to create. The
15 City will create plans to house -- for housing and shelter
16 of 60 percent of the 2022 PIT count. They're still short.
17 And Matt Szabo confirmed repeatedly under cross-
18 examination, Your Honor, that the City has no plan, and it
19 certainly has provided no plan to the Plaintiffs or to the
20 Court. They have violated a key term of the agreement.

21 And very key -- because they're going to
22 talk la lot about best efforts, Your Honor -- but this
23 part of the settlement agreement does not have a best
24 efforts modifier on it. The City will create this plan.
25 Not the City will use its best efforts to create a plan.



1 There is no best efforts modifier on this element and they
2 have violated it. Right here it says it. "The City will
3 create plans." The words "best efforts" appear nowhere
4 there.

5 And so whatever they're going to argue
6 about best efforts, it doesn't apply to this violation,
7 Your Honor. They have breached the settlement agreement
8 by not creating or providing a bed plan compliant with the
9 agreement.

10 Breach number 2. The City has an
11 obligation. The City will promptly employ its best
12 efforts to comply with established plans, milestones, and
13 deadlines for beds. They have not done so, Your Honor.
14 They have not complied with the milestones and deadlines,
15 and they certainly haven't used their best efforts to do
16 so. And that's what the evidence shows.

17 Section 5.2, clear as day. Plain language.
18 Language that they're going to run away from when they
19 stand up and start arguing. The City will create plans
20 and develop milestones and deadlines. They had that
21 obligation.

22 "And thereafter, the City will create plans
23 and develop milestones and deadlines for (1) the creation
24 of shelter in each council district up to 60 percent" --
25 at that minimum of 60 percent -- "in each council



1 district." And then again under 5.2, "in the city at
2 large."

3 They have to meet milestones in both
4 places. District by district and in the city at large.
5 That's the plain language of the agreement.

6 Now, Exhibit No. 35 is their last report of
7 their efforts to comply with that.

8 Exhibits 25 -- 26 through 35 are the City's
9 reports. So starting with Exhibit 26, the first quarterly
10 report submitted by the City, ending in Exhibit 35. And
11 we summarize that in Exhibit 36. That's the summary we've
12 indicated here.

13 And you see on the righthand side the many
14 different places where the City has fallen short of those
15 milestones and deadlines. No question that they have
16 missed those milestones and deadlines on a quarterly basis
17 and on a cumulative basis. This chart reflects that.
18 This is, of course, before they changed their counting
19 method, which we'll get to in a moment.

20 But before they changed their counting
21 method on a cumulative basis, they were far short. That
22 blue line is where they should be. The red line is where
23 they are quarter after quarter. Falling short of their
24 cumulative obligation to create beds under those
25 milestones and deadlines that they agreed to. They set



1 the milestones and deadlines themselves and they missed
2 them quarter, after quarter, after quarter. Mr. Szabo
3 confirmed it on the record.

4 The City failed to meet its cumulative
5 milestones every quarter, including the most recent one.

6 "Is that right, Matt Szabo, correct? That's correct."

7 The City's own witness confirming their violation of this
8 agreement.

9 Now, we have created in Exhibit 126
10 additional charts that show that shortfall quarter after
11 quarter. They're supposed to be hitting 1,622 in that
12 first quarter. They're 901 beds short. They make up some
13 ground over time, but every quarter they're missing their
14 cumulative milestones and deadlines as conceded by Mr.
15 Szabo. And you can see it right here. Five different
16 quarters where they fall short, quarter by quarter of
17 their milestones and deadlines. Again, under their
18 original counting method.

19 Now, one of the other challenges you see is
20 you look at Exhibits 26 and 35, and we've heard evidence
21 of this. There have been 2,000 beds, Your Honor,
22 identified in the first report in 26 and then identified
23 in the last report, 35. 2,000 beds have been stuck in
24 process, mired in process, throughout the period of 2022
25 through 2025.



1 So the City is falling short even under its
2 own reported numbers. But can we trust those numbers?
3 The answer, unfortunately and sadly, is no, because you
4 see the city is gaming the bed count now. You see that
5 here. This chart illustrates how suddenly they find over
6 1,000 beds, nearly 2,000 new beds just in this last
7 quarter, and we all heard the testimony about how they did
8 it. Suddenly counting beds that they never had before.
9 You see that sharp curve upward. By the way, even with
10 those added beds they're still short.

11 They've never created as many beds in any
12 quarter as they did in this last quarter when they knew
13 this motion for receivership was coming. They scrambled.
14 They gained the count. And they made up new beds to try
15 to head off the sanctions that were being sought by the
16 Plaintiffs.

17 There are several reasons why these new
18 beds don't count, while this magical new approach isn't
19 reliable and isn't worthy of reliance by the Court. These
20 beds were never counted before. They're all under Inside
21 Safe and there's huge problems with the verification,
22 based on A&M's review of the Inside Safe beds.

23 Several of these master leases and
24 occupancy agreements don't go through 2027, which Mr.
25 Szabo confirmed was supposed to be his measuring stick for



1 adding these new beds.

2 The booking agreements, Your Honor. The
3 booking agreements in particular, they're one offs. They
4 don't create beds. They're unverifiable.

5 And critically, when the City had an
6 opportunity to put forward bed plans, the two that they
7 put forward but never completed, that never added up to
8 the 12,915 target, they never included these kinds of beds
9 that they suddenly added in at the last minute, right
10 before this hearing was to happen.

11 And all this is confirmed by the Special
12 Master's report, Exhibit 90. The Special Master cautioned
13 the City that many of the new housing solutions in 2023
14 that are part of the Inside Safe program will not be
15 counted toward the settlement agreement because they won't
16 be occupiable after 2027.

17 You still have that problem. That problem
18 that keeps coming up. A&M struggled to verify the beds.
19 You heard that through the testimony of Laura Frost. You
20 see that in the A&M report. Twenty percent of the PSH
21 sites were not found in LAHSA's system. That source of
22 truth that we heard about from Ms. Henry, who we'll talk
23 about more in a moment, and the Special Master's report,
24 Exhibit 93, her most report.

25 Alliance sites, several Alliance sites,



1 were not able to be located in the HMIS system. Again,
2 that source of truth. They can't find the numbers in the
3 source of truth. So we can't trust those numbers, Your
4 Honor. And we know that, of course, because the A&M audit
5 confirmed that. Poor data quality and integration. One
6 of the primary obstacles faced by A&M was the inability to
7 verify the number of beds the City reported on the roadmap
8 and Alliance programs.

9 The City paid millions of dollars and had
10 every opportunity to convince A&M that these beds were
11 real and they failed, Your Honor. The Special Master --
12 again, the absence of comprehensive funding for the
13 remaining bed deficit. That failure to even plan or have
14 in process those 12,915 beds. Your Honor, the Special
15 Master concluded that this is raising real concerns about
16 the feasibility of meeting the obligations in the
17 agreement by June 2027.

18 The City has not provided a clear
19 methodology. Insufficient documentation found by the
20 Special Master confirming what we already know. That the
21 numbers can't be trusted.

22 Now, we heard from Emily Vaughn Henry on
23 the first day of this evidentiary hearing. She testified
24 on Tuesday, May 27, and she testified to something very
25 troubling. That as the chief information officer of LAHSA



1 -- the place they're going to go to try to tell you about
2 those roadmap beds, Your Honor, they just said they were
3 going to do it -- they're going to go back to LAHSA and
4 the CIO of LAHSA has told you that under the current
5 leadership of LAHSA she was told back in 2023 that we need
6 to do whatever we need to do to make the mayor look good.
7 That was the tone that was set by the new leadership.

8 And that wasn't just a general statement.
9 She gave specific and credible testimony about LAHSA's
10 lack of an organizational data structure. In terms of
11 having the foundational systems to manage data for the
12 organization that's been in existence for 25 years, it
13 just does not exist, and what you have now I call it smoke
14 and mirrors. They're relying on something. A person who
15 worked with that data for a living calls smoke and
16 mirrors, and she talked about a lot of the data that was
17 being collected was on those Excel spreadsheets and they
18 weren't rooted in a source of truth That HMIS system,
19 that's where the data should be and should be kept. But
20 that's not where LAHSA was going for the numbers being
21 reported under Inside Safe and the numbers being reported
22 under the Alliance agreement, Your Honor.

23 And when she, Ms. Henry, raised concerns
24 about it and reported data that didn't make the mayor look
25 good, according to Councilmember Bloomenthal, the data



1 wasn't pretty enough after she reported in October 2023.
2 The data was taken away from the CIO and given to Bevin
3 Kuhn, another person in LAHSA who kept the data on her
4 computer. Not in that source of truth, HMIS, which the
5 City has referred to repeatedly and had its witnesses
6 refer to repeatedly over the course of this evidentiary
7 hearing.

8 But that's not where the Inside Safe data
9 was. The data that they're now relying on to close that
10 gap between where they are and where they should be, that
11 data isn't coming from HMIS. It's coming from a laptop
12 run by a person who the Inside Safe data was given to, to
13 take over after it was taken away from a person. And by
14 the way, of course, that data got better once it was taken
15 away and given to Bevin Kuhn and taken from her laptop.

16 So the City has not given the Court
17 reliable data, but it also -- and the data that they've
18 reported shows that they're short on their numbers. So
19 did they apply their best efforts? Clearly, they have
20 not.

21 And all we need to do, actually, to figure
22 out what best efforts looks like, again, taking into
23 account the questionability of the numbers reported on the
24 roadmap data, is the roadmap agreement. The roadmap
25 agreement moved fast. Under the roadmap agreement the



1 City claims to have created 6,700 beds in 18 months.
2 That's best efforts, Your Honor. Matt Szabo talked about
3 it enthusiastically.

4 The purpose of the roadmap agreement was to
5 establish through multiple means, as many means and as
6 many means as possible an extraordinarily high number of
7 beds in a very, very short period of time. That's best
8 efforts, Your Honor. I mean, the fact that we agreed to
9 6,000 new beds over an 18-month period of time required
10 the City to use every possible resource to pursue every
11 possible pathway to get as many beds out as possible.

12 Now, we still have questions about the
13 reliability of that, but there's no question that this is
14 more like best efforts. If they're required to use best
15 efforts under the Alliance agreement, you'd think it would
16 look a lot like what they did under the roadmap agreement.

17 But Mr. Szabo talked very differently when
18 he talked about best efforts under the Alliance agreement.
19 When he was asked about best efforts under the Alliance
20 agreement, we have a very systematic approach. They're
21 making progress every reporting period toward the goal.
22 We have a program that is fully funded. We have efforts
23 continually -- continual efforts to seek state funding,
24 which is of course called for in the agreement.

25 A very different level of urgency when



1 talking about the Alliance agreement and it plays itself
2 out, Your Honor. Because if you look at what they were
3 doing under the Alliance agreement, you see in just under
4 two years, you see their bed milestone, their new beds per
5 quarter. 1,700 plus 2,300, let's call that 4,000 beds in
6 nearly two years. You add those two numbers up. This is
7 the pace under the Alliance agreement. But they were
8 creating 6,000 beds in 18 months under the roadmap
9 agreement. So you have a measuring stick. The City's own
10 measuring stick. Compare what they're doing under the
11 Alliance agreement to what they did under the roadmap
12 agreement, and you'll see that they're falling short of
13 best efforts under that Alliance agreement. The City's
14 claimed roadmap, that creation was far faster than its
15 Alliance bed creation.

16 And when you think about best efforts, you
17 might think about, okay, we got a court-ordered audit
18 which has concrete suggestions about how to improve
19 things. That might be another measure of best efforts.
20 But the deputy mayor for homelessness came in here and
21 said she skimmed the report, and she couldn't come up with
22 a specific example of anything the City did in response to
23 this court-ordered audit. That's no effort, Your Honor.
24 Not even close to best efforts.

25 We also presented additional best efforts



1 evidence. Brian Ulf talked about how 1,000 beds could be
2 created in less than 12 months with confidence. John
3 Maceri. These are people with real experience offering
4 shelter, offering housing to people. A thousand beds in
5 six months.

6 Elizabeth Funk talked about creating 1,000
7 beds in six months and the feasibility of doing so.

8 Michele Martinez talked about how she was
9 involved with the creation of shelter -- of a large
10 shelter in Orange County in 28 days.

11 And Lee Raagas talked about the other side
12 of best efforts, which is the City's emphasis on PSH. PSH
13 is too slow. If you're trying to create beds and meet
14 milestones and deadlines, you have to move fast. That's
15 what Matt Szabo was willing to do under roadmap agreement
16 but not under the Alliance agreement.

17 The City's emphasis on PSH is too slow. It
18 costs too much. We saw literally a building that's still
19 in the works. \$925,000 per unit and still in the works.
20 And not done yet.

21 We saw unrealistic construction dates in
22 the City's own data according to Lee Raagas who has a lot
23 of experience with permanent supportive housing, and you
24 even saw some of the Alliance buildings. The buildings
25 that were in the Alliance bed plan or reported quarterly



1 under other City documentation, nothing's even been
2 started yet. Not applicable. Construction start date not
3 applicable. Construction ending. That is not best
4 efforts, Your Honor.

5 At the end, we've produced evidence that
6 the City has failed and fallen short of best efforts. But
7 the best efforts burden is really the City's. All they
8 did was present aspirational testimony from Matt Szabo.
9 That they're going to try really hard and they really
10 think they can do it. That is not best efforts.

11 And so under Section 5.2 the City has not
12 only failed to meet those milestones and deadlines, but it
13 has only failed to use best efforts to meet those, as Matt
14 Szabo conceded they were required to do, despite what
15 you're about to hear from Counsel.

16 The City is gaming the data rather than
17 creating new beds. That's another sign they're not in the
18 best efforts place. Why? Because they're throwing up
19 numbers like this at the very last minute, trying to close
20 that gap through any means necessary. Adding bed, after
21 bed, after bed that they've never counted before, and you
22 saw how flustered Mr. Szabo got when we played that
23 testimony by his employee, Pedro, who talked about how
24 these beds don't count. And Mr. Szabo became very
25 flustered. One of the only times that he did on the



1 stand, because his employee admitted the truth. That the
2 City is counting beds that don't count.

3 And there's that argument of course that
4 the City has discretion, but this is in the agreement.
5 Don't let them point you away from this or try to convince
6 you that this isn't there. The City has that discretion
7 only as long as the milestones are met. And it makes no
8 sense, Your Honor, if we've got to wait until June 2027 to
9 figure out whether milestones are met. Because if we're
10 in June 2027 and the City has sole discretion only as long
11 as those milestones are met, there will be no time to take
12 that discretion away from the City. This is in there for
13 a reason. The milestones, those quarterly milestones
14 matter. And if they aren't meeting them, they lose their
15 discretion under the plain language of this agreement. So
16 that's breach number 2, Your Honor. The City had to use
17 its best efforts to comply with the milestones and
18 deadlines and they haven't.

19 Breach number 3, Your Honor. The City has
20 an obligation under the settlement agreement to employ its
21 best efforts to comply with milestones and deadlines for
22 encampments. So now we're moving from beds and a failure
23 to meet milestones and deadlines under beds to a failure
24 to meet milestones and deadlines and use best efforts to
25 do so on the encampment font.



1 Again, 5.2 lights the way. Plain
2 language, the City will create those milestones and
3 deadlines. And under Roman II and IV, it's related to
4 encampment reduction. II, in each district encampment
5 reduction in each district, and IV, encampment reduction
6 citywide. Required under the agreement.

7 We know that the City is reporting
8 encampment numbers that are invalid. And why? Because
9 we've already litigated this, and the Court has already
10 made and reached a conclusion on this. We submitted a
11 brief, Exhibit 48. Excuse me. We submitted a brief. The
12 City submitted a responsive brief on this issue conceding
13 that they're using this Care and Care Plus operations to
14 be counted as encampment reductions and accusing us of
15 trying to change the game on them. The City is conceding
16 that they're counting Care and Care Plus in that brief.

17 The Court after reading our brief and
18 theirs reached a conclusion. "The City may not report
19 cleanups from programs such as Care or Care Plus" -- this
20 is Exhibit 52 -- "as reductions to prove compliance with
21 the settlement agreement because they are not permanent in
22 nature."

23 The Court went on to say, "The City is only
24 to report encampment reductions that have a more permanent
25 meaning, such as individuals removed off the street and



1 given shelter or housing."

2 The Court has already decided this. So the
3 numbers -- they are reporting numbers in violation of the
4 Court's interpretation of the plain language of the
5 agreement.

6 What is a reduction, Your Honor? You've
7 already decided that and it's not Care and Care Plus. So
8 the numbers aren't valid and we don't have new numbers.
9 They've never reported new numbers that take out those
10 Care and Care Plus. In fact, it appears that those
11 encampment reduction numbers are all Care and Care Plus.

12 But even if those figures were valid, even
13 if what the City was putting forward were valid, and
14 they're not based on the Court's Exhibit 52, the Court's
15 determination, the City is short of its milestones. And
16 why? Let's take a look.

17 This is Exhibit 47. No dispute here that
18 this is the City's encampment milestones. And take a look
19 right here, January to June 2023 and July to December
20 2023, the City proposed milestones and deadlines. And
21 then they submitted their reports, and their reports never
22 referenced those time periods. Reported nothing for those
23 two time periods that they set milestones and deadlines
24 for. Complete silence from the City on that.

25 So if you look at their latest report that



1 seeks to be cumulative, that's Exhibit 63, their quarterly
2 encampment report, look at where it starts. It doesn't
3 start in 2023. It starts in 2024. They report zero
4 numbers in their quarterly reports on encampment
5 reductions for two periods that they committed to making
6 significant encampment reductions. So you have zero
7 reported encampment reductions in 2023. Under the City's
8 own numbers, those deeply flawed numbers, but nevertheless
9 under the City's own numbers.

10 And so if we're talking about best efforts,
11 Your Honor, first of all, if they're reporting Care and
12 Care Plus, it's not even accurate but it's certainly not
13 best efforts. Because the reductions -- because they're
14 not reporting actual reductions. They're reporting
15 cleanups.

16 But second, as to 2023, zero effort. Zero
17 reporting of any numbers for two time periods that they
18 committed to.

19 So breach number 3, Your Honor. Check.
20 The City has failed to use its best efforts to comply with
21 the established milestones and deadlines that they set for
22 themselves, Your Honor. We didn't even edit them.

23 Breach number 4, and here we move to the
24 roadmap agreement. And I know we've already talked about
25 this, so I'll move fairly quickly here. But breach number



1 4 relates to missing and unverified new beds under the
2 roadmap agreement. No dispute. Term sheet, Exhibit 1,
3 contemplates 6,700 beds in 18 months.

4 Exhibit 2, the roadmap MOU also commits the
5 City to 6,700 beds in 18 months. But we just reviewed
6 this, Your Honor. In the A&M audit at page 64 there was
7 no financial expenditures for 70 percent of the contracts
8 reported by LAHSA on this. And when they went to LAHSA
9 and they asked about it, they could not validate the
10 number of TLS beds. And we share the Court's concerns
11 about this.

12 Ms. Frost then went on to testify about the
13 fact that there was found overlap. Not potential. They
14 found overlap between Alliance beds and TLS beds. That
15 was not ambiguous testimony, Your Honor. And it was not
16 ambiguous testimony when Ms. Frost said that what she
17 received often did not include street addresses. And so
18 those TSL beds could not be verified.

19 So you've got 2,000 plus TLS beds that
20 can't be confirmed. Two thousand less beds. If those
21 2,000 less beds are indeed as A&M reported unverifiable,
22 then the City is violating the roadmap agreement. And
23 once again, the City is going to talk a lot about best
24 efforts but there's no best efforts language in that
25 roadmap agreement. None at all. They can't fall back on



1 it. They can't be saved by a best efforts argument under
2 the roadmap agreement.

3 Now, and we know also, putting aside the
4 questions here, we also know that the City provided -- the
5 City counted 2,000 beds that would've been created even if
6 the City did nothing. They already had other funding.
7 There was already other funding in existence. Those beds
8 were inevitable but the City counted it as the creation of
9 new beds. That's also a reason to find that the City has
10 failed to comply with the roadmap agreement. So that's
11 breach number 4, Your Honor.

12 So we have again those four breaches, Your
13 Honor. No bed plan created or provided. Missed Alliance
14 bed milestones. Unverified beds. Missed Alliance
15 encampment milestones and deadlines. Unverified
16 reductions. And then, of course, those missing and
17 unverified roadmap beds. An extraordinary amount of
18 evidence to show that the City is breaching both of those
19 agreements.

20 But let's talk about the system being
21 broken for a moment. Because we're here, obviously, to
22 talk about the breach, but now we're also here -- I know
23 the City doesn't want to hear this -- but we're also here
24 to figure out what to do about it. What is the sanction?
25 What is the consequence of the City breaching this



1 agreement? Well, if the system is broken and the City
2 can't fix it, then an extraordinary remedy is required.

3 Mayor Karen Bass, we heard it played in her
4 State of the Union address, audits confirmed. What's she
5 talking about there? She's talking about not only the A&M
6 audit, but she's talking about 25 years of audits that
7 came before. Not just one audit. Audits confirmed what
8 we already knew. The system is broken. She said this a
9 few months ago, Your Honor. The system right now, two and
10 a half years into her administration, remains broken by
11 the mayor's own concession.

12 And she came into court here-- not during
13 this evidentiary hearing but previously -- and she said --
14 she stood right over there -- and she said to the Court,
15 "I know there's a lot in this A&M report. I know there's
16 a lot in this report that I agree with." We don't know
17 exactly what she agrees with because she didn't testify,
18 but here she is saying there's a lot in that A&M report
19 that she agrees with. That stands in stark contrast to
20 what the City has done over the course of this evidentiary
21 hearing disagreeing with virtually every aspect of the A&M
22 audit, even though their mayor agrees with a lot of it.

23 That A&M audit is replete with findings
24 rooted in careful consideration based on evidence that the
25 City itself provided and documented. That the City itself



1 provided and had every opportunity to provide to A&M.
2 Poor data quality. Unable to quantify the total amounts
3 spent by the City. They found \$2.3 billion but they
4 couldn't count more because the City couldn't even provide
5 the evidence of that. Disjointed continuum of care
6 system.

7 A&M found limited financial oversight in
8 performance monitoring. Lack of contractual clarity and
9 accountability. Costs and service variability. And a
10 lack of reconciliation that led to confusion about the
11 total amount expended on homelessness and assistance
12 services. These are the key findings of the report. The
13 report that the mayor said she agreed to this court. In
14 this court. The mayor said she agreed with a lot.

15 Now, what did the City do with this report?
16 It skimmed it and then it spent this entire proceeding
17 dismissing it.

18 Dr. Agonafer was asked, "You're the deputy
19 and sitting mayor on homelessness. You just skimmed an
20 audit, a court-ordered audit on homelessness?"? All she
21 had to say was that she received a lot of emails and
22 reports. The deputy sitting mayor on homelessness did not
23 have the time to actually sit down and read carefully a
24 court-ordered audit on homelessness in Los Angeles
25 containing findings that the mayor agrees with.



1 The Special Master report confirms the
2 system's broken. 47.8 of the individuals who exited
3 emergency shelters were in their own housing, returned, or
4 remained homeless, underscoring systemic failures in
5 sustainable housing placements.

6 The Special Master goes on to say, "The
7 absence of comprehensive funding plan for the bed deficit
8 in this case, and the beds, units in progress raises
9 concerns about the feasibility of meeting the obligations
10 under the settlement agreement in this case." So the
11 Special Master's findings confirm what the audit found.

12 And then you have 25 years of audits
13 preceding this. Audits that my colleague, Ms. Mitchell,
14 went through carefully with Mr. Szabo confirming what A&M
15 said, what A&M has also concluded, and what the mayor has
16 conceded that the system is broken.

17 What this hearing shows is that the City is
18 not fixing that broken system. It's simply doubling down
19 on that broken system.

20 So the settlement agreement was breached,
21 Your Honor. That's what the evidence shows. The system
22 is broken. That's what the mayor concedes. And we submit
23 that receivership is the only way to fix that broken
24 system.

25 Now, I'm pulling up Docket Number 277,



1 which is the Court's decision, prior decision in this case
2 imposing a preliminary injunction. And I'm pointing to
3 that because the Court made legal conclusions that hold
4 true in that decision, that hold true to this moment. It
5 was reversed on standing grounds, but these legal
6 conclusions hold true.

7 The Court identified Plata, a case that
8 we've relied on heavily in our argument for a
9 receivership. The Plata case guides this Court's exercise
10 of its broad equitable authority. The District Court's
11 decision underlying the Plata opinion are analogous. The
12 Court said this back in 2021, "analogous to the
13 circumstances of this case and provides support for broad
14 and judicial relief." Relief like a receivership. The
15 Court's equitable authority has powerful equitable
16 authority even in the face of government budgetary
17 concerns.

18 And anticipating the arguments you're about
19 to hear, yes, there are financial considerations inherent
20 in equitable relief from a governmental agency, but
21 federal courts have an obligation to enforce the
22 Constitution and the laws of the United States and, dare I
23 say, settlement agreements entered into by cities under
24 the supervision of a federal court. The City is breaching
25 its agreements. The system is broken.



1 Now, you're about to hear a serious of
2 arguments. I'm going to sit down for a little while. I'm
3 going to predict -- make a few predictions.

4 You're going to hear the word aspirational
5 a lot. You're going to hear that the agreements don't
6 mean what they say. For reasons unfathomable, you're
7 going hear about Grants Pass, which has no application to
8 this case. You're going to hear that the City is doing
9 great on homelessness. And you're going to hear that city
10 officials should be permitted and allowed to continue to
11 violate agreements entered into under the supervision of
12 this court. And you're going to hear argument that the
13 City officials should be allowed to continue to fail on
14 homelessness. I'm going to suggest that the Court reject
15 those arguments.

16 The final thing I'd ask the Court to keep
17 in mind as it listens to the arguments of the City is that
18 based on statistics, seven people dying a day -- seven
19 plus -- on the streets of Los Angeles, people experiencing
20 homelessness, over 60 people have died here in Los
21 Angeles. People experiencing homelessness have died while
22 this hearing has taken place. Women and children are
23 sleeping on skid row in a safe place organized by Dewey
24 Terry. And they've been doing so every night while this
25 hearing has been going on.



1 I'm going to ask the Court to keep that in
2 mind as we hear from the city. Thank you, Your Honor.

3 THE COURT: All right. Counsel, would you like
4 a recess?

5 Will you be next, Ms. Myers, or will the
6 City?

7 MS. MYERS: It'll be the Intervenor, Your
8 Honor, and yes, a recess --

9 THE COURT: Okay. Do you want ten minutes or so
10 to get set up?

11 MS. MYERS: Yeah. That'll be great.

12 THE COURT: All right. So we'll take a recess.
13 Thank you.

14 (A recess was taken off the record.)

15 THE COURT: We're back on the record. All
16 counsel are present.

17 And would you reintroduce yourself to the
18 record and who you represent?

19 MS. MYERS: Yes, Your Honor. Shayla Myers, with
20 the Legal Aid Foundation of Los Angeles on behalf of the
21 Interventors, Los Angeles Community Action Network and Los
22 Angeles Catholic Worker.

23 THE COURT: Please.

24 MS. MYERS: Your Honor, the Intervenor, in this
25 case appreciate the opportunity to be here today.



1 Obviously, this proceeding has been
2 different than the Intervenor's expected when this court
3 extended its ruling that the LA Alliance could enforce the
4 orders by asking the Intervenor's to participate in these
5 proceedings. But we appreciate Your Honor's opportunity
6 to be here to make arguments, and also recognize the
7 unique position that the Intervenor's are in, in these
8 proceedings and throughout the case.

9 The Intervenor's, Los Angeles Community
10 Action Network and Los Angeles Catholic Worker, have been
11 a part of this case since the beginning advocating not
12 only on behalf of the organizations, which have long
13 standing relationships to the skid row community, but also
14 on behalf of their members who represent hundreds of
15 unhoused residents of skid row and the City.

16 They are the individuals who are the most
17 impacted by the City's policies, by the City's practices,
18 by the City's failures. And by this City's decisions, for
19 example, in this case to define encampment reductions as
20 the seizure of tents, and makeshift shelters, and
21 vehicles. Because Your Honor, they are the owners of
22 those tents, and makeshift shelters, and vehicles. And
23 they are also the individuals who are waiting for the
24 12,915 beds that the City committed to build in this case.

25 As Intervenor's in this case, Your Honor has



1 noted repeatedly we are in a strange position of having to
2 decide whether to side with LA Alliance, whether to side
3 with the City, or to forge our own path, and that is often
4 what happens. And to an extent, that is the argument that
5 we are going to make here today.

6 Intervenorors have been repeatedly asked in
7 the course of these proceedings by the press, by others,
8 by our members, what the Intervenor's position is here.
9 And the position is very, very clear. The City of Los
10 Angeles entered into a settlement agreement with the LA
11 Alliance in June 2022, and the purpose of that agreement
12 was to obligate the City to create 12,915 new beds and to
13 set milestones and plans related to other aspects of the
14 case.

15 Both the LA Alliance and the City have
16 argued for purposes of these proceedings that the
17 settlement agreement is at issue here, but we would
18 disagree. It's not the settlement that is at issue in
19 these proceedings, because the LA Alliance is seeking
20 sanctions against the City of Los Angeles pursuant to this
21 court's authority. And so what is actually at issue in
22 these proceedings, particularly related to the settlement
23 agreement, is this court's order incorporating by
24 reference the agreement between the City and the LA
25 Alliance, and the settlement agreement and the terms



1 therein.

2 This is not a distinction without a
3 difference, Your Honor. It is incredibly important that
4 this court entered an enforceable order in June 2022 that
5 retained jurisdiction to enforce the terms of the
6 agreement.

7 Perhaps, it's not surprising to anyone in
8 this room that Intervenor's primary concern for purposes
9 of this motion, and for purposes of enforcement of the
10 settlement agreement, is the encampment reduction plan
11 that the City of Los Angeles and its city council approved
12 on January 31, 2024, that was provided to the LA Alliance,
13 who also agreed to it. But what is missing from that
14 chain is this court's approval of that agreement.

15 When this Court approved the agreement
16 between the LA Alliance and the City of Los Angeles in
17 June 2022, this court understood its obligation to review
18 the settlement agreement and put its stamp of approval on
19 that agreement, because that is what is required for this
20 court to retain jurisdiction under Article 3 to enforce
21 that agreement.

22 And so this Court held proceedings. This
23 Court allowed the Intervenor's and the public to object to
24 that settlement agreement. The parties were allowed to
25 submit briefs. The parties were required by this court to



1 justify the terms, to justify the legality of the terms,
2 and critically -- and I keep going back to this point --
3 Intervenors were allowed to object. Because there was an
4 understanding, Your Honor, that when the Intervenors were
5 allowed to join this case in March 2020, it is because
6 they had defensible rights related to the issues and
7 claims in this case.

8 So in January 2024 the parties reached an
9 agreement related to the milestones and the encampment
10 reduction plan. But it was a private agreement. It was
11 not submitted to this Court for approval. It did not go
12 through a process. And as a result, it was not
13 incorporated into the order that is before this court
14 today for purposes of the LA Alliance's compliance and
15 sanctions that it is seeking from the Court.

16 And Your Honor, the City previously raised
17 the ability of the LA Alliance and the Intervenors to seek
18 enforcement of the agreement, the roadmap agreement and
19 the settlement agreement, and particularly, Intervenor's
20 ability to seek enforcement of the settlement agreement.

21 Your Honor, the authority to enforce the
22 order rests with this court. We stand here today, Your
23 Honor, at the Court's invitation providing evidence and
24 now argument about that, but the obligation of the Court
25 to enforce its order rests with the Court's inherent



1 authority to enforce its order. That is why we are here.
2 But it's also why we agree with the City of Los Angeles
3 that the encampment reduction plan does not count as an
4 enforceable order that the Court can issue sanctions
5 about.

6 Your Honor, that does not mean, of course,
7 that the Intervenor's stand squarely aligned with the City
8 of Los Angeles. Because for purposes of the encampment
9 reduction plan, we also agree with the LA Alliance and
10 also this court in terms of the interpretation of what
11 constitutes an encampment reduction plan.

12 The agreement incorporated by reference by
13 this court between the LA Alliance and the City of Los
14 Angeles from June 2022 requires the City of Los Angeles to
15 create a plan related to encampment reductions and to use
16 best efforts to abide by those plans and milestones. And
17 it also reserves for this court the ability to review and
18 decide the conflicts between the parties about
19 interpretations of those plans and milestones. So from
20 Intervenor's perspective, that is the issue that is solely
21 before this court. That falls solely within the
22 jurisdiction of this court, and that the Court has already
23 addressed.

24 There is critical debate between the LA
25 Alliance and the City of Los Angeles about what it means



1 to reduce an encampment for purposes of this agreement.
2 Plaintiffs argue that the City of Los Angeles is required
3 to reduce encampments, to move people from encampments
4 into beds. And in fact Your Honor has already ruled on
5 this particular issue, agreeing with the Alliance.

6 But for purposes of this hearing and
7 previously, the City of Los Angeles has taken a somewhat
8 untenable position that the encampment reductions
9 mentioned in the agreement mean solely the removal of a
10 tent, a makeshift encampment, or a vehicle from the
11 streets of Los Angeles. That definition of what it means
12 to remove a tent, a makeshift encampment, or a vehicle
13 from the streets of Los Angeles is critical not only for
14 purposes of determining whether and to what extent the
15 City is meeting its milestones, but also whether and to
16 what extent unhoused folks' rights are protected for
17 purposes of this agreement.

18 The City's definition of an encampment
19 reduction or an encampment resolution -- because Your
20 Honor those terms have been used interchangeably
21 throughout this litigation by the City, by the Special
22 Master, by this court, by Plaintiffs. The City's attempt
23 now to define an encampment resolution as the removal of a
24 tent, a makeshift shelter, or a vehicle completely ignores
25 what it means to reduce an encampment.



1 Under the City's definition, an encampment
2 reduction is counted any time a tent is thrown away,
3 anytime an unhoused person's tent is seized by the City of
4 Los Angeles, whether that tent is discarded or that tent
5 is sent to storage for retrieval later by the unhoused
6 resident. It includes any vehicle that is towed by the
7 City of Los Angeles as part of an RV operation,
8 irrespective of why the vehicle is towed. Completely
9 irrespective of whether or not the tow is legal, whether
10 the tow is overruled through a tow hearing, or whether or
11 not the tow, the vehicle, is returned to the owner, and
12 whether or not that vehicle returns back to the street.

13 The City's definition that they are putting
14 forth in these proceedings are untenable. It ignores the
15 generally understood definition of encampment resolution
16 as numerous witnesses attested to. Mr. Szabo attested
17 that there's a generally understood definition of
18 encampment resolution.

19 The City of Los Angeles routinely engages
20 in encampment resolution operations. The documents
21 provided between the parties specifically define what
22 encampment resolution means. It means providing shelter
23 and housing opportunities to enforcement actions that help
24 people get off the street. It is clear from all of the
25 evidence in the record that, that is what an encampment



1 resolution entails. The only time the City has defined
2 encampment resolution as something other than an operation
3 to move people off the streets is for purposes of the
4 encampment reduction plan, where they have defined it as
5 the removal of a tent, makeshift shelter, or vehicle.

6 Your Honor, removing tents does nothing to
7 reduce an encampment. By the plain language of the
8 agreement, removing a tent is not reducing an encampment.
9 Individuals from skid row testified that when the City
10 takes tents in skid row, they give tents to people so that
11 they have tents that they need to survive. When the City
12 takes tents from people in skid row, it just means that
13 people like Barbara Brown have nothing except a cardboard
14 box to sleep in overnight.

15 When a city takes a tent it just means that
16 in the heat of the day in skid row that unhoused residents
17 have nothing to shelter them. But it doesn't mean that an
18 encampment has been reduced. It just means that unhoused
19 folks have lost their belongings.

20 The City's primary justification and the
21 argument that they have made, both in their opening and
22 throughout the witness presentation in this case, that the
23 City cannot rely, or did not intend to mean encampment
24 resolutions to mean taking people off the streets and
25 getting them into shelter is because the City can't



1 guarantee that people will come inside. But they can,
2 Your Honor, guarantee the City can take away their tents,
3 their makeshift shelters, and their vehicles.

4 Your Honor, that evidence is a complete and
5 total disregard for the property rights and interests of
6 the unhoused folks who own those tents, makeshift
7 shelters, and vehicles. Because just as -- and the City
8 gets it right on this point -- an unhoused person has to
9 consent to come inside, an unhoused person has to keep a
10 tent on the sidewalk. They have to park their vehicle
11 illegally.

12 Your Honor, by interpreting the encampment
13 reduction plan as removing tents, and makeshift
14 encampments, and vehicles from the public right-of-way,
15 the City of Los Angeles is effectively placing a quota for
16 LA sanitation workers and LA DOT officers to seize
17 unhoused people's belongings. To tow their vehicles.

18 Your Honor, using the Vehicle Code to tow
19 vehicles and setting a quota that the City is now asking
20 this court -- or that the Plaintiffs are now asking this
21 court to enforce -- flies dangerously close to the
22 California law prohibition on setting quotas for
23 enforcement of the Vehicle Code. Because at bottom, that
24 is precisely what the City of Los Angeles is doing. They
25 are suggesting that in the course of these court



1 proceedings that the City of Los Angeles was entitled to
2 set a quota for the removal of unhoused people's tents,
3 makeshift shelters, and vehicles.

4 Your Honor, the City's argument that it
5 cannot rely on third parties, i.e., on house folks, for
6 purposes of the obligations to move people inside
7 completely withers away. If the City's other argument
8 stands, which is that this is not an enforceable
9 obligation under the settlement agreement but rather an
10 aspirational milestone. Because if it is an aspirational
11 milestone of the City of Los Angeles, then it is
12 consistent with that aspirational milestone that the City
13 would bring people inside. And in fact, that is
14 consistent with the City's representations about what is
15 happening every day through the Inside Safe encampment
16 reduction operations.

17 The City's own deputy mayor of homelessness
18 and community health testified that when individuals are
19 offered shelter they are likely to come inside.

20 Your Honor, Special Master Martinez who has
21 spent years talking to folks on skid row said exactly the
22 same thing. That when individuals are offered shelter and
23 that shelter is offered with trust, when trust is built,
24 when the City does the hard work of outreach and
25 connecting with people, they come inside. And under those



1 circumstances, encampments are reduced.

2 And so, Your Honor, if the encampment
3 reduction plan is as the City argues an aspirational
4 milestone, then it's exactly consistent with the City's
5 representation that they are engaging in encampment
6 resolutions to move people inside. And in fact, Your
7 Honor, it's entirely consistent with relying on Inside
8 Safe as the City's premier encampment resolution
9 operation. Because according to the City of Los Angeles,
10 that is their best effort to bring people inside.

11 But, Your Honor, as I mentioned, this is
12 largely beside the point. The definition of what
13 constitutes an encampment reduction has already been
14 decided by Your Honor. This issue was briefed, and Your
15 Honor ruled that an encampment resolution means bringing
16 people inside. It does not mean simply removing a tent,
17 makeshift shelter, or vehicle from the public right of
18 way.

19 The City of Los Angeles was well aware when
20 it submitted its report to the Court that there was a
21 dispute -- that this court had ruled on this dispute about
22 the definition of what constitutes an encampment
23 reduction, and yet the City of Los Angeles has continued
24 to rely on its previous definition of encampment
25 resolutions for purposes of reporting to the Court.



1 But, Your Honor, if there was an open
2 question about what constitutes an encampment reduction,
3 nothing about the evidence presented by either the
4 Plaintiffs, or the City, or through Intervenor's
5 questioning, should challenge the Court's ruling on this
6 issue. The plain language of the settlement agreement, as
7 well as the extrinsic evidence offered by the parties
8 about what they intended, all support this court's
9 definition already decided about what constitutes an
10 encampment resolution.

11 Your Honor, the City disagreed with your
12 ruling, but they did not seek reconsideration. They have
13 not asked this court to reconsider it. They simply argued
14 in these court proceedings and attempted to develop
15 evidence related to it. That's both inconsistent with the
16 Rules of Civil Procedure, but it's also placing the City
17 in violation of the agreement because the City is not
18 reporting, as it is required to do under the settlement
19 agreement, the efforts that its taken to its milestones.

20 Your Honor, the City wants it both ways.
21 They want to argue that the milestones are unenforceable,
22 but also that the Court has no role in interpreting the
23 agreement. That is untenable given this nature -- the
24 structure of the agreement and the evidence put forth by
25 both parties related to the intent.



1 Nothing about the City's definition of
2 encampment resolution has ever come before this court.
3 The fact that the parties as we sat here could not agree
4 on what constituted the encampment resolution plan is a
5 product of the parties' failure to bring that issue before
6 the Court. And the City's continued argument effectively
7 for a quota system, while ignoring the rights of the
8 unhoused individuals who own the tents, makeshifts
9 encampments, and vehicles are precisely why this court has
10 oversight over the LA Alliance settlement agreement and
11 the enforceable order that is currently before this court.

12 Throughout these proceedings this court has
13 made it abundantly clear to all of the parties that the
14 Court retained jurisdiction related to enforcement of the
15 order, and also that any changes to the settlement
16 agreement needed to both be consistent with Section 18 of
17 the agreement, which the City has heavily relied on, but
18 also needed to come before the Court. Because at bottom,
19 we are here today on Plaintiff's sanction motion not
20 because the parties entered into settlement agreements,
21 but because Your Honor considered that agreement, approved
22 the agreement, and incorporated it into an order issued by
23 this court.

24 The one part of the agreement that the
25 parties do agree constitutes an enforceable provision is



1 the obligation of the City of Los Angeles to construct
2 12,915 new -- Your Honor, to create 12,915 housing and
3 shelter opportunities. And just as with the encampment
4 resolution plan, Intervenorors are in an interesting
5 position, Your Honor.

6 Intervenorors routinely disagree with the
7 Plaintiffs about the strategy necessary to reduce
8 homelessness. We strongly agreed with the Plaintiff's
9 expert, John Maceri, who testified about throughput and
10 the challenges that would come about if. as the Alliance
11 has argued, the City constructed 12,915 new shelter beds
12 tomorrow, and the challenges that would create to a system
13 that didn't account for people to exit out of those
14 shelters into permanent housing.

15 But, Your Honor, the fact that the LA
16 Alliance, and Los Angeles Community Action Network, and LA
17 Catholic Worker are engaged in inevitable dispute about
18 what the best strategy is, is I believe precisely the
19 City's point. That individual parties that are to this
20 lawsuit or in the public are not in the position to make
21 decisions about what the City's policy should be about
22 which beds the City should construct. So to that point,
23 the Intervenor strongly agreed with the City of Los
24 Angeles. The settlement agreement is airtight, Your
25 Honor, in terms of the City's discretion about which beds



1 it should build to meet its obligation to create 12,915
2 housing and shelter solutions.

3 But that discretion, Your Honor, only goes
4 so far, because the settlement agreement is also
5 explicitly clear that the City must create 12,915 housing
6 and shelter solutions. The agreement, as many individuals
7 testified, is silent on the definition of the term
8 "create." And in fact, when Intervenor's objected to the
9 settlement agreement and raised concerns about what
10 constituted the creation of beds, attorneys for the City
11 relied on the plain language of the term "create," arguing
12 that the plain language of bringing something into
13 existence was clear. Not what the settlement requires.
14 That the City bring into existence 12,915 housing and
15 shelter obligations.

16 Throughout the course of this -- these
17 proceedings, the City has put forth evidence that the
18 settlement agreement keeps discretion with the City in
19 terms of how to meet its obligations under the settlement.
20 And while that may be true for all of the public policy
21 reasons, it does not rest discretion with the City of Los
22 Angeles to define "create" in a way that otherwise
23 eviscerates the City of Los Angeles' obligation to add or
24 bring into existence housing and shelter beds. And I
25 raise this issue, Your Honor, because it goes to one of



1 the other fundamental points at issue in this evidentiary
2 hearing, which is the City's ability to validate the
3 creation of beds that it has put forth in its reporting to
4 this court.

5 The City of Los Angeles is counting units
6 and representing to the Court that those units have been
7 created for purposes of the settlement agreement. But the
8 City does not appear to agree that the term "create"
9 places any obligation on the City of Los Angeles to bring
10 shelter and housing solutions into existence.

11 To be clear, Your Honor, Intervenors are
12 not objecting to the inclusion of beds like Highland
13 Gardens, which was a tourist motel that the City turned
14 into interim shelter. The City took what was otherwise
15 tourist facilities and turned it into an interim shelter.
16 Or the Mayfair Hotel, Your Honor, which was empty and
17 those beds were brought online. But the City is also
18 reporting beds from the The Stuart, a hotel -- a
19 residential hotel -- out in the Pico Union area in Los
20 Angeles. And Mr. Szabo testified that the City was not
21 considering what The Stuart Hotel or any of the other beds
22 that the City master leased whether or not those beds were
23 previously affordable housing or housing reserved for
24 people who are unhoused before those beds were brought
25 online by the City of Los Angeles, before the City



1 considered itself to have created those housing or shelter
2 units.

3 And that disconnect, Your Honor, calls into
4 question the City's justification for its inclusion of
5 those beds. And it gets to the heart of many of the
6 concerns that have been raised throughout the course of
7 these proceedings, whether it is the Special Master's
8 concerns that she could not locate permanent housing beds
9 in HMIS, or A&M's concerns that it, too, could not
10 validate the beds. To the roadmap agreement
11 representations, Your Honor, over 2,000 time-limited
12 subsidies. The existence of which could not be validated.

13 Your Honor, it harkens back to the very
14 beginning of this case when a county auditor found -- and
15 this is an auditor, Your Honor -- found that the City of
16 Los Angeles could not validate more than 20 percent of the
17 beds the City listed, and the City lost out an \$8 million
18 bonus as a result.

19 Your Honor, as a result of these sorts of
20 disputes and the lack of verification from the City of Los
21 Angeles, it calls into question the City's adherence to
22 the one term of the agreement that the City concedes it
23 can be held to account for.

24 Your Honor, attorneys for the City -- I'll
25 back up. Accounting principles were referenced numerous



1 times within the context of the A&M assessments and the
2 idea of replication. That replication of results is
3 critical. Well, Your Honor, the City of Los Angeles
4 submits quarterly reports every quarter to the City of Los
5 Angeles that it itself verifies related to data and
6 documentation. But Your Honor, after \$3.5 million in
7 nearly a year, A&M couldn't replicate those results.

8 The City was put on notice on March 27,
9 2025 -- and the draft report of A&M through questioning
10 from Intervenors and this court -- that there were
11 questions and concerns about the validation of the City's
12 representation related to the bed count. The City had
13 weeks to meet with A&M to provide documentation that the
14 City -- that the CAO themselves said they had, that they
15 relied on, for purposes of validation. And in those six
16 weeks, the City of Los Angeles did not provide the
17 verification that would've allowed A&M to replicate the
18 City of Los Angeles' quarterly report.

19 Your Honor, the TLS issue and the roadmap
20 agreement was even more clear that A&M could not replicate
21 the City's results. Based on the data that had been
22 provided to them, the City was on notice and given an
23 opportunity to provide that data and the City failed to do
24 so.

25 In the course of these proceedings a lot



1 has been talked about, about the homelessness delivery
2 system. A lot has been talked about the fact that they
3 systems are broken. I will say the Intervenor and their
4 members understand that -- I would say better than most in
5 the room, Your Honor -- that the systems are broken. That
6 the policies are failing our most vulnerable members.

7 But I would also say, Your Honor, that this
8 case is not, nor has it ever been, about a broken
9 homelessness services delivery system. No case can fix
10 the homelessness delivery system. And if the case wasn't
11 about that at the beginning, it certainly is not about
12 that for purposes of the settlement agreement. Because
13 the LA Alliance and the City entered into a settlement
14 agreement that defined the terms of the enforcement going
15 forward. And I will say, Your Honor, that for purposes of
16 what is going forward, that is what matters.

17 But, Your Honor, what appears in the
18 settlement agreement is significant. It is important, and
19 it's tangible, and it literally means tens of thousands of
20 people coming inside.

21 Your Honor has the ability and the
22 obligation to hold the City of Los Angeles accountable to
23 the provisions that appear in the settlement agreement.
24 Intervenor are concerned that sometimes the conversation
25 about the homelessness delivery system moves this court,



1 moves the public attention away from the issues at hand.

2 It was a significant agreement between the LA Alliance and
3 the City of Los Angeles despite Intervenor's objection to
4 bring 12,915 units online.

5 The Court has the opportunity and the
6 ability to ensure that every single one of those units,
7 that every single one of the housing and shelter solutions
8 that the City is obligated to create are actually brought
9 into existence for purposes of the agreement. Doing that,
10 Your Honor, requires oversight. It requires not a
11 receiver, but it requires verification and data. It
12 requires more information, Your Honor, not less about the
13 City's obligations.

14 And, Your Honor, I would suggest that time
15 is of the essence related to this. We are days away from
16 the expiration of the roadmap agreement, something that I
17 know Your Honor feels deeply as we run up against the June
18 30, 2025, obligation. Because no actions were brought to
19 enforce the roadmap agreement to ensure that those -- that
20 the beds were actually created -- we're now in a position
21 where the City is left to verify the existence of
22 thousands of beds.

23 Your Honor, the City can under its inherent
24 authority order further validation of the City's
25 obligations under the agreement to ensure that each and



1 every bed is created. To ensure that the City fulfills
2 its obligation. And to ensure that the individuals who
3 will be served by this agreement, who will be brought
4 inside by this agreement, are able to rest their heads in
5 those beds.

6 Thank you, Your Honor.

7 THE COURT: Counsel, thank you.

8 Counsel, why don't we take 15 minutes --or 10
9 minutes until you can get set up; okay?

10 And so the next argument will be by the
11 City. And will 4:00 o'clock be convenient for you? I
12 want to give you enough time to get situated.

13 MS. EVANGELIS: Yeah. Thank you.

14 THE COURT: We'll see you at 4:00 o'clock.
15 Thank you.

16 (A recess was taken off the record.)

17 THE COURT: Okay. We're on the record. All
18 counsel are present.

19 And, Counsel, would you reidentify yourself
20 for the record, please?

21 MS. EVANGELIS: Thank you, Your Honor. Theano
22 Evangelis for the City of Los Angeles.

23 THE COURT: Thank you.

24 MS. EVANGELIS: This proceeding is about one
25 question and one question only. Whether the City of Los



1 Angeles has breached its settlement agreement with the
2 Alliance. Both the plain text of the agreement and all
3 the evidence presented over the past week make clear that
4 the answer to that question is no.

5 The Alliance has no interest in proving an
6 actual breach of the settlement agreement. Instead of
7 focusing on what actually matters here, the actual terms
8 of the agreement, the Alliance has looked for obligations
9 in all the wrong places. Most notably, the agreements
10 whereas clauses reciting its general purpose. All through
11 the last week we heard about that. They've turned to a
12 separate contract between the City and the County, even
13 though we've said time and time again the Alliance is not
14 a party to that agreement and they have no standing to
15 enforce it.

16 And the Alliance has sought to draw
17 sweeping but unsupported inferences from the expressly
18 limited performance assessment that A&M conducted. The
19 Alliance also questioned witnesses for hours on wide
20 ranging policy questions that have nothing to do, Your
21 Honor, with the party's settlement agreement.

22 They put on evidence about competing
23 visions of how to address the homelessness crisis. For
24 example, we heard from one witness who favors tiny homes.
25 We heard from another who favors shared housing. And yet,



1 still another favors pairing housing with services, such
2 as substance abuse counseling. And the list goes on and
3 on. In short, the Alliance has attempted to turn this
4 narrow proceeding -- again, which is limited not only by
5 the constraints of Article 3, the limits on jurisdiction
6 of a federal court, but also the parties' agreement --
7 into a referendum on the City's policy choices relating to
8 homelessness.

9 The Alliance seems to be good at second
10 guessing. They apparently have their own policy wish list
11 they're trying to impose on the people of Los Angeles. At
12 every turn, Your Honor, they're trying to micromanage the
13 City of LA's homelessness policy. But of course, this
14 isn't a trial to decide disputed questions of public
15 policy. It was supposed to be, and it must be, a focus
16 proceeding to determine whether the City has complied with
17 the actual terms of the settlement agreement. Policy
18 debates are for elected officials and the voters who elect
19 them, not for the Alliance, and not for this court
20 proceeding. So I will focus today, Your Honor, on the
21 Alliance agreement.

22 The past week -- I say week but I think
23 it's been more -- has made abundantly clear that there is
24 no evidence whatsoever to suggest, much less carry their
25 burden to establish by a preponderance, that the City has



1 breached any obligation under that agreement. The
2 Alliance simply has failed to satisfy its burden to
3 establish any breach and, honestly, it didn't even really
4 try.

5 There are three terms of the agreement that
6 are at issue here, and I'd like to first turn to Section
7 8.2, which of course is the clause that pauses the City's
8 obligations in the event of an emergency.

9 Then there are the ultimate deadlines in
10 Section 5.2, which requires that the City hit concrete
11 targets on encampment reduction and new beds in 2026 and
12 2027, respectively.

13 And third, there are the interim targets in
14 the same section which requires the City to use "best
15 efforts" to meet milestone goals along the way to
16 eventually hitting those bed creation and encampment
17 reduction targets.

18 So let me begin with Section 8.2. The
19 Alliance did not even acknowledge this provision. Their
20 silence on it was deafening. So that should be the
21 beginning and the end of this court's analysis at this
22 stage. It says two very important things. First, if a
23 local emergency is declared in the event of a fire or
24 other natural catastrophe, and I'll quote, "the
25 obligations of the City as set forth in Sections 3, 4, and



1 5 shall be paused." It doesn't say may. It says shall.

2 Second, in the event of an emergency that
3 provision says the parties agree to meet and confer on any
4 necessary and appropriate amendments to the settlement
5 agreement. Now, everyone in this courtroom knows that
6 devastating wildfires tore through our city in January.
7 They destroyed an area larger than the City of San
8 Francisco. The City declared an emergency as a result.
9 And fire is the very first danger expressly listed in the
10 agreement.

11 This is exactly the circumstance that the
12 agreement contemplates requires a pause. Section 8.2
13 means that the Alliance cannot show a breach as a matter
14 of law of any supposed interim obligations at this stage,
15 and the Alliance has an obligation to meet and confer
16 regarding potential modifications to the agreement.

17 Now, let's discuss that obligation to meet
18 and confer. Section 8.2 tells us exactly what the parties
19 are supposed to do when we have a disaster like the fire.
20 The City reached out to the Alliance and it did just that.
21 It sought to meet and confer immediately and multiple
22 times. The Alliance refused to engage in this required
23 meet and confer. That itself is an independent reason why
24 this entire hearing is premature and it cannot result in a
25 finding that the City breached its obligations.



1 Your Honor, the Alliance is the one who is
2 in breach of their obligations under the settlement
3 agreement. But let me be clear, and the evidence shows
4 this. The City has not taken its foot off the pedal. It
5 has not paused efforts, as Mr. Szabo testified, to comply
6 with the settlement agreement even in the face of the
7 declaration of emergency based on the wildfires. The City
8 has not paused its efforts, Your Honor. The most recent
9 budget continues to make homelessness a top priority, and
10 that's despite the fiscal challenges and the severe cuts
11 to other important initiatives. The most recent quarterly
12 report also shows that the City has closed the gap on bed
13 creation milestones, and it has exceeded its reduction
14 milestones.

15 So there's another reason why it's too soon
16 to be talking about any breach of the Alliance agreement.
17 The settlement agreement requires the City to meet targets
18 on encampment reductions by the end of June 2026, and to
19 meet targetd on bed creation by the end of June 2027. And
20 despite the fires, the evidence shows that the City is
21 still on track to meet or exceed its ultimate obligations.
22 It is simply too soon to be talking about any of this.
23 And the Alliance did not put on any evidence showing that
24 the City won't meet its targets in 2026 and 2027 nor could
25 it.



1 As Diane Rafferty correctly conceded, it's
2 impossible to know what will happen by the deadlines. She
3 said that no one in the room can predict the future. She
4 doesn't have a crystal ball, and the Alliance doesn't,
5 either. Laura Frost doesn't either. None of us do.

6 And, Your Honor, concerns are not evidence.
7 We heard a lot from the Alliance about concerns. They
8 have the burden of proof. They have to prove by a
9 preponderance that the City will not meet its obligations
10 in two years. They have not done that. They cannot do
11 that.

12 So meanwhile, I will turn to the testimony
13 of City administrative officer Matt Szabo, who testified
14 for several days. He's the person who knows better than
15 anyone else what the City is actually doing to combat
16 homelessness and to comply with the Alliance agreement.
17 And he testified, and it was unrebutted, that the City
18 will meet its future obligations. He testified that he
19 has no doubt whatsoever that the City has every intention
20 and every ability to meet its obligations by the end of
21 the agreement. He testified that he was confident that
22 the City would satisfy its obligation to create 12,915
23 beds by June 2027.

24 He also testified that he had no doubts
25 that the City would accomplish 9,800 reductions of tents,



1 makeshifts shelters, and vehicles by June 2026. And he
2 testified that there is a complete commitment from the
3 mayor and every councilmember to meet the City's
4 obligations under the settlement agreement. And the City
5 is putting its money where its mouth is in the current
6 budget.

7 Mr. Szabo explained at length how the City
8 has not retreated at all from its commitment to comply
9 with the agreement. And more broadly, to make meaningful
10 progress in reducing unsheltered homelessness on the
11 streets of our city. In fact, Mr. Szabo testified that
12 the City is already moving forward with the bureau of
13 homeless oversight inside the housing department. And
14 that bureau will be charged with managing and assessing
15 data from LAHSA and evaluating performance. And
16 coincidentally, that's a proposal that the Special Master
17 suggested and testified to.

18 So, Your Honor, because the Alliance can't
19 prove that the City won't meet its concrete targets in the
20 future, it's hung up on the concept of best efforts. And
21 according to the Alliance, because the City has supposedly
22 fallen behind the intermediate milestones for bed
23 creation, the City must not have engaged in best efforts
24 to meet its contractual obligations. But of course, the
25 testimony we heard proves that the Alliance is completely



1 wrong. And Your Honor, once again, they're trying to flip
2 the burden. The burden is on them to prove a lack of best
3 efforts, and they can't do that.

4 The Court heard about the City's Herculean
5 efforts and that testimony dooms the Alliance's claim that
6 there's any lack of best efforts. Mr. Szabo coordinates
7 efforts across multiple parts of government. We heard
8 about the housing department, the sanitation department,
9 the police department, and others including LAHSA. And he
10 does that to implement a multifaceted response to
11 homelessness. And as Mr. Szabo explained, these efforts
12 have increased the availability of permanent supportive
13 housing, of interim units, and of tiny homes. And that
14 shows the City's complete focus and commitment to advance
15 projects as quickly as possible.

16 And the fact that Dr. Agonafer, with her
17 distinguished background, has been appointed to serve as
18 the first deputy mayor of homelessness and community
19 health is itself proof that the City is engaged in best
20 efforts to comply with the settlement. And the City is
21 making significant strides in addressing the homelessness
22 crisis.

23 And Dr. Agonafer told the Court about the
24 innovative Inside Safe program, which has successfully
25 moved people and even entire encampment communities off



1 the streets. It's gotten them resources that they need
2 and it's put them on track toward permanent housing. It's
3 a success story. As Dr. Agonafer explained, change is
4 happening. She explained that over 4,300 people have been
5 brought in from the streets and more than 1,000 people
6 have been housed in permanent housing.

7 And so I want to address the issue that we
8 heard the Alliance really focus on here. They're hung up
9 on this concept of new counting and Inside Safe beds, Your
10 Honor. But of course, Mr. Szabo explained that after
11 Inside Safe had become established and its longevity was
12 established, the City decided to include those beds in its
13 count. And of course, there's no requirement whatsoever,
14 no limitation on the City's discretion, to decide that
15 those beds count. And that was Mr. Szabo's testimony,
16 Docket 955 at 275 to 277.

17 And so this criticism of Inside Safe, it's
18 really Plaintiffs that seem to be troubled that the City
19 has succeeded in complying, because it's robbed them from
20 some of their complaints about all of the work that the
21 City has done. None of this, Your Honor, seems to be good
22 enough for the Alliance.

23 According to the Alliance, the City hasn't
24 engaged in best efforts because the Alliance would've
25 chosen to do things differently. They criticized the plan



1 that the City provided in 2022. They say that, that
2 wasn't good enough for them because it didn't propose
3 12,915 beds through 2027 and they flyspeck it and they
4 don't like it. They're trying to micromanage. Of course,
5 it's not up to them to argue they would've done things
6 differently. It's about what's required under the
7 agreement and the terms of that agreement are limited.

8 So, Your Honor, the Alliance also complains
9 that the Inside Safe program is too expensive. But again,
10 they're ignoring the dramatic results of that program.
11 The Alliance has no right to second guess the decision of
12 the City's elected officials that, that program is an
13 approach that's worth investing in.

14 So I'd like to turn to the encampment
15 reductions. And the Alliance is arguing that, that
16 doesn't count unless the removal of tents, makeshift
17 shelter, or vehicle is of a permanent nature. Now, the
18 agreement does not impose any such limitation. And how
19 could it? What would that even mean? This is a limited
20 agreement. It doesn't get into all of this. And what
21 counts as permanent? How long would a person have to be
22 inside? How long would their acceptance of shelter have
23 to last? This is unworkable.

24 And, Your Honor, Intervenors also don't
25 like the encampment reduction provision in the settlement.



1 But interestingly enough, back in March they announced in
2 open court the same understanding of the agreement that
3 the City has, that -- I'll quote from Docket 681 at 79,
4 that "9,800 encampments represents tents and people's
5 possessions and doesn't represent bringing the people
6 inside." So Your Honor, the Intervenor never liked that
7 provision for that reason. But of course, at that time
8 the Alliance never objected to that reading of the
9 agreement. It always knew that the 9,800 encampment
10 reductions target was just about reductions without a
11 duration. It is not defined. And the City cannot be held
12 liable for breaching a promise it never made.

13 Now, the City can do more. It is doing
14 more. It wants to do more. But that doesn't obligate it
15 under the settlement agreement to do more. Of course not.

16 So Mr. Szabo testified that the 9,800
17 number for encampment reductions would have been
18 unworkable if the City could count a removal only if the
19 person left the streets permanently. Of course, I'll say
20 it again, the City has no way of knowing at the time of
21 removing a tent, structure, or vehicle -- sometimes which
22 poses a very serious safety and public health risk -- that
23 a person will stay off the streets for a significant
24 period of time. So that's the goal of Inside Safe to move
25 people inside but it's a separate issue entirely from



1 what's required under the contract.

2 And to be sure, as we've heard this week,
3 the City has made significant strides in transitioning
4 people into permanent housing, as Dr. Agonafer confirmed.
5 But requiring that encampment reductions be permanent
6 would hamstring the City, Your Honor. It would make
7 reporting reductions unduly complicated and incredibly
8 burdensome. And the City would never have agreed to that
9 number, if compliance depended on third party's
10 independent choices to accept permanent shelter for some
11 undefined period of time.

12 So at bottom, the Alliance disagrees with
13 the how here. The how in a number of respects, including
14 how the City will add the 12,915 beds. But the Alliance
15 doesn't get a say in the how. The agreement, Your Honor,
16 unambiguously gives the City sole discretion to choose
17 among any and all shelter solutions.

18 And going back to the prior slide, we can
19 see that flexibility reflected in paragraph 3.2 of the
20 settlement agreement. It lists all the ways, including
21 but not limited to, any housing or shelter solution. And
22 it places no limits on prior uses. It doesn't say only
23 new construction. It includes master lease apartments.
24 It includes rental assistance. We heard -- and it says
25 right there -- it even includes family reunification. The



1 City isn't counting that, but it would have every right
2 to. It says that in Section 3.2.

3 That flexibility was key. And Mr. Webster
4 admitted in his testimony yesterday that the agreement
5 nowhere says that the City loses that discretion if the
6 interim milestones are not met. And Mr. Szabo explained
7 that, that would've been a nonstarter because the City
8 needed that flexibility, given changes, changes in
9 election of a new mayor, new city council. The City's
10 policy priorities at any given time are up to the elected
11 officials and the people of Los Angeles. And that
12 flexibility was enshrined in this agreement.

13 So it's not up to the Alliance, or the
14 Intervenors, or anyone else for that matter, to decide how
15 the City chooses to comply with the settlement agreement.
16 And that's for good reason. Because as we heard this past
17 week, there are legitimate debates about the best approach
18 to addressing the homelessness crisis, and the Alliance's
19 own witnesses confirmed that.

20 We heard from Ms. Funk who champions tiny
21 homes. She thinks her approach is the best interim
22 solution because permanent housing takes too long to
23 build.

24 The Court heard from Mr. Ulf who thinks
25 that shared housing is the key to transitioning people off



1 the streets, and he's done great work in that regard.

2 And the Court heard from Mr. Maceri who
3 believes after all his years of experience that addressing
4 homelessness requires cooperation across federal, state,
5 county, and city governments, as well as service
6 providers. And he admitted there's no one size fits all
7 solution.

8 So the fact that not even the Alliance's
9 own witnesses can agree on the right policy solution only
10 underscores that reasonable minds can differ, and that's
11 okay. Policy makers can weigh the pros and the cons in
12 choosing which responses to prioritize at any given time.
13 The agreement enshrines that flexibility.

14 But we have to be guided by law here and
15 not just policy, and the Alliance it seems, Your Honor,
16 simply has buyer's remorse. They must not like what's in
17 that agreement because they're asking the Court to rewrite
18 it. Of course, the settlement could have outlined
19 particular, specific types of beds and specified costs
20 that the City would have to create, but the agreement says
21 the opposite. It leaves those choices to the sole
22 discretion of the City.

23 The settlement could have made the
24 milestones strict deadlines, but the agreement did the
25 opposite. It included a best efforts provision because



1 everyone involved knew the milestones might not be met at
2 any given snapshot of time.

3 The settlement could have paired encampment
4 reductions with the provision of permanent shelter, but
5 the agreement did no such thing.

6 The settlement could have made its broad
7 recitals about the goal of reducing homelessness into
8 enforceable terms of the agreement but it didn't. There
9 is zero obligation in that contract to "fix the system."

10 The Alliance seems to like the MOU with the
11 County better. But they, the Alliance, signed a five-year
12 deal. They didn't get an 18-month deal. So apparently,
13 they would've preferred that, but that of course is not
14 the same deal.

15 And here, what the Alliance is trying to do
16 is effectively assign meaning to undefined terms that
17 modify the agreement. But of course, that agreement can't
18 be modified except by a writing signed by all parties.
19 And the City never agreed to all the modifications that
20 they're now springing on everyone and trying to impose on
21 us. And the Court cannot impose definitions of
22 contractual terms that are contrary to the expressed
23 intent of the parties, and for which there is no evidence
24 that the parties would have agreed to. In fact, the
25 evidence is entirely to the contrary.



1 The Court in this proceeding can only
2 enforce terms that the City actually agreed to, promises
3 it actually made, when there's an actual dispute with an
4 actual party, and that is what bounds this proceeding.
5 And after a week of testimony, the Alliance hasn't offered
6 any evidence capable of proving a breach of the actual
7 terms of the settlement agreement. And that's what
8 matters here.

9 Now, because the Alliance can't demonstrate
10 a breach of its agreement with the City, it's attempting
11 to enforce the terms of the MOU agreement between the City
12 and the County. The simple legal problem here is that the
13 Alliance isn't a party to that agreement so it lacks
14 standing to enforce it. The only parties that
15 indisputably have enforceable rights under that agreement,
16 the City and the County, have never alleged any breach.
17 In fact, the County didn't even actively participate in
18 these proceedings.

19 So where there's no disagreement, and no
20 dispute, and no case or controversy between the City and
21 the County, why are we even talking about that agreement?
22 But even if it could enforce the MOU, the Alliance hasn't
23 met its burden to establish a breach of that separate
24 agreement.

25 The Alliance focuses on the City's promise



1 to provide beds. They claim the City hasn't lived up to
2 this promise because the A&M assessment noted that the
3 City hadn't exclusively used its own funds instead of also
4 using federal and state funding to meet its obligations.
5 Now, that's a tortured reading of the word "provide," and
6 it makes no sense whatsoever.

7 Mr. Szabo testified it would be nonsensical
8 for the City to agree to fund the beds from a single
9 source, from its general fund, and to forego federal and
10 state funding sources. Why would any of us want that? No
11 city operates that way. No city would agree to operate
12 that way ever. And taking advantage of other available
13 funds, Your Honor, is good stewardship of taxpayer
14 dollars. It's not breach of an agreement. It's not
15 something to be condemned and criticized, as the Alliance
16 would have it.

17 The Alliance also suggest that the City's
18 performance under the MOU must have fallen short because
19 of supposed data issues at LAHSA. But the evidence it
20 presented was both limited and unreliable. The Alliance
21 relied on the A&M assessment, but of course that
22 assessment did not follow any recognized standards that
23 would allow others to evaluate its conclusions. The
24 assessment does not link its high level qualitative
25 criticisms to any specific breach of either the Alliance



1 settlement agreement or the MOU. It purports to identify
2 potential risks not any materialized risks. And it is, of
3 course, of zero probative value because neither the
4 assessment nor any of the audits speak to the City's
5 compliance with any of its contractual obligations.

6 The Alliance called Ms. Vaughn Henry, a
7 disgruntled former employee of LAHSA who hasn't worked
8 there in almost two years. But again, as Mr. Szabo
9 explained, the City reports less than five percent of its
10 beds based exclusively on LAHSA data. Rather than provide
11 this court with actual admissible evidence to support its
12 suggestions of misconduct, the Alliance asked the Court to
13 rely on irrelevant speculation about spreadsheets on a
14 laptop and inflammatory accusations from someone who
15 clearly has an ax to grind.

16 But, Mr. Szabo, who knows best, explained
17 that the City is very conservative about what beds it
18 reports to this court. To the greatest extent possible,
19 he testified he's certain that everything that is reported
20 is verified and verifiable. And the City is continuing to
21 verify its data to ensure accuracy going forward. And of
22 course, the City has the burden -- does not, Your Honor,
23 have the burden of proof. Plaintiffs have the burden, and
24 neither Plaintiffs nor Intervenor have ever offered any
25 alternative bed count or encampment reduction numbers that



1 are different from the City's numbers. It's all
2 speculation. It's all concerns. It's all unfounded. And
3 it's all insufficient to carry a burden of proof by a
4 preponderance.

5 All of us, including the City, care deeply
6 about improving the situation of all those who are
7 experiencing homelessness. We acknowledge, Your Honor,
8 that this issue is of utmost importance, and the City has
9 made it a priority not just with its words but with its
10 deeds. On day one of her administration, Mayor Bass
11 declared a state of emergency concerning homelessness.
12 And working with the city council, they've invested
13 immense resources to help our unhoused neighbors, treating
14 them with dignity and compassion, and working toward long-
15 term solutions to an issue that plagues cities across the
16 country, as we heard Dr. Agonafer testify. And it was
17 very compelling.

18 These proceedings have also showcased,
19 though, that there's no easy answer. No easy solution to
20 this challenge. In fact, this trial has shown once again
21 that even the people who know the most homelessness
22 disagree about the best approach.

23 And, Your Honor, the Alliance was right
24 about one thing in their opening. I am going to bring up
25 Grant Pass because I think it really drives the point



1 home. There's one thing we can probably all agree on
2 here. That lawyers are not going to solve the
3 homelessness crisis. And court proceedings like this are
4 not the way to decide the right answer to these policy
5 questions.

6 That's what the Supreme Court wisely
7 observed in Grants Pass when it told us many cities across
8 the American West face a homelessness crisis. The causes
9 are varied and complex. The appropriate public policy
10 response is perhaps no less so. Yes, people will disagree
11 over which policy responses are best. They make
12 experiment with one set of approaches only to find later
13 that another set works better. They may find certain
14 responses more appropriate for some communities than
15 others, but in our democracy that is their right. Nor can
16 a handful of federal judges and proceedings like this
17 begin to match the collective wisdom the American people
18 possess in deciding how best to handle a pressing social
19 question like homelessness.

20 So although the Alliance asked this Court
21 to decide these questions, Your Honor, it's as though the
22 Supreme Court were talking about this very proceeding.
23 This is very complex. No one has the answers. And
24 certainly, it's not up to all of us to decide these huge
25 issues right here. It's up to local governments, elected



1 officials, and dedicated public servants like Mr. Szabo,
2 and Dr. Agonafer. Not the Alliance. Not the Intervenor.
3 And not this proceeding. Those elected officials are the
4 ones who are best positioned to solve this problem.

5 So I will end, Your Honor, by addressing
6 the Alliance's radical and unprecedented request for a
7 receiver. Someone that the Alliance in their own words
8 had said will become the homelessness czar for the city.
9 Let's stop for a moment and think about that. It truly is
10 stunning that they would suggest that, especially after
11 all the evidence we heard this week. We should never even
12 get to the remedy stage in the first place, because the
13 Alliance hasn't come close to satisfying its burden of
14 proving a breach, much less that the City is incapable of
15 complying with the agreement's final targets in 2026 and
16 '27. Nor has the Alliance, though, even attempted to
17 prove the necessary violation of federal law which would
18 be required before this court could override the very
19 structure of state government in the way that they are
20 asking it to.

21 It is clear that this radical remedy is
22 only available where some state law conflicts with federal
23 law like Keith v. Volpe, from the Ninth Circuit. But
24 here, we're only talking about a settlement that's
25 governed by California law. There's no constitutional



1 issue being decided by the Court. There's no federal law
2 issue. It's a state law issue.

3 But more importantly, imposing a
4 receivership would be a terrible setback for all the
5 progress we heard about this week. Deciding how to
6 respond to the homelessness crisis is an incredibly
7 difficult policy question. I've said this time and again
8 and so have many others. It cuts across many disciplines.
9 It requires the input and collaboration of experts in
10 housing, mental health, substance abuse, and more. It
11 requires immense coordination between not just city
12 governmental departments, but the county, the state, the
13 federal government. A receiver would never be able to
14 seamlessly take control of that complex system and
15 generate immediate results. We all know that's not how
16 things work in the real world.

17 Instead, any receiver would have an
18 enormous learning curve. No receiver will have a quick
19 fix to this problem because none exists. Solutions will
20 require hard work and investment over time. And the
21 City's leadership has shown that's exactly what they're
22 doing. But it's not going to be something that's solved
23 by a receiver's magic wand. We heard the Alliance suggest
24 this, but they have not answered any of the enumerable and
25 unending questions that would arise in the event of a



1 receiver.

2 Would the receiver have the power to
3 appropriate money from the City's general fund? If so,
4 how much? And at what cost to other priorities?

5 Would the city council and the mayor have
6 any say in the matter? Would the receiver take control of
7 the LA Housing Department? The LA Police Department? The
8 LA Fire Department? The Department of Sanitation? And
9 other city departments that are involved in the City's
10 response?

11 Would the receiver be able to overwrite
12 zoning laws? How about building codes? How about
13 prevailing wage laws and other government contracting
14 rules? Environmental laws? We didn't hear anything about
15 those.

16 Would the receiver have a general mandate
17 without any limitation or would the city council and the
18 mayor have any say in determining what the receiver would
19 do? Would the receiver negotiate and coordinate with the
20 county? With the state? And with the federal government?
21 Who would the receiver answer to? How long would the
22 receiver be in power? What about the voters of the City
23 of Los Angeles? Would the receiver even have to answer to
24 them in our democracy?

25 Would the receiver end Inside Safe? Would



1 the mayor, and the deputy mayor, and the city council be
2 powerless to stop that? The questions are endless. But
3 the Alliance has no answers whatsoever. They seem to not
4 even have considered how this would work. How any
5 receiver could operate consistent with basis principles of
6 democratic governance. And it's significant that the
7 Alliance has not identified any examples of a federal
8 court imposing a receiver on a state or local government
9 to act as an unelected czar to solve an ongoing, complex,
10 and difficult public policy problem. A problem that
11 people of good faith have differing views as to the
12 appropriate response.

13 At bottom, what the Alliance really wants
14 here, Your Honor, is to dictate homelessness policy to the
15 City. But it's simply not the role of the Alliance to
16 substitute its own policy preferences for those of our
17 duly elected officials.

18 To the extent that these proceedings have
19 become a referendum on homelessness policy, that is
20 ultimately a question for the people of Los Angeles. Not
21 the Alliance. And ultimately, not this court. This court
22 should deny the Alliance's motions seeking to enforce the
23 settlement agreement, including, Your Honor, it's
24 unconstitutional, unprecedented, and unlawful, and
25 unjustified receivership request.



1 Thank you.

2 THE COURT: Counsel, thank you.

3 About 10 -- 15 minutes, Counsel, and we'll
4 return. So you can set up. You have ten minutes.

5 MR. UMHOFFER: Your Honor, I'm ready to go.

6 THE COURT: All right.

7 MR. UMHOFFER: Your Honor, I think most of my
8 predictions turned out to be correct about the City's
9 arguments. But I want to start with is talking about what
10 the City could have done in this hearing and even in that
11 argument.

12 The City could have explained why it hasn't
13 to this day complied with the requirement, the unalloyed
14 requirement, to create and provide a bed plan that meets
15 the 12,915 goal. The City hasn't done it.

16 The City has not explained why it missed
17 its milestones or deadlines, offered no explanation
18 whatsoever.

19 The City failed to explain why it never
20 provided a single report of a single encampment reduction
21 in 2023, even though it created milestones and deadlines
22 for itself in 2023.

23 The City could have provided actual
24 evidence of best efforts. Perhaps, something more than
25 Ms. Szabos commitment.



1 The City could have proved that the numbers
2 and the data aren't compromised. But they didn't do any
3 of those things, Your Honor. Instead, they made a series
4 of bad arguments, and let's run through them.

5 Bad argument number 1. The whereas clauses
6 in the agreement don't matter. They're missing the point,
7 Your Honor. There is a clause, a whereas clause that's
8 quite important, that makes it clear that the purpose of
9 the agreement is to substantially increase the number of
10 housing and shelter opportunities and reduce unsheltered
11 homelessness in Los Angeles. That's the purpose of the
12 agreement. They drafted that language, Your Honor.

13 The reason why that purpose is important is
14 when you compare it to the City's tortured reading of the
15 agreement, it is so at odds with that purpose that it
16 cannot be credited. Under the City's tortured reading,
17 milestones and deadlines neither exist nor matter. The
18 agreement says milestones and deadlines but they don't
19 matter, and the Court can't do anything about that.

20 Under the City's tortured reading, the City
21 can do nothing until June 2027 and still be in compliance.
22 Mr. Szabo conceded that. He conceded also that it's
23 preposterous, but he conceded that the preposterous is
24 consistent with this agreement and that cannot be in light
25 of the purpose of the agreement. The City insists that



1 it's enough that the City truly believes that it'll get
2 there by 2027. That also is not consistent with the
3 purpose of the agreement.

4 You heard the questions. Under the
5 agreement, could the City stand up 12,915 beds the day
6 before the expiration of the agreement and shut them down
7 the day after? And Mr. Szabo confirmed that that's the
8 City's interpretation of the agreement. Totally at odds
9 with that crucial articulation of purpose. And of course,
10 the notion that the City -- that the Court cannot enforce
11 anything under the agreement until 2027, I suggest that
12 that's totally at odds with that purpose. That focus
13 purpose of getting the number of people on the streets
14 down and getting the number of people in beds up. That's
15 what this purpose is for.

16 And so you have to -- when you're looking
17 at the City's arguments you have to compare it to this
18 purpose. And those arguments that don't line up with this
19 purpose, especially in light of the plain language of the
20 agreement, should be rejected.

21 Bad argument number 2, Your Honor. The
22 fire pauses the agreement. That's 8.2. They're pointing
23 to that to say that this whole court is out of order.
24 Let's talk about why 8.2 doesn't affect this hearing at
25 all.



1 The City bears the burden on 8.2. It
2 hasn't proved that it's been triggered. The Court may
3 assess the application of 8.2. It doesn't have to take
4 the City's word for this. The City's -- 8.2 contemplates
5 a prospective forward looking pause in the agreement, but
6 it does not immunize past violations. There's nothing in
7 8.2 that says the Court can't look backward to see if the
8 City was complying with the agreement before 8.2 was
9 triggered. This is all about a pause. It says
10 obligations under this agreement shall be paused. A pause
11 in obligation is neither a stop nor a pardon for past
12 violations. And Mr. Szabo himself confirmed. Something
13 that they conceded. So I'm not even sure, given this Mr.
14 Szabo's testimony and their adoption of it, if 8.2 is even
15 triggered because Mr. Szabo said, and they credited, we
16 have not paused efforts. So they are not operating under
17 8.2. They've conceded that, Your Honor.

18 Now, this whole idea of -- I just -- I'd
19 invite the Court to look at Exhibits 217 and 218 on the
20 meet and confer. All 217 and 218 show is that the meet
21 and confer effort happened after the City asked. So
22 there's no violation there.

23 Bad argument number 3. Nothing matters
24 until 2027. Translation: This court has no role to play
25 in an agreement that it adopted jurisdiction over to



1 ensure the compliance with the agreement. In fact, in the
2 order it says specifically -- the Court's order that
3 Intervenor's counsel referenced -- "The Court expressly
4 retains exclusive jurisdiction to resolve any future
5 disputes regarding the interpretation, performance, or
6 enforcement of the agreement." And the notion that this
7 court has to sit on its hands until 2027? That's what
8 they're suggesting, Your Honor. It's downright wrong.

9 Bad argument number 4. The City's
10 committed. It's making strides. Mr. Szabo was asked did
11 the Alliance negotiate for commitments or for beds? And
12 he answered that question clearly. The obligation is to
13 establish the beds.

14 Bad argument number 5. The Alliance is
15 micromanaging. This is a new one. All we're doing, Your
16 Honor, is reading the agreement and holding up a mirror to
17 the City. The City has that obligation to create plans.
18 It has to create plans for housing and shelter solutions,
19 for the City, and each district in the City. It has the
20 obligation to provide those plans. And the notion -- and
21 all we're doing is asking the City to comply with that.
22 This is not micromanagement. This is us asking the Court
23 to do what it agreed to, which is to enforce and interpret
24 the agreement over a five-year period.

25 And they're overlooking this critical



1 passage. "The City may choose at its sole discretion any
2 housing or shelter as long as the milestones are met." So
3 they can do what they want to get to the beds milestone by
4 milestone, deadline by deadline. But when they're not,
5 Your Honor, their sole discretion goes away. They
6 negotiate it away, their sole discretion. And they're not
7 meeting those milestones, and Mr. Szabo confirmed that.
8 The Alliance is not micromanaging, Your Honor. The City
9 is failing to comply and we're holding them accountable.

10 Bad argument number 6. The milestones are
11 aspirational. The City will -- the City will -- these are
12 not aspirational. It's mandatory. Mr. Szabo conceded
13 that the language in 5.1 is mandatory, and that language
14 appears throughout 5.2, as well.

15 Bad argument number 7. Best efforts. Of
16 course, we know that there's no best efforts limitation
17 for creating and providing a bed plan. They were required
18 to do that not employ their best efforts. That's in the
19 agreement. There's no best efforts language in the
20 roadmap agreement. They can't take refuge there. The
21 roadmap agreement simply requires the City will -- sound
22 familiar? -- provide 6,700 new beds.

23 Bad argument number 8. Encampment reductions
24 don't count. We heard this from both the City and the
25 Intervenor. I respectfully suggest that this is wrong.



1 5.2 requires the City to create milestones and deadlines
2 for encampment reduction and then -- and so they were
3 required to create those milestones and deadlines and they
4 did. Exhibit 65. Exhibit 47, also. There the
5 encampment, milestones, and deadlines, the City was
6 obligated under the agreement to create. And the Court
7 has specifically interpreted the settlement agreement to
8 apply to those milestones and deadlines and make holdings
9 around what those milestones and deadlines can and can't
10 apply to in terms of what the City is doing.

11 Now, what the City and the Intervenors have
12 overlooked is the definition that appears in 1.1 of the
13 agreement. The notion that this agreement is limited to
14 its four corners is belied by the four corners of the
15 agreement itself, which specifically says that the
16 settlement agreement shall refer to this agreement and all
17 associated documents. I hereby present to you, Your
18 Honor, the milestones associated documents. The bed
19 milestones and the encampment resolution milestones are
20 obviously associated documents.

21 Not only that, Your Honor, the agreement
22 clearly incorporated by reference the milestones and
23 deadlines that were to be created. It is permissible
24 under the law to incorporate by reference documents that
25 are created in the future, and that's precisely what



1 happened here when the agreement talked about the City
2 creating those milestones and deadlines and then being
3 bound to them.

4 Bad argument number 9. The Alliance
5 witnesses don't agree on the best approach to
6 homelessness. They're missing the point, Your Honor.
7 There were many better options the City could have chosen.
8 That's what those witnesses were here to say. A whole
9 panoply of different options, but the City didn't choose
10 those options. And it's now in breach because of that,
11 and it's lost its discretion because of that.

12 Bad argument number 10. No standing for
13 the roadmap agreement. I don't mean to belabor this, Your
14 Honor. Exhibit 2 specifically talks about this court
15 enforcing that agreement. They can't take that power
16 away. They agreed to give the Court that power. Now, the
17 Court had an opportunity to talk about this on May 15, and
18 it specifically said that the roadmap agreement was
19 entered into in direct response to the litigation brought
20 by the Plaintiff, LA Alliance, and the Court held for all
21 these reasons the Court can enforce and it finds it can
22 enforce the agreement, and the Plaintiff, LA Alliance, is
23 the proper party to argue this issue. They're ignoring
24 this court's prior holdings.

25 They made this argument on May 15, 2025.



1 The Alliance isn't a party, and the Court specifically
2 said, "I've already resolved that issue." You've already
3 resolved the very issue they're arguing about, Your Honor.

4 Bad argument number 11. Grants Pass. I
5 called it. This is not Grants Pass, Your Honor. I
6 commend Counsel for their able arguments in the Grant Pass
7 case, but we are not in Grants Pass. We are in Los
8 Angeles where the City has agreed to be bound by the terms
9 of a settlement agreement. This court has considered the
10 City's agreement to be bound by the terms of that
11 settlement agreement and held that the City cannot report
12 clean ups by Care and Care Plus. It's as simple as that.
13 Grants Pass was about constitutional limitations. This
14 case is about the breach of a settlement agreement.
15 Grants Pass has no place in this case.

16 Bad argument number 12. The receivership
17 would displace local official's authority. My answer to
18 that is exactly what we need. I'm going cite the Court to
19 itself, Docket 277. This very argument was made and
20 here's how the Court responded at that time. "The Court,
21 however, seeks to ensure accountability, promote action,
22 and where there has been historic inaction." No public
23 interest is more paramount than protecting the lives of
24 our citizens. Not even the power of local officials to
25 fail year after year on homelessness.



1 Plata's receivership, which was cited
2 extensively by the Court in that order, is on all fours
3 with this case. There was a settlement agreement. It was
4 breached time and time again. The claims in that case
5 were constitutional in nature, but the settlement
6 agreement just like this one was breached and that was the
7 basis of the receivership. And all those questions, those
8 myriad of questions, it was a wonderful graphic, but all
9 those questions were answered over time in Plata and they
10 will be answered over time by this court in this case
11 should the Court award a receivership.

12 We talked about the breaches, Your Honor.
13 The evidence is powerful that every single one of these
14 four breaches took place. The settlement is breached.
15 The system is broken.

16 And I want to close by repeating the
17 Court's words in its preliminary injunction order. "This
18 court cannot idly bear witness to preventable deaths.
19 This ever worsening public health and safety emergency
20 demands immediate life-saving action. The City and County
21 of Los Angeles have shown themselves to be unable or
22 unwilling to devise effective solutions to LA's homeless
23 crisis."

24 Your Honor, those words are as true today
25 as they were in the Court wrote them back in 2021. I



1 would urge the Court to find the City in breach and to
2 place the City in receivership.

3 Thank you.

4 THE COURT: First of all, I want to state on the
5 record that I want to thank Counsel for the excellent
6 briefing thus far and your excellent arguments. It's been
7 a pleasure. I want to express that publicly to all of you
8 folks who have worked so hard on this matter.

9 The second thing is I want to know what
10 your position is from LA Alliance in terms of your opening
11 brief. I heard you had an agreement, then I heard you
12 didn't have an agreement, and it makes a difference in
13 terms of my timing and what I order in terms of a briefing
14 schedule.

15 MS. MITCHELL: Yeah. If I can take a step
16 backwards. Originally, we had an agreement with the City,
17 when we thought this was going to be a three-day hearing,
18 that the Plaintiff's opening brief would be due on
19 Tuesday, like a supplemental brief to what we already
20 filed. The City's response would be due on the 9th and
21 then we would file a reply on the 16th.

22 Now, as this hearing went long, we informed
23 Counsel that because we had already briefed this issue
24 substantially, we would waive any opening brief and refer
25 to the prior pleadings. And then the City would file its



1 opposition on the 9th, and we would file our response on
2 the 16th. So there would only be two pleadings.

3 I thought that, that agreement was still in
4 effect. It sounds like the City is withdrawing that
5 agreement. I still think that that's reasonable. I don't
6 believe -- because we've already submitted significant
7 points and authorities on this issue, I don't know that we
8 need another opening brief. It would be like record
9 citations, and we can do that in our reply, Your Honor.
10 So I still think we'd be willing to waive our opening
11 brief or our moving papers, our supplemental brief, have
12 the City file something on the 9th, have us respond on the
13 16th. I think that's a fair briefing schedule.

14 THE COURT: Let me turn to the City and then
15 I'll turn to the Intervenor.

16 MS. EVANGELIS: Thank you, Your Honor. I think
17 in light of the fact that we have had so many days of
18 testimony and there's a lot of evidence, I don't think it
19 would be fair for us to see the citation to evidence only
20 in a reply brief we can't reply to. So I don't think
21 that, that briefing really fits with the circumstances
22 now, that approach. So I do think that the Court's
23 suggestion that we have a normal opening brief,
24 opposition, reply, makes more sense in light of all of the
25 issues that have been aired. And also, Your Honor, to



1 avoid sandbagging and any lack of opportunity to respond.

2 THE COURT: Ms. Myers, what are your thoughts?

3 MS. MYERS: Your Honor, I, too, was surprised
4 that this issue was -- is being raised and that the City
5 is now taking the position that we didn't have an
6 agreement. We hashed this out fairly significantly
7 amongst the parties and came up with this agreement,
8 understanding that we were going to do closings today and
9 understanding that was the Plaintiff's position.

10 So we support the briefing schedule as it's
11 proposed. I would say as an alternative, perhaps the
12 Court could require the City to file its brief on the 11th
13 and allow the -- so that would give them an additional two
14 days, and sort of split the difference. But pushing for
15 the briefing schedule-- they're pushing for -- that you
16 proposed is dramatically different than what the parties
17 agreed to.

18 MS. EVANGELIS: And I think if we had -- I
19 understand everything has been so much in flux. Your
20 Honor, if we had more time, the notion that we would be
21 able to file a brief by the 9th seems unrealistic in light
22 of all the time that has gone by. So we're, you know,
23 we're looking to the Court for the Court's guidance on
24 what you would like, Your Honor. But we would definitely
25 want at least until the 13th, I would say, to file a brief



1 if we're going to be the first.

2 THE COURT: I'll be right back with you then.

3 Let me think that through for a moment. Let me get a
4 calendar and see what would be fair for all of us to get
5 back to work, also immediately on this.

6 Let me raise another problem that has
7 nothing to with your case. One of the members of the City
8 Attorney's office, a high ranking member, is applying for
9 the bench. And I've received an inquiry and apparently
10 that member is relying somewhat on my input. By the way,
11 it would be very good. Okay. I don't know how important
12 that is, but I didn't want to give that input -- it's due
13 Friday. And so if any party is uncomfortable with that,
14 I'm happy to not give that input. And I don't know how
15 much that party is relying upon me, but that party's had
16 extensive appearances in my court. And you could guess
17 who that is.

18 MS. MITCHELL: Your Honor, the Alliance is also
19 aware of this individual. We have no objection.

20 THE COURT: No objection.

21 MS. MITCHELL: No objection.

22 THE COURT: Ms. Myers, do you have any
23 objection?

24 MS. MYERS: I will abstain from providing an
25 opinion on that, Your Honor.



1 THE COURT: Okay. Counsel, any objection?

2 MS. EVANGELIS: No objection.

3 THE COURT: Well, I think he'd be pleased with
4 the input. Okay. So good.

5 All right. Would you give us a few
6 moments? I'll be right back.

7 MS. EVANGELIS: Thank you.

8 THE COURT: We'll be right back with you in a
9 few moments.

10 (A recess was taken off the record.)

11 THE COURT: All right. Counsel, thank you very
12 much. If you'd be seated.

13 We're back on the record. All counsel are
14 present.

15 I want to make certain before I set this
16 schedule that there's been no further discussion or
17 ability -- in other words, you want to govern yourselves
18 or --any further thoughts?

19 MS. MITCHELL: There's been no further
20 discussion, Your Honor.

21 THE COURT: Okay. This is my best efforts.

22 Would you turn this around for just a
23 moment?

24 I wanted to bring out a visual whiteboard
25 so you could see it, but let me read this into the record



1 and then especially -- I'm concerned a little bit about
2 the Intervenorors because you got an interesting balance.

3 And so I've tried to -- and just give your
4 request of 50 pages, which I wasn't inclined to do before.

5 So first, based on the evidence presented
6 to the Court during the evidentiary hearing, the Court is
7 concerned about verification of the 2,679 time-limited
8 subsidies, TLS -- and I've read this to you before -- that
9 are reported by the Court to comply with the roadmap
10 agreement, most recently in the Court's status report
11 dated April 15, 2025, Docket 891.

12 The Court's heard testimony from A&M
13 assessment team that A&M could not verify a number of TLS
14 beds due to expenditure gaps and missing addresses.

15 A&M also testified that some of the TLS
16 addresses provided for roadmap were the same addresses
17 listed for permanent supportive housing in the LA Alliance
18 settlement reporting.

19 These issues raise serious concerns about
20 the accuracy of the roadmap compliance reporting and
21 potential double counting between the two agreements.

22 To ensure roadmap compliance, the Court
23 hereby requires the City to provide the following data on
24 the TLS beds and the roadmap reporting.

25 First, the HMIS identifier.



1 Next, the verification that this HMIS
2 identifier is also logged in the CES system.

3 Next, the address of the lease being paid
4 for.

5 Next, the move-in date of the lease being
6 paid for.

7 And the current occupancy status of each
8 TLS slot.

9 The Court requires the data to be provided
10 by June 11, 2025, at 5 p.m. in a spreadsheet, format under
11 seal.

12 The Court also requires that the City
13 compare the TLS addresses reported for the roadmap with
14 the addresses reported for the LA Alliance settlement and
15 sign an affidavit stating whether there is any overlap of
16 addresses in the reporting.

17 Further, the Court orders the following
18 post-evidentiary hearing briefing schedule.

19 Plaintiff's opening brief is due Monday,
20 June 9, at 3:00 p.m. Thirty page limit.

21 The City's response is due Friday, June 13,
22 2025, at 3:00 p.m. Fifty page limit.

23 Plaintiff's reply is due on Tuesday, June
24 17, 2025, at 3:00 p.m. Twenty page limit.

25 The Intervenor's brief is due on June 17,



1 2025, at 3:00 p.m. Fifty page limit.

2 And lastly, the County may also respond by
3 Friday, June 17, 2025, at 3:00 p.m. with a 25-page limit.

4 I'm having that docketed this evening in a
5 late-filing on our docket.

6 Other than that. Thank you very much.

7 Have a good evening.

8 MR. MCRAE: Thank you, Your Honor.

9 MS. MITCHELL: Thank you, Your Honor.

10 (Proceedings concluded)

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TRANSCRIPTIONIST'S CERTIFICATE

I certify that the foregoing is a correct transcript
from the electronic sound recording of the proceedings in
the above-entitled matter.



JACQUELINE N. DENLINGER

June 6, 2025

FEDERALLY CERTIFIED TRANSCRIPT AUTHENTICATED BY:

/s/Ann Bonnette

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