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7  
8 UNITED STATES DISTRICT COURT  
9 CENTRAL DISTRICT OF CALIFORNIA

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

13 Plaintiffs,

14 v.

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

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

Assigned to Judge David O. Carter

**PLAINTIFF LA ALLIANCE'S  
OPENING BRIEF RE  
EVIDENTIARY HEARING ON  
SETTLEMENT BREACH**

Before: Hon. David O. Carter  
Courtroom: 1

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**MEMORANDUM OF POINTS AND AUTHORITIES**

The seven-day evidentiary hearing held in this case distinctly demonstrated two things: (i) the Settlement Agreements have been breached, and (ii) the System is broken. The Roadmap Agreement was designed to rapidly increase the number of shelter and housing opportunities in the City of Los Angeles, thus providing significant relief to the unhoused (and housed) community. The LA Alliance/City Settlement Agreement was designed similarly but took the additional step of requiring not only beds to be established in a systematic manner according to the City's own established milestones, but also required that the City consistently engage, clean, and reduce encampments also according to the City's own established milestones. Thus, as beds went up, people would move into those beds, and encampments would go down. The City of Los Angeles has been in violation of both agreements for years and has taken and will take no steps to correct these issues without court intervention. Underpinning these failures is the wrecked homelessness response system—with patently insufficient data, financial, and substantive infrastructure in place to support the purpose of the agreements: to reduce unsheltered homelessness in a meaningful and significant way. (Ex. 25, Am. Fully Executed Stipulated Order of Dismissal (“Settlement Agreement”) at Recitals, May 24, 2022, ECF No. 429-1.)<sup>1</sup> Thus, not only has the City breached the agreement, it *cannot fulfill* the terms nor the purpose of the agreement without a fundamental and monumental shift in the homelessness responsive system as designed. Court intervention is absolutely required to right this ship.

Plaintiff has submitted briefing on these subjects heretofore and refers to those pleadings and fully incorporates each as if fully set forth herein. (*See* Exs. 37, 49, 53, Mot. for Settlement Compliance, Reply, Resp. re Issues Raised by Court, ECF Nos. 863, 872, 899.) Rather than re-hash legal arguments which have already been made, Plaintiff refers herein to the evidence presented in support of Plaintiff's position which collectively

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<sup>1</sup> All references to exhibits are those exhibits admitted at the evidentiary hearing.

1 demonstrates multiple breaches of both the Roadmap and Alliance Agreements and  
2 demands judicial intervention to rectify these serious issues.

3 **I. Summary of the Evidence**

4 **a. Paul Webster**

5 Mr. Webster, executive director for Plaintiff LA Alliance for Human Rights (“LA  
6 Alliance” or “the Alliance”) set the table on behalf of the Alliance, identifying the specific  
7 breaches by the City of both the Roadmap and LA Alliance agreements.

8 Failure to Produce Comprehensive Bed Plan

9 The City identified, and LA Alliance agreed to, 12,915 as the number of beds  
10 required by the Alliance Settlement Agreement. However, the City provided a proposed  
11 bed plan on November 9, 2022 which did not add up to the total bed commitment of  
12 12,915: it only included 8,322 beds which was 4,593 beds short of the total number  
13 required. (Hr’g Tr. 38–43, June 3, 2025, ECF No. 969.) In the Fall of 2024, in response to  
14 Alliance pressure, the City proposed an updated bed plan but then withdrew it due to  
15 political pressure. Thus the City has still never produced a complete plan for the 12,915  
16 beds as required by the Agreement. (Hr’g Tr. 30–31, May 27, 2025, ECF No. 947.)

17 Failure to Meet Milestones and Deadlines for Bed Creation

18 The City also provided Milestones and Deadlines for bed creation as required by the  
19 Agreement. (Ex. 25, Settlement Agreement § 5; Ex. 24, LA Alliance Milestones.)  
20 However, in tracking the City’s reports against the Milestones and Deadlines (*see* Ex. 36,  
21 LA Alliance Tracking Chart), the City came consistently short of its obligations. The City  
22 only met its quarterly milestone twice out of 10 reporting quarters and has never, at any  
23 point since the inception of the Agreement, met its cumulative milestone. (Hr’g Tr. 32–43,  
24 May 27, 2025, ECF No. 947; Ex. 126, LA Alliance Open Beds Charts.) What the City did  
25 do in the last quarterly reporting period—after Plaintiff filed its Motion for Settlement  
26 Compliance—was add approximately 2,000 Inside Safe beds, including hotel/motel  
27 booking and occupancy agreements and various “master leased” properties used as  
28 “permanent” hotel/motel exits. (Hr’g Tr. 53–55, May 27, 2025, ECF No. 947.) These

1 beds—despite being established in 2023–24—have never been counted as part of the  
2 Alliance agreement.

3 The Milestones and Deadlines are not “optional” (Hr’g Tr. 24:9–17, June 3, 2025,  
4 ECF No. 969) and they were specifically intended to “secure a commitment” to build a  
5 specific number of beds so people experiencing homelessness (“PEH”) could come inside  
6 off the street. (*Id.* at 25:1–6.) Establishment of those milestones and deadlines was  
7 important to confirm the City was demonstrating progress. (*Id.* at 26:16–19.) The City was  
8 afforded “sole discretion” to choose any housing and shelter project it wanted “as long as  
9 the milestones were met.” (*Id.* at 32:1–16; *see also* Ex. 25, Settlement Agreement § 3.2.)  
10 This was heavily negotiated because Mr. Webster on behalf of the Alliance wanted to  
11 direct the City to focus its efforts for this Agreement on fast, low-cost options; however  
12 the final negotiated language afforded the City the discretion to choose the intervention  
13 but *only* to the extent the milestones were met; upon missing the Milestones, the City  
14 would lose this discretion. (Hr’g Tr. 30–32, June 3, 2025, ECF No. 969.)

15 Failure to Demonstrate Compliance with Encampment Reduction Milestones

16 The Alliance took no issue with the City’s Encampment Reduction “plan” (Ex. 65,  
17 Mitchell Decl. ISO Mot. re Settlement Agreement Compliance, Ex. F, Encampment Plans  
18 & Milestones at 57–64) regarding the description of *how* the City intended to resolve  
19 encampments—by providing offers of alternative housing and shelter and cleaning the  
20 streets—but only the number proposed. (Hr’g Tr. 33–35, June 3, 2025, ECF No. 969.) The  
21 parties ultimately agreed on 9,800 encampment reductions by June of 2026. (Ex. 58, LA  
22 Alliance Milestone Goals.) The City began reporting on those numbers in 2024. The City  
23 has never reported any beds for 2022 or 2023. In reviewing the numbers reported by the  
24 City it became clear—and the City confirmed—that the City was counting CARE/CARE+  
25 clean-ups as “reductions” which do not count under the Agreement. (Hr’g Tr. 72–75, May  
26 27, 2025, ECF No. 947.) The City has not changed its process for “reductions” after the  
27 Court issued the order precluding counting CARE/CARE+ clean-ups as “reductions.” (*Id.*)  
28

1        Missing Roadmap Beds

2        The City had an obligation to produce 6,700 new beds as part of the Roadmap  
3 Agreement. (Ex. 1, Term Sheet; Ex. 2, MOU.) The most recent reported number of open  
4 and occupiable beds was 7,624. However, the A&M Assessment (Ex. 23) was unable to  
5 confirm the existence of the 2,293 scattered sites (Time Limited Subsidy or TLS beds)  
6 because there were no expenditures for 70% of the contracts and the other contracts could  
7 not be linked to specific slots. No evidence has been presented to the Alliance to explain  
8 how the City could create beds without expenditures. (Hr’g Tr. 90–93, May 27, 2025, ECF  
9 No. 947.)

10       Purpose of the Agreement

11       The purpose of the Agreement is “to substantially increase the number of housing  
12 and shelter opportunities in the City of Los Angeles and to address the needs of everyone  
13 who shares public spaces and rights of way in the City of Los Angeles, including both  
14 housed and unhoused Angelenos to achieve a substantial and meaningful reduction in  
15 unsheltered homelessness in the City of Los Angeles.” (*Id.* at 95:8–17; Ex. 25, Settlement  
16 Agreement at Recitals.) The purpose was important during negotiations because it was at  
17 base what the Alliance membership demanded. (Hr’g Tr. at 96, May 27, 2025, ECF No.  
18 947.)

19       Audit

20       The audit was crucial to the Alliance because as the City was failing to report  
21 significant numbers of beds going up, and encampments going down, the Alliance sought  
22 to understand why, and whether the system was functioning as intended:

23       We not only saw that a lot of our deepest concerns were completely founded, but  
24 they were even worse than what we had expected and what we saw according to  
25 the Alvarez and Marsal report was really a City programs and LAHSA programs  
26 that were in complete disarray and had no connection between the money that was  
27 being paid, the services being provided, and whether or not we were achieving  
28 substantial and meaningful reductions in unsheltered homelessness in the City of

1 Los Angeles. (Hr’g Tr. 99:5–13, May 27, 2025, ECF No. 947; *see also id.* at 97–  
2 99.)

3 **b. Emily Vaughn Henry**

4 Ms. Henry, the former Chief Information Officer at LAHSA, testified that the data  
5 being produced by LAHSA was inherently unreliable, particularly regarding the Roadmap,  
6 Inside Safe, and point-in-time count programs. Her testimony it independently  
7 demonstrated that the reports being produced to this Court are not accurate. This aligns  
8 directly with the A&M Assessment findings, particularly that A&M could not confirm the  
9 existence of thousands of TLS beds being reported as part of the Roadmap Agreement and  
10 thousands of permanent supportive housing (PSH) units being produced as part of both the  
11 Alliance and Roadmap Agreements. It also sheds incredible doubt on the accuracy of the  
12 Inside Safe data which the City is attempting to include in the Agreements for the first  
13 time—particularly for the unverifiable “booking agreements” which apparently were being  
14 paid for weeks as they went empty. This is particularly disturbing in light of the mayor’s  
15 refusal to permit the Controller to audit that program. The City had the opportunity to  
16 present counter-evidence to Ms. Vaughn Henry’s testimony—including proof that the data  
17 presented to this court has a “source of truth” such as HMIS, or proof that data systems  
18 and infrastructure have changed since Vaughn Henry was terminated—but they failed to  
19 do so, thus tacitly admitting the truth of her testimony.

20 Emily Vaughn Henry was the Chief Information Officer of LAHSA until she was  
21 fired in February 2024, because the CEO, Dr. Adams Kellum, stated she was “going in a  
22 different direction” and there were “issues with the data.” (Hr’g Tr. 104–06, May 27, 2025,  
23 ECF No. 947.) Specifically, Dr. Adams Kellum wanted to keep the councilmembers happy  
24 because there was “a lot of noise” regarding data on inside safe. (*Id.* at 106–07.) She  
25 likened the data infrastructure at LAHSA to a brand new house without foundation or  
26 plumbing. (*Id.*) Regarding Inside Safe, she testified to City Council that the City was  
27 paying for motels and hotels that were vacant and was criticized because the data wasn’t  
28 “pretty enough.” (*Id.* at 108–09.) Two days later, the responsibility for managing and



1 reporting the data was taken away from her and given to Bevin Kuhn who was her  
2 subordinate with a “dotted line” to the CEO. (*Id.* at 110–11.) Thereafter Ms. Kuhn was the  
3 only one who managed the data; she kept it on an excel file on her laptop and it was  
4 published without any review or opportunity to challenge the “source of truth.” (*Id.* at  
5 113:13–21.) Ms. Henry was concerned because she saw a significant upwards inflection  
6 of the number of individuals being served versus what they reported just the month before.  
7 (*Id.* at 139:18–22.) She had started creating a program within HMIS to track the data but  
8 was stopped and told they were going to do it on an excel spreadsheet instead. (*Id.* at  
9 138:10–139:1.)

10 The numbers being reported on Inside Safe were not coming from HMIS which  
11 would have been a “source of truth.” (*Id.* at 110–14.) The data “resided with [Bevin Kuhn]  
12 on her computer, she produced them, wrote the narrative and published them” with no  
13 checks by any other person. (*Id.* at 114:14–21.) Ms. Henry also testified that she was told  
14 by the CEO that they needed to do whatever they could to make the mayor look good. (*Id.*  
15 at 115:16–18.) Vaughn Henry tried to replicate the data produced by Kuhn but could not.  
16 (*Id.* at 116:11–14.) The data was only being reviewed by Adams Kellum and chief of staff  
17 Rachel Johnson, despite Vaughn Henry being the supervisor of the unit. (*Id.* at 152:11–  
18 15.)

19 Ms. Henry was also part of the team responsible for producing data pursuant to the  
20 Roadmap agreement. The participants were not being tracked in HMIS so the data was  
21 inaccurate. (*Id.* at 126–27.) She informed the City that LAHSA does not have the data  
22 because it hadn’t been tracked in HMIS as it was supposed to, and the reports were  
23 inaccurate that had been produced. Two days later she was fired. (*Id.* at 127:13–15.)

24 She has no faith in the data that was produced in this case because “we were not  
25 tracking the number of beds accurately in the HMIS system” and the data quality team was  
26 never finalized. (*Id.* at 130:6–10.) The result was that they were “looking at a piece of  
27 paper” and making representations that there were “15 beds” and “who’s going to  
28 challenge that there’s 15 beds.” (*Id.* at 130:16–21.) Regarding the point-in-time count, “in

1 terms of having the foundational systems to manage data for an organization that's been  
2 in existence for 25 years it just does not exist. **And what you have now I call it smoke  
3 and mirrors.**" (*Id.* at 132:7–11 (emphasis added).)

4 **c. Don Garza**

5 Don Garza, a long-time skid row resident, testified that the impact of the City's lack  
6 of produced beds has been substantial, with people dying unnecessarily.

7 Mr. Garza was in the military, discharged without benefits due to his mental health  
8 issues which developed after combat, became homeless and eventually moved into low-  
9 income housing in Skid Row. (*Id.* at 169:25–171:7.) If he lost his housing, which may  
10 occur, he'd be homeless. (*Id.* at 172:13–17.) Unsheltered people in Skid Row do not have  
11 access to safe, stable shelter. (*Id.* at 176:17–21.) People are waiting for months-to-years  
12 for housing; as a result of the City's failure to create enough beds, people are languishing  
13 and dying. (*Id.* at 177–79.) He was shocked when he saw the assessment results: "They  
14 didn't have to die. That was enough money for housing. There's enough money for the  
15 shelters . . . [t]here's plenty." (*Id.* at 179:1–4.) Services are not making their way to the  
16 street. (*Id.* at 180:12–18.)

17 **d. Laura Frost**

18 Ms. Frost is a director with Alvarez and Marsal's ("A&M") public services division  
19 and was part of the team who conducted the assessment and authored the report admitted  
20 as Exhibit 23. (*Id.* at 185–87.) As a member of the team which focused entirely on the  
21 homelessness response system in Los Angeles for nearly a year, her insight and  
22 conclusions that (i) the City is not in compliance with the Roadmap and Alliance  
23 Agreements, and (ii) the system is not functional, are central to the hearing.

24 "[G]ood data is the foundation of good strategic decision-making. So if you don't  
25 have good data, it is difficult to determine whether your decisions are leading to its [sic]  
26 intended outcomes of potential waste of resources, right, such as the inability to determine  
27 whether the beds reported ultimately existed and whether services were being provided."  
28 (*Id.* at 197:16–22.) She confirmed that the City and LAHSA were unable to link payments

1 with outcomes, and the disjointed continuum of care, i.e. “fractured system,” meant there  
2 was an increased “risk of failing to connect people experiencing homelessness to the right  
3 services at the right time.” (*Id.* at 198:23–199:1.) Cash requests were just excel  
4 spreadsheets, which are inherently unreliable “with human errors and inaccuracies . . . .”  
5 (*Id.* at 202:4–11.) A&M was unable to verify expenses provided. (*Id.* at 202–04.) This  
6 heightened the risk of “potential asset misappropriation.” (*Id.* at 206:1–4.) She confirmed  
7 that, in general, the City does not know how much it’s paying to whom and for what. (*Id.*  
8 at 208.) There is no evidence that LAHSA or the City was verifying the services as opposed  
9 to just approving the invoices. (*Id.* at 209–10.) The City was unable to provide complete  
10 accounting records to even understand how money was spent, and on what. (*Id.* at 212.)

11 A&M was never able to verify the number of TLS beds reported because 70% of  
12 the contracts that were identified by LAHSA as being linked to the Roadmap TLS program  
13 had no expenditures at all, and the remaining 30% could not be linked to any specific slots.  
14 (*Id.* at 227–28.) Unlike shelter or permanent housing provided by the City, with TLS slots  
15 there is no physical location to verify so they had to look at contracts and identify  
16 expenditures. (Hr’g Tr. 7–8, May 28, 2025, ECF No. 949.) A&M specifically requested  
17 both the City and LAHSA to provide evidence sufficient to demonstrate the existence of  
18 the TLS beds, but what they produced did not actually demonstrate the beds’ existence.  
19 (*Id.* at 16–19.) **LAHSA could not even provide street addresses or move-in dates for**  
20 **some of the slots, and others had addresses which overlapped with PSH sites under**  
21 **the Alliance Agreement.** (Hr’g Tr. 18–19, June 3, 2025, ECF No. 969.)

22 A&M also could not verify the Alliance and Roadmap PSH projects: 20% of the  
23 addresses were simply not found in LAHSA’s Resource Management System. (Hr’g Tr.  
24 235–37, May 27, 2025, ECF No. 947.) She corrected an error on page 225 of the  
25 Assessment (Exhibit 23) so the true sentence reads: “[A]pproximately 20 percent of the  
26 PSH sites identified as open were not easily identified within the RMS reports.” (*Id.* at  
27 236:18–25.) She clarified that by stating the sites were not “easily identified” what they  
28 meant was that the sites could not be found in the RMS system at all. (*Id.*; *see also* Hr’g

1 Tr. 224–25, May 28, 2025, ECF No. 949.) LAHSA’s only response to A&M’s finding was  
2 that it was working with the City’s housing department (LAHD) to figure it out. (Hr’g Tr.  
3 237–40, May 27, 2025, ECF No. 947.)

4 Ms. Frost confirmed that “to meet the goal . . . to achieve a substantial and  
5 meaningful reduction in unsheltered homelessness in the City of Los Angeles . . . you need  
6 a functioning homelessness response system as defined as having proper resources,  
7 coordination, and oversight” and “as reviewed . . . we found the system was not  
8 functioning.” (*Id.* at 217:14–218:20.) She expounded: “[W]e do not believe in the state  
9 that [the homelessness response system] was in that it could achieve a substantial and  
10 meaningful reduction [in unsheltered homelessness].” (*Id.* at 219:17–24.)

11 Finally, it is crucial to point out that nobody from the City has reached out to discuss  
12 potential solutions (*Id.* at 255–56) and even the City’s extensive cross-examination failed  
13 to identify any problems with the ultimate conclusions; instead the City’s cross  
14 examination focused on: inapplicable standards, the scope of the assessment, whether  
15 A&M kept and provided notes of every interaction, whether the city had an obligation to  
16 respond to the assessment, cost and time to implement recommendations, and A&M’s  
17 inability to predict the future. (*See generally* Hr’g Tr. at 34–120; 186–220; 230–37, May  
18 28, 2025, ECF No. 949.) The City did not and could not challenge any of the actual findings  
19 that were made by A&M. The City had every opportunity to present witnesses to counter  
20 any of these conclusions or demonstrate ways the assessment was wrong or outdated. By  
21 failing to do so, the City has admitted the truth of A&M’s findings: that the City has  
22 breached both the Alliance and Roadmap Agreements and has a homelessness response  
23 system that is incapable of fulfilling both the terms and the purpose of the agreements.

24 **e. Diane Rafferty**

25 Diane Rafferty, managing director for A&M, managed the team which provided the  
26 Assessment (Exhibit 23). (Hr’g Tr. 122–23, May 28, 2025, ECF No. 949.) She confirmed  
27 the accuracy of the assessment, disabused the City of its notion that the Assessment was  
28 unreliable because it was not a financial audit subject to irrelevant identified standards,

1 confirmed that LAHSA’s method of comingling TLS funds without tracing and accounting  
2 for federal dollars spent violates federal law, described service providers that were not  
3 caring for their clients, and agreed that the homelessness response system in Los Angeles  
4 is fundamentally broken and does not provide the infrastructure necessary for the City to  
5 meet the terms of the agreement.

6 Ms. Rafferty explained that this assessment was not a financial audit, which would  
7 look at revenue and expenses, whether they are categorized correctly, and whether the  
8 profit and loss statements were balanced; that is different than looking at outcomes which  
9 the assessment did. (Hr’g Tr. 124, May 28, 2025, ECF No. 949.) A&M told the parties in  
10 advance that they were not conducting a financial audit and offered to bring in a CPA firm  
11 as a subcontractor to do a financial audit if the City wanted; **the City declined the offer.**  
12 (*Id.* at 125.) The City did not ask for an assessment which would adhere to “GAAS” or  
13 “GAGAS” because those are financial auditing standards inapplicable to this assessment  
14 which looked instead looked at outcomes. (*Id.* at 193.) “[A] financial audit . . . looks at  
15 numbers; does not look at the result of those numbers. It’s a balanced accounting to make  
16 sure that you follow general principles of accounting. And that audit, you can absolutely  
17 have a clean audit and still have misappropriation of funds. I think we all know that.” (*Id.*  
18 at 208–09.)

19 Regarding LAHSA’s “braiding” of TLS funds, as described on pages 63–64 of the  
20 Assessment (Exhibit 23), LAHSA is violating federal law (2 C.F.R. § 200.302) which  
21 requires that it—as the recipient of federal grants—be able to trace the dollars they receive  
22 from HUD. (Hr’g Tr. 131–132, May 28, 2025, ECF No. 949.) LAHSA could not do so.  
23 (*Id.* at 131–32; 209.)

24 Ms. Rafferty confirmed that from their perspective the “system” is broken: lack of  
25 data, inability to trace funds, inability for people to get services, insufficient or missing  
26 targets and job descriptions, disjointed communications. (*Id.* at 134–35.) Ironically,  
27 having been excluded from court during Emily Vaughn Henry’s testimony, Ms. Rafferty  
28 used the same analogy: it’s like a house with totally faulty plumbing. (*Id.*) She also

1 described site visits to facilities run by service providers who complained about needing  
2 repairs due to resident theft and damage, lacked compassion and caring for the  
3 environment and people, and where A&M could not determine the beds, had minimal case  
4 management, and services were not being provided. (*Id.* at 138, 144–45.) She described  
5 the trouble at the sites she visited as “almost universal.” (*Id.* at 145.)

6 While Ms. Rafferty was unable to conclude that there was actual fraud because she  
7 is not a forensic auditor, she questioned why funds could not be completely traced from  
8 beginning to end, and why they could not ever determine who was accountable for those  
9 funds. (*Id.* at 147.) She agreed with Ms. Frost’s conclusion that the City of Los Angeles  
10 does not have in place a system capable of meeting the purpose of the settlement  
11 agreement, which was to meaningfully and substantially reduce unsheltered homelessness  
12 in Los Angeles. (*Id.* at 147–48.)

13 **f. Matthew Szabo**

14 Matt Szabo is the Chief Administrative Officer (“CAO”) for the City of Los Angeles  
15 and was one of only two witnesses the City proffered in its defense, along with Dr.  
16 Etsemaye Agonafer. Mr. Szabo had much to say over the course of his testimony but could  
17 not escape basic facts about the LA Alliance Settlement Agreement:

18 1. Section 5.1:

19 a. **imposes an obligation** on the City to calculate the “Required Number” of  
20 shelter/housing beds as defined in the agreement. ECF 949 at 263, and

21 i. the City **met that obligation** by identifying 12,915 as the Required  
22 Number in 2022. (Hr’g Tr. 244, 252–53, May 28, 2025, ECF No. 949.)

23 2. Section 5.2:

24 a. **imposes an obligation** on the City to “**create plans and develop milestones**  
25 **and deadlines for**” building the Required Number of beds both by council  
26 district (5.2(i)) and citywide (5.2(ii)) (*Id.* at 263–64); and



- i. **the City only partially met that obligation** by creating an incomplete plan and developing milestones and deadlines for building the Required Number of beds. (*Id.* at 255.)
  - ii. Exhibit 24—the Milestones and Deadlines document—was submitted to Plaintiff “**in order to satisfy the City’s obligations** under 5.2.1 [sic] and 5.2.3 [sic]” (*Id.* at 261–62.)
  - iii. Exhibit 114—the “potential project list” was provided to Plaintiff as the “plan” which **did not include all 12,915 beds**. (*Id.* at 89–92; Hr’g Tr. 91:18–21, June 2, 2025, ECF No. 959.)<sup>2</sup>
  - iv. The City later, in the Fall of 2024, submitted an updated bed plan which purported to fulfill its obligation, but later withdrew that plan. (Hr’g Tr. 119–120, May 29, 2025, ECF No. 953.) No further proposed bed plan has been submitted. (*Id.* at 120–21.)
- b. Imposes an obligation** on the City to provide a plan, milestones, and deadlines for **encampment engagement**, cleaning, and reduction in each council district and citywide (Hr’g Tr. at 263–64, May 28, 2025, ECF No. 949); and
- i. **The City met that obligation**—albeit 14 months late—in early 2025. (*Id.* at 262–63.)
- c. Imposes an obligation** on the City to “**promptly employ its best efforts**” to comply with established plans, milestones, and deadlines. (*Id.* at 264–65 (“Q: And do you agree that this sentence imposed an obligation on the City to employ its best efforts to comply with the established plans, milestones, and deadlines that we see in Exhibit 24? A: Yes, to the extent that best efforts isn’t defined, we did agree to best efforts.”).)

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<sup>2</sup> Mr. Szabo confirmed the list was not complete but did not recall the exact number of beds included in the list. It was later provided by Paul Webster: the potential project list only included 8,322, 4,593 short of the 12,915 required.

- 1                   **i. The City has failed to meet its established milestones or deadlines**  
2                   **for bed creation.** (Hr’g Tr. 95–96, May 29, 2025, ECF 953 (“Q: The  
3                   City failed to meet its cumulative milestones every quarter, including  
4                   the most recent one. Is that right? A: Correct. That is correct.”).)  
5                   **ii. The City is failing to properly report encampment reductions,**  
6                   preventing the parties from knowing how many actual “reductions”  
7                   there have been. (*Id.* at 129–31; Hr’g Tr. 73–75, 114, June 2, 2025,  
8                   ECF No. 959.)

9                   Whether the City has used its “best efforts” to comply with established plans,  
10                  milestones, and deadlines was a central question during the evidentiary hearing. But for  
11                  all its import, Mr. Szabo’s counsel only asked him two questions about whether the City  
12                  has used its “best efforts” to comply, eliciting a single answer spanning only 16 lines:

13                  We have a systematic approach. We have been making progress every  
14                  reporting period towards the goal. We have a program that is fully funded to  
15                  provide permanent supportive housing. We have efforts, continual efforts, to seek  
16                  state funding, which, of course, is called out for in the agreement. State funding  
17                  that has been used to create additional interim units.

18                  We received additional grants, even just last year secured a grant to develop  
19                  500 tiny homes and it is an ongoing process of siting, developing, constructing  
20                  new housing. At the same time, as there is constant advocacy at the state level and  
21                  federal level for new funding, at every level, in terms of from the Mayor herself  
22                  and every member of the council, there is complete focus and commitment to  
23                  secure the resources and to push the departments to get these projects up as quickly  
24                  as possible. (Hr’g Tr. 49–50, June 2, 2025, ECF No. 959.)

25                  Mr. Szabo also admitted that building all 12,915 beds right before the expiration  
26                  of the agreement, and taking them down right after the expiration of the agreement, would  
27                  be “inconsistent” with the purpose of the LA Alliance Settlement Agreement as identified  
28                  in the recitals (“to achieve a substantial and meaningful reduction in unsheltered



1 homelessness in the City of Los Angeles.”).<sup>3</sup> (Hr’g Tr. 250–51, May 28, 2025, ECF No.  
2 949.) He could not identify a person or department who or which verifies whether  
3 services have been delivered other than noting there are “multiple levels of review.” (*Id.*  
4 at 289–92.) He did not make any formal presentation and can’t identify any informal  
5 discussions with the mayor or any city council member about the A&M Assessment. (*Id.*  
6 at 278–80; 298.) He largely blew off the A&M Assessment because it did not comply  
7 with technical standards despite the City agreeing it did not have to comply with those  
8 technical standards. (Hr’g Tr. 9–10, May 29, 2025, ECF No. 953.) He disavowed  
9 knowledge of or otherwise ignoring warning signs about the significant dysfunction of  
10 LAHSA with 20+ years of public audits (including a 2024 LA County audit of LAHSA  
11 identifying 16 massive red flags which formed the basis, in part, for LA County’s  
12 decision to withdraw \$300 million in funding from LAHSA, and which was directly tied  
13 to use of Measure H funds which support the City’s PSH projects through Intensive Case  
14 Management Services pursuant to the parties’ agreements). (*Id.* at 22–67.)

15 The CAO’s office just decided—after Plaintiff filed a Motion for Settlement  
16 Compliance—to start counting Inside Safe beds after two years of reporting to City  
17 Council that Inside Safe beds do not count for the purpose of the Alliance Agreement  
18 and even though the leases are not approved through June of 2027. (*Id.* at 97–99; 103–  
19 08.) Just months ago, both Mr. Szabo and his staff took the opposite position in front of  
20 the Housing and Homelessness Committee. (*Id.* at 106–17.) Inside Safe beds consist of  
21

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22 <sup>3</sup> This is significant because the City is taking the inconsistent position that it is  
23 obligated to use its best efforts to meet the milestones and deadlines for bed creation  
24 (Szabo testimony, Hr’g Tr. 264, May 28, 2025, ECF No. 949) but at the same time is  
25 adamant that “there are no interim deadlines” and therefore the only obligation is to  
26 establish 12,915 before the end of the 5-year term in the agreement. (*Id.* at 243–47.) When  
27 there are inconsistent interpretations of a contract, recitals are important to help interpret  
28 the meaning. *Bittner v. United States*, 598 U.S. 85, 91 (2023) (using Congress’ statement  
of purpose to interpret meaning of statute); *Regency Midland Constr., Inc. v. Legendary  
Structures, Inc.*, 41 Cal. App. 5th 994, 998–99 (2019) (“Purpose can be illuminating when  
interpreting any written directive, because understanding what the parties were trying to  
accomplish by means of their words can help make sense of those words” and noting  
*Falkowski v. Imation Corp.*, 132 Cal. App. 4th 499, 509–13 (2005) “exemplifies  
purposive interpretation when it rejected on party’s proposed interpretation because that  
interpretation ‘failed to further the purposes’ for which the contract was created.”)

1 both occupancy agreements (master leasing an entire hotel) and booking agreements  
2 (paying for a room if a person needs it for an indeterminable period of time). (*Id.* at 97–  
3 99; 103.) The mayor will not permit the City Controller to audit any part of the Inside  
4 Safe program. (*Id.* at 112–13.)

5 Mr. Szabo also confirmed that a “resolution” involves the “removal of the—the  
6 living of people on the street.” (Hr’g Tr. 235–36, May 30, 2025, ECF No. 955.)<sup>4</sup> He does  
7 not know if the new Inside Safe Master Lease “Permanent” beds are leased through June,  
8 2027—but confirms the City would not exclude them just because they aren’t fully leased.  
9 (Hr’g Tr. 75–77, June 2, 2025, ECF No. 959.) And importantly he testified that **there is**  
10 **an average of 34 fires at or around encampments every day in the City of Los Angeles.**  
11 (*Id.* at 26.)

12 Just as significant as what he testified to is what Mr. Szabo did not testify to:

13 • Failed to provide any testimony or evidence from any person or any document  
14 evidencing any attempts the City has made to actually meet the deadlines and/or pivot  
15 when planned projects were delayed to make sure other beds were established in time. For  
16 example, move to lower cost and faster housing or shelter models using the same funding  
17 source (HHH), significantly condense the PSH development process, including use of  
18 private equity, or otherwise evidence the type of focused and condensed effort the parties  
19 saw, for example, from the Roadmap Agreement.<sup>5</sup> A “systematic approach” and  
20

21 \_\_\_\_\_  
22 <sup>4</sup> This is significant because the City uses “reduction” and “resolution”  
23 interchangeable. For example, in every City report where it purports to report  
24 encampment “reductions” under the Alliance Agreement, the document is titled  
25 “Encampment Resolution Data.” (See Ex. 58, LA Alliance Encampment Milestones  
26 Goals.)

27 <sup>5</sup> See, e.g. Mr. Szabo’s testimony on the effort required to accomplish the  
28 obligations of the Roadmap Agreement:

[T]he purpose of this [Roadmap] agreement was to establish  
through multiple means, and as many means as possible, an  
extraordinarily high number of beds in a very, very short period of time.  
I mean, the fact that we agreed to 6,000 new beds over an 18-month  
period of time required the City to use every possible resource and  
pursue every possible pathway to get as many beds out as possible.”  
(Hr’g Tr. 83:8–14, May 29, 2025, ECF No. 953.)

1 advocating for more funding are simply insufficient to demonstrate “best efforts.” Neither  
2 the City nor Mr. Szabo made any effort to identify and explain the delays in the 2,000+  
3 beds which have been “pending” on the City’s list for nearly three years, and what the City  
4 has done to expedite or change strategies in light of the delays in order to meet the  
5 deadlines. Such a plodding, apathetic approach cannot possibly be construed as using one’s  
6 “best efforts.” (*See, e.g.* Ex. 53, Plaintiff LA Alliance’s Response re Issues Raised by Court  
7 on March 27, 2025 at 13–14, ECF No. 899.)

8       • Failed to identify anything the City has done differently since June, 2024,  
9 when the A&M Assessment look-back period concluded which would make the report  
10 outdated or otherwise inapplicable.

11       • Failed to produce any evidence of any action the City has taken in response  
12 to the A&M Assessment.

13       • Failed to produce any evidence that Roadmap TLS beds identified were  
14 actually utilized despite the insufficiency of the contracts and data.

15       • Failed to explain why the City hasn’t produced a compliant bed plan.

16       • Failed to produce evidence on any encampment reduction efforts in 2023.

17       • Failed to show that the City’s data isn’t compromised.

18       **g. Dr. Etsemaye Agonafer**

19 Dr. Etsemaye Agonafer is the Deputy Mayor for Homelessness and Community  
20 Health for the City of Los Angeles. (Hr’g Tr. 190, May 29, 2025, ECF No. 953.) She  
21 confirmed that the state of emergency on homelessness is still in effect. (*Id.* at 192.)  
22 Unhoused individuals should be “urgently” moved inside from the street “because the  
23 streets are not a waiting room.” (*Id.* at 199.) Unfortunately she did not have a lot to add  
24 about the Roadmap Agreement, Alliance Agreement (she “skimmed” it—*Id.* at 204), or  
25 the A&M audit (which she also “skimmed” or “scanned”—*Id.* at 352–53). She confirmed  
26 that all the data she receives for the Inside Safe program, which she runs, comes from  
27 LAHSA, specifically from the team led by Bevin Kuhn. (*Id.* at 214–18.) She could not  
28 identify anything she or the City did to investigate Ms. Vaughn Henry’s allegations

1 regarding the significant data issues at LAHSA. (*Id.* at 237–38.) She “assume[s]” that the  
2 data for Inside Safe is coming from HMIS. (*Id.* at 239–40.)

3 Dr. Agonafer could only provide a single definition of resolution, which is what they  
4 use with Inside Safe: that every person was engaged, offered and accepted shelter, and  
5 voluntarily relinquished their belongings. (*Id.* at 282.) The Mayor’s office decides which  
6 Inside Safe properties receive encampment resolutions. (*Id.* at 271.) The City is no longer  
7 looking to bring more Inside Safe beds online. (*Id.* at 275–76.) Over 4,300 people have  
8 come inside through Inside Safe but couldn’t confirm whether that included double-  
9 counting participants. (*Id.* at 281; 297–98.) She refused to answer the question about  
10 whether the homelessness response system in Los Angeles is broken. (*Id.* at 345–52.) As  
11 the Deputy Mayor for Homelessness and Community Health she only “scanned” the A&M  
12 Assessment to see if they described the Inside Safe program correctly. (*Id.* at 352–53.) Her  
13 excuse: “I receive a number of emails and reports on a day to day.” (*Id.*) She couldn’t  
14 identify a single thing the City is doing differently after “skim[ming]” the court-ordered  
15 audit. (*Id.* at 357.)

16 **h. Elizabeth Funk**

17 Elizabeth Funk is the CEO of a nonprofit called Dignity Moves, and testified  
18 regarding alternatives and what “best efforts” from the City of LA might look like. Dignity  
19 Moves focuses on building interim supportive housing for PEH. (*Id.* at 155.) Unsheltered  
20 homelessness is solvable with creativity. Dignity Moves borrows or uses donated land,  
21 along with modular pre-fabricated units to increase the speed of the build while decreasing  
22 the cost. (*Id.* at 159–60.) It costs too much and takes too long to focus exclusively on  
23 permanent housing, and when people are left on the streets it is devastating both to them  
24 and to the community. (*Id.* at 161.) To house 4,000 people as quickly as possible, she’d  
25 find vacant sites, manufactured units of different types, and build the units within  
26 “months.” (*Id.* at 163.) She gave the example of a build in San Francisco: start to finish in  
27 just four months. (*Id.* at 164.) The key is “political will and the municipality working  
28 closely with us to maintain that emergency spirit and that emergency mindset and get

1 people in quickly.” (*Id.* at 164:8–11.) Some of her projects include significant  
2 philanthropic funding and land donations, like Santa Barbara where 2/3 of the funding was  
3 private. (*Id.* at 164–65.)

4 **i. Brian Ulf**

5 Brian Ulf is the CEO of SHARE Self-Help and Recovery Exchange which runs  
6 Collaborative Housing projects with peer support (aka case managers) across Los Angeles  
7 County. (Hr’g Tr. 193, 196–97, June 2, 2025, ECF No. 959.) He also testified to explain  
8 the alternatives available to the City and what “best efforts” to meet milestones might look  
9 like.

10 SHARE leases single family homes and duplexes, with two people per room for  
11 accountability and community; the residents vote on the rules that apply to the house. (*Id.*)  
12 The SHARE houses can be used as emergency shelter, transitional, or PSH. (*Id.*) They  
13 have immediate availability and offer sober living facilities as well. *Id.* at 198. Every  
14 resident pays “rent” through SSI, SSDI, a job, or rental assistance (TLS) from LAHSA,  
15 with the goal being that within a few months they are off rental subsidies and have an  
16 income of their own. (*Id.* at 198–202.) They currently have contracts with the City, County,  
17 and LAHSA. (*Id.* at 198–203.) In October 2018, SHARE made an offer to the City of Los  
18 Angeles to house 2,000 people for \$8 million, but never received a response. (*Id.* at 205–  
19 06.)

20 To create 1,000 beds through SHARE it would cost between \$23-\$26 million, or  
21 \$23,000-26,000 per bed per year. (*Id.* at 207–11.) However, because people move through  
22 their housing at approximately 1.6 per year, housing 1,000 people would cost closer to  
23 \$16,000 per person. Once a person is stable enough to start paying rent through whatever  
24 source of income they have, the cost to house that person becomes zero for the government  
25 entity. (*Id.* at 209–10.) If SHARE was given a contract and additional resources to increase  
26 their leasing division, he could add 1,000 beds “extremely quickly” meaning less than 12  
27 months. (*Id.* at 215–17.)  
28

1 On any given day there are 10,000 single family homes for rent throughout the  
2 County. There are no conditional use permits associated with collaborative housing, so  
3 there are few barriers to establishment. (*Id.* at 212.) Of the people in SHARE collaborative  
4 housing, only 4 percent returned to homelessness—an astonishing 96% success rate. (*Id.*  
5 at 219.)

6 **j. Dewey Terry**

7 Mr. Terry currently works for the Amity Foundation, and previously worked as a  
8 supervisor for Urban Alchemy, all in Skid Row. (Hr’g Tr. 61–62, June 3, 2025, ECF No.  
9 969.) His testimony, like Mr. Garza’s, reflected the impact to the community of the City’s  
10 multiple breaches. Mr. Terry regularly walks around Skid Row, not getting paid for it, but  
11 just because there’s a lot of crime so he tries to make sure things are safer, especially for  
12 the women and children. (*Id.* at 62–63.) Undocumented families were recently bussed to  
13 Skid Row from Texas without tents or anything, so he helped provide them with tents and  
14 some protection. (*Id.* at 63–64.) He tries to make it cleaner, providing chemicals and water  
15 to clean the areas. He’s provided 15,000 blankets since he’s been in Skid Row. (*Id.*) He’s  
16 found people frozen to death. (*Id.* at 64–65.) Over seven tons of trash is picked up twice a  
17 day every day in the area. (*Id.*) They recently started 24-hour volunteer staff to try to  
18 protect the women, especially the older ones, from sexual attacks. (*Id.* at 66–67.) He’s  
19 witnessed people dying in SROs, and no one is checking on them. (*Id.* at 67–68.)

20 Mr. Terry has been on Skid Row seven days a week for the last several years; there  
21 isn’t enough shelter or housing. Specifically the Cecil Hotel (\*reported in the transcript  
22 wrongly as “Cesar Hotel”) looks like a “travesty” with people smoking “base pipes” and  
23 security sitting there like it’s nothing. (*Id.* at 69–70.) Most people who live or work in Skid  
24 Row have trauma because of what they’ve seen. (*Id.* at 71.) The wounds people have in  
25 the area are awful. (*Id.* at 72.) The City needs to have places where people can go, and  
26 then permanent housing thereafter; there are so many women getting injured and it doesn’t  
27 seem people care. (*Id.* at 72–74.) He’s seen an increase in homelessness in Skid Row since  
28 January 2023, not decrease. (*Id.* at 74–75.) There’s no after-care once people are in shelter



1 or an SRO, to reacclimate them to normal life. (*Id.* at 76–78.) City Sanitation will clean up  
2 the streets but then people move right back in; there’s no one actually caring for the people.  
3 (*Id.* at 78–80.) The City is pushing homeless individuals out of other places and into Skid  
4 Row; nobody is pushing them “in an area where they can live and thrive.” (*Id.* at 81:4–14.)

5 **k. Lee Raagas**

6 Ms. Raagas was the CEO for Skid Row Housing Trust, having consulted with them  
7 before that, and has spent 30-35 years in the area of housing. (*Id.* at 225–26.) She testified  
8 to the high cost and slow pace of the city’s chosen interventions (PSH). In reviewing  
9 Exhibit 24 (the City’s milestones), PSH makes up the majority of the City’s projects. (*Id.*  
10 at 227–28.) Having run a non-profit which provided thousands of PSH units, one of the  
11 biggest downsides of PSH is speed to develop, implement, and house, with an estimate of  
12 5.5-6.5 years from beginning of the application to full lease of the property. (*Id.* at 228–  
13 230.) Start of construction to full lease-up is 4.5 years. (*Id.*) It’s very expensive to develop,  
14 difficult to “match” with voucher holders, and expensive to operate. (*Id.* at 230–31.)

15 She was able to review the reported timelines for multiple Alliance projects in the  
16 pipeline and explains that the reported timelines for beginning to end of construction with  
17 purported opening dates of just months to a year after construction begins cannot be  
18 accurate or truthful (i.e. the project will actually take longer than reported). (*Id.* at 233–  
19 38.) She also identified the tremendous cost for these projects with one reflecting \$925,995  
20 *per unit*. (*Id.*) Ms. Raagas confirmed the significant problems identified in Exhibit 109  
21 (“Redesign Required: Lessons for Permanent Supportive Housing from Skid Row Housing  
22 Trust Buildings”) as true, particularly the unsustainable nature of the housing because they  
23 were “critically underfunded.” (*Id.* at 241–43.) If she had to produce 1,000 beds quickly,  
24 she’d focus on interim shelter because it is faster and easier to build than PSH. (*Id.* at 243–  
25 46.)

1           **I.       John Maceri**

2           John Maceri is the CEO of The People Concern (TPC), one of the largest service  
3 providers in Los Angeles. (*Id.* at 119–20.) He testified regarding the broken homelessness  
4 system and what “best efforts” would look like in the City.

5           TPC provides street outreach, interim housing, PSH, and wraparound services. (*Id.*  
6 at 120.) In reviewing the list of Alliance sites, TPC operates 25 of the permanent housing  
7 sites plus 10 in development, and four interim sites, including two Inside Safe properties.  
8 (*Id.* at 121–22.) They operated interim Roadmap sites during the pandemic which are no  
9 longer open, and 1-2 Roadmap sites which were interim but have since converted to  
10 permanent sites. (*Id.*)

11           The homelessness response system in Los Angeles is very fragmented and siloed,  
12 with four different databases none of which are integrated. (*Id.* at 124–25.) LAHSA has  
13 no authority to make decisions, it’s a highly politicized system which is influenced by  
14 elected officials and their staff, and there’s no overall vision or plan on how to reduce  
15 unsheltered homelessness. (*Id.*) Those difficulties manifest in the way people are referred  
16 into interim housing, the matching to PSH, blending various funding sources, there are  
17 many barriers to how we build housing, how to match people to units both on interim and  
18 permanent, and it’s difficult to move individuals from street into shelters. (*Id.* at 125–26.)

19           The rules are ever-evolving and changing, some of which are related to funding  
20 sources with various requirements. (*Id.*) It takes too much time to build and lease up on the  
21 permanent housing side, so people get stuck in interim housing. (*Id.*) The system functions  
22 like “Groundhog Day,” without looking at the system as a whole. (*Id.* at 127–28.) There  
23 needs to be more prevention, affordable housing, shared housing, and master leasing. (*Id.*  
24 at 128.) While permanent housing is important, the pendulum has swung too far so we are  
25 focusing too much on permanent and missing the opportunity to “house more people more  
26 quickly using other types of interventions.” (*Id.* at 129–30.) “[T]he biggest failure in the  
27 system is that it is influenced too heavily by politics and not real leadership that has both  
28 the political will but also the authority to be able to make decisions.” (*Id.* at 132:16–20.)



1 He reviewed the A&M report and has no high-level disagreements with the findings,  
2 confirming misaligned roles and confusion in how to get a person sheltered. (*Id.* at 133–  
3 34.) Building 1,000 beds in six months would be challenging but possible with focused  
4 effort, a plan, and “benchmarks that everyone working in the system is held accountable  
5 to.” (*Id.* at 134–35.) He recommends looking at the system as a whole, focusing more on  
6 master leasing, adaptive re-use, modular units (like the ones Dignity Moves puts up) and  
7 exploring opportunities for private-public partnerships. (*Id.* at 138–41.) When asked  
8 whether, as a Provider with 25 years’ experience in the field, he believes the City is using  
9 its best efforts, he answered “I believe we can be doing more.” (*Id.* at 144–46.)

10 **m. Michele Martinez<sup>6</sup>**

11 Ms. Martinez was appointed as Special Master in this case in 2020 and again as  
12 monitor over the City agreement at the time of settlement in 2022 and the County  
13 agreement at the time of settlement in 2023. (*Id.* at 236–37.) She works nearly seven days  
14 a week, doing field observations, talks to the parties and unhoused community, hosts  
15 learning sessions, and monitors city council meetings, Housing and Homelessness  
16 Committee meetings, the strategy committee with CAO’s office, and LAHSA meetings.  
17 She has dedicated herself to understanding the homelessness response system in the last  
18 five years. (*Id.* at 241–42.) In 2018 she was on City Council in Santa Ana and supervised  
19 the build of a homeless shelter in 28 days by streamlining the build and placing a permit  
20 inspector on site. (*Id.* at 243–45.)

21 The City has not presented anything to confirm the TLS beds exist as represented in  
22 the Roadmap Agreement reports. (*Id.* at 248–55.) The City has not met its milestones for  
23 bed creation. (*Id.* at 255–56, 269–70.) Further, she was unable to do spot checks for some  
24 of the units identified in the December, 2024 Alliance report because those sites were not  
25 found in HMIS or RMS systems. She followed up with LAHSA and the City about the  
26  
27

28 <sup>6</sup> The transcript for Day 7 testimony was not available at the time of drafting this  
brief; Plaintiff reserves the right to supplement accordingly.

1 missing sites, but they have not gotten back to her and so she’s been unable to verify the  
2 existence of those beds. (*Id.* at 258–61.)

3 The City has been unable to provide a methodology to support their data. (*Id.* at  
4 262–63.) Because there has not been an updated bed plan by the City, and the new Inside  
5 Safe beds were never provided as part of a bed plan negotiated with Plaintiff, it is difficult  
6 to opine about whether the beds count towards the settlement agreement. (*Id.* at 266–67.)  
7 If the systemic and structural issues identified by A&M, by her own observations, and by  
8 the CLA in its own report do not get addressed, the “Court may need to intervene.” (*Id.* at  
9 271–73.) The system as a whole does not work for Los Angeles. (*Id.* at 273–74.) “[T]he  
10 City does not have the infrastructure in place to help bring together a system that would  
11 function to address the homeless response system specifically for the City of Los Angeles  
12 . . . .” (*Id.* at 275:16–25.) The City is considering opening a new bureau of oversight within  
13 Los Angeles Housing Department (LAHD); LAHD is the department that has failed to  
14 properly oversee and monitor LAHSA. (*Id.* at 277–83.) The City previously took the  
15 position, just before the most recent quarterly report, that Inside Safe beds that did not have  
16 a contract to June 2027 did not count towards the Alliance Agreement; the City is now  
17 counting those beds. (*Id.* at 290–92.)

## 18 **II. The Settlement Agreements Have Been Breached**

### 19 **a. LA Alliance Agreement**

20 It is undisputed that the City has failed to provide a complete bed plan, failed to  
21 meet its milestones and deadlines for bed creation, has failed to meet its milestones and  
22 deadlines for encampment reduction, and is conducting and reporting “reduction” efforts  
23 totally improperly. The evidence has further demonstrated that even the existing beds  
24 reported as part of the Alliance agreement cannot be confirmed (with both Special Master  
25 Martinez and A&M noting that a significant number of properties could not be found  
26 within LAHSA’s system).

27 The biggest—and really only—dispute is whether the City has used its “best efforts”  
28 to meet its milestones and deadlines. The evidence demonstrates unequivocally that it has

1 not. The only evidence presented by the City to demonstrate its efforts was Matt Szabo's  
2 16-line testimony describing a "systematic" approach which involved looking for more  
3 funds. In contrast, multiple witnesses testified that alternatives are available which are  
4 faster and more economical, but the City is *choosing* to pursue the slowest, most expensive  
5 route. Best efforts is reflected in Michele Martinez's 28-day shelter build, Elizabeth Funk's  
6 4-month modular housing project, Brian Funk's 1,000 shared housing units in less than 12  
7 months, and John Maceri's 1,000 beds in 6 months with focused effort.

8 **b. Roadmap Agreement**

9 Equally concerning is A&M's report that it was unable to verify the nearly 2,000  
10 Time Limited Subsidy beds reported as part of the Roadmap Agreement due to lack of  
11 expenditures in 70% of the contracts, failure to tie any number of slots to funding in the  
12 remaining 30%, incomplete addresses, missing move-in dates and even overlapping  
13 addresses with Alliance beds. The City put on no evidence to refute these findings.

14 **III. The System is Broken**

15 Testimony was nearly unanimous that the homelessness response system in Los  
16 Angeles is broken. A&M fielded a 10-person team who spent nearly a year diving into the  
17 intricacies of this issue and concluded that the infrastructure does not exist to support the  
18 success of the agreement. Special Master Martinez who has spent over 50 hours per week  
19 for the last five years focusing on the homeless services response system has concluded  
20 that full systematic change is needed. Emily Vaughn Henry testified there is "no source of  
21 truth" to the data being provided to this court and in support of the City's efforts. Don  
22 Garza and Dewey Terry testified that the billions of dollars in homelessness spending is  
23 not reaching the streets. Dr. Agonafer meticulously avoided answering the question. And  
24 John Maceri, a respected CEO of one of the biggest service providers in the area, identified  
25 a litany of broken systems leading to a broken result. The City, rather than addressing its  
26 failures and the broken system head-on, is ignoring the red flags and careening headlong  
27 into the abyss of failed programs while death and destruction proliferate.  
28

**IV. Remedy for Breach**

While Plaintiff believes firmly that the history of the City’s constitutional failure on the homelessness crisis and its breaches of the Settlement Agreement fully justify the imposition of a Receivership, as argued heretofore (Exs. 37, 49, 53, Mot. for Settlement Compliance, Reply, Resp. re Issues Raised by Court, ECF Nos. 863, 872, 899), the City’s conduct also warrants Court consideration of additional sanctions and remedies—along with or instead of a Receivership—including the following: (i) extension of Alliance and/or Roadmap Agreements for a minimum period of two years to ensure compliance and oversight; (ii) Appointment of Compliance and/or Fiduciary Monitor at the City’s expense with full, immediate, and unfettered access to City and LAHSA data; (iii) Forensic Financial Audit; (iv) Forensic Data Quality Audit with mandate to adhere to recommendations; (v) orders to create a Skid Row plan, including immediate housing and sheltering of women, children, and families and ultimately extending to every unsheltered resident; (vi) City-funded investigation and report on data manipulation allegations; and (vii) an award of attorneys’ fees both incurred in this matter to enforce the settlement agreement and prospectively for efforts related to the City’s compliance with the Agreements.

**V. Conclusion**

Both the legal authority and the evidence point directly to the City’s failures and the court’s ability to remedy those failures. Plaintiff respectfully requests this court find the City in breach of both agreements and impose significant remedies.

Dated: June 9, 2025

Respectfully submitted,

/s/ Elizabeth A. Mitchell

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