Cas	e 2:20-cv-02291-DOC-KES	Document 872 #:24363	Filed 03/13/25	Page 1 of 15	Page ID	
1 2	UMHOFER, MITCHELL Matthew Donald Umhofer	& KING LLP (SBN 206607)				
2	UMHOFER, MITCHELL & KING LLP Matthew Donald Umhofer (SBN 206607) Elizabeth A. Mitchell (SBN 251139) 767 S. Alameda St., Suite 221 Los Angeles, California 90017 Telephone: (213) 394-7979 Facsimile: (213) 529-1027 mumbofer@umklaw.com					
3 4	Los Angeles, California 90 Telephone: (213) 394-7979)				
5	mumhofer@umklaw.com emitchell@umklaw.com					
6	Attorneys for Plaintiffs					
7						
8	U	NITED STATES	DISTRICT CO	URT		
9	CENTRAL DISTRICT OF CALIFORNIA					
10		I				
11	LA ALLIANCE FOR HU	UMAN	Case No. 2:20-	CV-02291-D0	DC-KES	
12	RIGHTS, <i>et al.</i> , Plaintiffs,		Assigned to Iu	daa David O	Cortor	
13			Assigned to Ju	uge David O.V		
14	v. CITY OF LOS ANGELE	S at al	REPLY ISO N RE SETTLEN	AOTION FO	R ORDER EMENT	
15	CIT I OF LOS ANGLEI	2 5 , <i>et ut.</i> ,	COMPLIANC	CE CE		
16	Defendants.		Before: Hon. I	David O Carte	r	
17 18			Courtroom: 10A Hearing Date: March 24, 2024 Hearing Time: 8:30 p.m.			
10			Hearing Time:	8:30 p.m.		
20						
20						
22						
23						
24						
25						
26						
27						
28						
-						
	REPLY ISO PLAINTIF	F LA ALLIANCE LEMENT AGREE			RDER RE	

Cas	e 2:20·	-cv-02291-DOC-KES Document 872 Filed 03/13/25 Page 2 of 15 Page ID #:24364		
1		TABLE OF CONTENTS		
2		PAGE		
3	I.	INTRODUCTION		
4	II.	THE CITY HAS BREACHED THE SETTLEMENT AGREEMENT BY		
5		FAILING TO PRODUCE A PLAN TO CREATE THE REQUIRED NUMBER OF BEDS		
6		i. City Has Failed to Produce a Complete Bed Plan2		
7		ii. The City is in Anticipatory Breach of the Agreement Because it has Impliedly or Expressly Repudiated the Terms		
8		iii. The Court Should Order the City to Maintain All Roadmap Beds, Pending Resolution of This Motion and the Audit Hearing		
9				
10 11	III.	THE CITY HAS NOT DEMONSTRATED BEST EFFORTS TO MEET MILESTONES AND DEADLINES		
11		i. City Has Failed to Use Its Best Efforts to Meet its Shelter or Housing Milestones		
13		ii. City Has Failed to Use Its Best Efforts to Meet its Encampment		
14	** /	Reduction Milestones		
15	IV. THE CITY'S OBLI SECTION 8.2	THE CITY'S OBLIGATIONS HAVE NOT BEEN PAUSED UNDER SECTION 8.2		
16	V.	CONCLUSION12		
17				
18				
19 20				
20				
21 22				
22				
23				
25				
26				
27				
28				
	R	ii EPLY ISO PLAINTIFF LA ALLIANCE 'S SECOND MOTION FOR ORDER RE SETTLEMENT AGREEMENT COMPLIANCE		

Cas	e 2:20-cv-02291-DOC-KES Document 872 Filed 03/13/25 Page 3 of 15 Page ID #:24365			
1	TABLE OF AUTHORITIES			
2	CASES PAGE(S)			
3	California Pines Property Owners Ass'n v. Pedotti, 206 Cal. App. 4th 384 (2012)			
4 5	Romano v. Rockwell International, Inc., 14 Cal. 4th 479 (1996)			
6	Samica Enterprises, LLC v. Mail Boxes Etc. USA, Inc., 637 F. Supp. 2d 712 (C.D. Cal 2008)			
7				
8	<i>Taylor v. Johnston</i> , 15 Cal. 3d 130 (1975)3			
9	OTHER AUTHORITIES			
10				
11	City of Los Angeles, Overview of the 2024-25 Proposed Budget (Apr. 30, 2024), https://clkrep.lacity.org/onlinedocs/2024/24-0600_rpt_cla_4-30-24.pdf9			
12	Benjamin Oreskes, L.A. will shelter more homeless people to end major lawsuit, But how many?, Los Angeles Times (Apr. 1, 2022, 4:19 PM),			
13	<i>how many?</i> , Los Angeles Times (Apr. 1, 2022, 4:19 PM), <u>https://www.latimes.com/homeless-housing/story/2022-04-01/los-angeles-homeless-lawsuit-settlement-judge-carter</u>			
14				
15 16	David Zahniser, <i>Pay hikes for city workers will add \$1 billion to L.A.'s yearly budget by 2028, report says</i> , Los Angeles Times (Apr. 13, 2024, 3:00 AM), https://www.latimes.com/california/story/2024-04-13/raises-for-los-angeles-city- workers-will-cost-an-extra-billion-annually-by-2028			
17	David Zahniser, <i>L.A. City Council signs off on police raises amid warning of financial risk</i> , Los Angeles Times (Aug. 23, 2023, 3:06 PM), <u>https://www.latimes.com/california/story/2023-08-23/lapd-union-contract-is-approved-by-the-city-council</u>			
18				
19				
20	<i>Reduce</i> , Merriam-Webster.com, <u>https://www.merriam-webster.com/dictionary/reduce</u> (last visited Ma <u>r. 13, 2025)</u>			
21				
22				
23				
24				
25 26				
27				
28				
	iii REPLY ISO PLAINTIFF LA ALLIANCE 'S SECOND MOTION FOR ORDER RE SETTLEMENT AGREEMENT COMPLIANCE			

INTRODUCTION I.

1

2

3

4

5

6

7

8

9

11

17

21

22

23

24

25

26

The years that have passed since the settlement agreements were reached in this case have confirmed that the homelessness response system in Los Angeles is not working-billions of dollars are being poured into the "system" but very little of it is making its way to the streets in the form of shelter and true assistance. In an effort to understand the reason, Plaintiffs and the City last year agreed to a stipulated sanction in the form of a third-party audit of LA City homelessness programs. The findings of that audit, filed last week, paint a bleak picture of a City and County system that cannot accomplish what's required under the settlement agreements.

LAHSA does not know who it is paying and for what. The City doesn't know 10 how much it is paying, and for what. The system is disjointed and mismanaged, with layers of redundancies and bureaucracy built on top of itself. There is nearly zero 12 financial oversight or accountability by the City and County of LAHSA, or by LAHSA 13 of the service providers with whom it contracts. Nobody is ensuring that services 14 which are paid are actually given. Contracts are vague, unclear, and often missing. 15 70% of the 2,293 "Scattered Sites"—time limited subsidies—could produce no 16 documentation of financial expenditures in the last year, despite multiple follow-ups, resulting in the auditors being unable to "validate the reported number of TLS beds or 18 the total expenses necessary to support those beds." (Second Am. Draft of the A&M 19 Assessment of the L.A. City Homelessness Programs ("A&M Audit") at 64, Mar. 6, 202025, ECF No. 870.)

Against this backdrop, the Alliance's Motion for Order re Settlement Agreement Compliance is all the more significant. The City must be ordered to comply with the terms of the Settlement Agreement by a date certain-the Alliance requests no more than 30 days for a complete bed plan and no more than 90 days to come into compliance with established Milestones and Deadlines-or face significant consequences up to and including receivership by this Court. The City must also be

27 28

ordered to maintain all Roadmap beds that are not otherwise set to expire while a 1 2 decision on this motion is pending.

II. THE CITY HAS BREACHED THE SETTLEMENT AGREEMENT BY FAILING TO PRODUCE A PLAN TO CREATE THE REQUIRED NUMBER OF BEDS

City Has Failed to Produce a Complete Bed Plan

The City is in *per se* breach of the Agreement and has publicly announced an anticipatory breach of the remaining terms of the SA. The City must be ordered to maintain all beds, including Roadmap beds, pending this Court's resolution of the issues raised in this motion and the Court's consideration of the massive structural issues raised by the Audit Report. (See generally, A&M Audit.)

12 In November 2022, the City was required—but failed—to produce a complete 13 plan for creation of shelter and housing to meet its obligation under the SA. (Am. Fully Executed Order of Dismissal, Ex. 1, Settlement Agreement ("Settlement 14 Agreement") § 5.2, ECF No. 429-1 ("[After calculating the Required Number under 15 Section 5.2], the City will create plans and develop milestones and deadlines for: ... 16 the City's creation of shelter and housing solutions to accommodate a minimum of 17 60% of unsheltered City Shelter Appropriate PEH in each Council District . . . [and] in 18 the City. The City will provide the plans, milestones and deadlines to Plaintiffs") 19 20 The plan provided to Plaintiffs in November 2022, contained only 10,450 beds, short of the 12,915 beds as required. (Pl.'s Second Mot. for Order re Settlement Agreement Compliance ("Mot.") 3:2-4, Feb. 2, 2025, ECF No. 863.) Despite ample opportunity 22 23 and multiple requests over the last two-and-a-half years the City has not produced an 24 updated plan encompassing the remaining beds. The City is in *per se* violation.

25 26

ii.

21

3

4

5

6

7

8

9

10

11

i.

The City is in Anticipatory Breach of the Agreement Because it has **Impliedly or Expressly Repudiated the Terms**

27 The reason why the City has failed to produce a bed plan is even more 28 concerning: it either cannot or doesn't want to. It has made too many poor financial

decisions, resulting in a fiscal crisis of its own making, and now cannot fulfill the
 terms of the SA without an immediate about-face that it refuses to make.

3 This is an implied and/or express repudiation, also known as an anticipatory 4 breach. See Taylor v. Johnston, 15 Cal. 3d 130, 137 (1975) ("Anticipatory breach 5 occurs when one of the parties to a bilateral contract repudiates the contract. The 6 repudiation may be express or implied. An express repudiation is a clear, positive, 7 unequivocal refusal to perform; an implied repudiation results from conduct where the 8 promisor puts it out of his power to perform so as to make substantial performance of 9 his promise impossible.") (citations omitted); see also Romano v. Rockwell Int'l, Inc., 10 14 Cal. 4th 479, 488–89 (1996) ("[I]f a party to a contract expressly or by implication repudiates the contract before the time for [its] performance has arrived, an 11 12 anticipatory breach is said to have occurred. The rationale for this rule is that the 13 promisor has engaged not only to perform under the contract, but also not to repudiate his or her promise.") (citations omitted). Here, the City has made it very clear that it 14 15 cannot both support the current projects and pay for the new housing and shelter solutions required by the SA. However, the City has also made it clear that it is 16 17 unwilling to pivot to less expensive options or otherwise make cuts necessary to fulfill 18 the terms of its obligations. (Mot. 7-11.) Whether this is considered an express or 19 implied repudiation, the result is the same: the City is in breach of the SA.

20 21

22

23

24

25

26

27

28

iii.

The Court Should Order the City to Maintain All Roadmap Beds, Pending Resolution of This Motion and the Audit Hearing.

In September 2024, the City did temporarily produce an updated "plan" which included "migrating" 2,500 Roadmap beds from the Roadmap Agreement with the County (the financing for which has ended) to the Alliance Agreement. This would have the financial benefit to the City of reducing the City's overall build-obligation by 2,500 beds and taking advantage of County funding under the separate Alliance-County/City-County agreements. But the Alliance would have had to agree to amend the SA to permit re-use of those beds rather than "creat[ing]" beds as required.

(Settlement Agreement § 5.2(i), (iii).) Because this would cause the overall bed count
to be reduced by 2,500—affecting the 2,500 souls who occupy those beds—the
Alliance did not agree. (Hr'g Tr. 9–19, Oct. 16, 2024, ECF No. 791.) The City
withdrew its proposed bed plan after the County promised to work with the City in
good faith to continue to fund the Roadmap beds upon the passage of Measure A—but
the County has reneged on that promise. (City's Opp'n to Mot. for Order re Settlement
Agreement Compliance ("Opp'n") 3:21–4:15, Mar. 6, 2025, ECF No. 871.)

Now the City claims it cannot afford to both keep the bed established pursuant to the City/County MOU ("Roadmap beds") open and add additional housing and shelter beds as required by the SA. (Mot. 7–11.) That claim is highly problematic for two reasons: (i) closing Roadmap beds would be a violation of the SA, and (ii) the City's alleged fiscal crisis is both self-inflicted and preventable.

8

9

10

11

12

22

23

24

25

26

27

28

13 *First*, the SA contemplates—and the City explicitly agreed—that the beds created under the SA would be in addition to the Roadmap beds. (Declaration of 14 15 Elizabeth A. Mitchell ("Mitchell Decl.") ¶ 2, filed hereto concurrently.) In the lead-up to the Court's approval of the City-Alliance Agreement, the Intervenors specifically 16 17 objected to the alleged lack of clarity in the Agreement as potentially permitting the 18 closure of existing shelter beds while creating new ones. (Intervenors' Objs. To Proposed Order of Dismissal at 22, May 31, 2022, ECF No. 434.) In response to that 19 20 specific objection, the City affirmed its commitment to open SA beds in addition to 21 Roadmap beds:

[T]he absence of a clause preventing [the City from closing beds that are already in existence] should not be of concern because the City has demonstrated its commitment to continue building new beds. Indeed, earlier in this case, the City agreed to build 6,700 beds through the [Roadmap] Memorandum of Understanding ("MOU") with the County ... All of the beds the City is committing to build in this Settlement Agreement are in addition to the beds being built

1

2

pursuant to the [Roadmap] MOU. There will be no double-counting of beds between this Settlement Agreement and the MOU.

3 (City's Reply to Objs. to Settlement Agreement at 10, June 3, 2022, ECF No. 438 4 (emphasis added) (citations omitted); see also Hr'g Tr. 60:21-22, June 9, 2022, ECF No. 441 ("[Court in announcing decision]: We don't have double counting here. We 5 6 have 6700 [Roadmap beds]. You're representing you're producing new beds [as part 7 of this agreement.]".) Closing the Roadmap beds would violate the implicit and 8 explicit understanding of the Settlement Agreement, which is that the Roadmap beds would remain open,¹ and the SA beds would be created "in addition to." Indeed, the 9 10 Agreement only required the City to build sufficient beds for 60% of the "unsheltered" population. (Settlement Agreement § 5.2.) Without the 6,700 Roadmap beds, the 11 12 City's unsheltered number would be far higher, because all persons residing in a 13 Roadmap bed at the time of the 2022 count would have been counted as "sheltered." (Mitchell Decl. ¶ 3.) It is anticipated that the City may try to close its funding gap by 14 15 closing at least some of the Roadmap beds, beyond those leases which are naturally expiring. This would be a violation of the terms of the agreement and the City's on-16 17 the-record assurances to the Plaintiffs and the Court. Accordingly, the Alliance asks 18 the Court to issue an order to the City to maintain all Roadmap beds open pending 19 resolution of these significant issues.

Second, the City's fiscal woes have been apparent for years, while the City
continued to make bad decisions and failed to pivot as needed to fulfill the terms of the
SA. Now the City wants an out—which the Court cannot grant. Over a year ago,
Special Master Martinez identified the significant financial challenges facing the City:
"[T]he City is projected to face budget deficits, especially in the fiscal years 20252026. These deficits pose a potential threat to the sustainability of interim housing

26

25

20

21

22

23

24

 ¹ The Alliance recognizes that some beds are set to close for reasons other than
 fiscal concerns, including expiration of land leases. The Alliance does not object to the natural closure of these beds.

1 programs, which could have an impact on the binding settlement agreement . . . [It] is 2 essential to assess how these funding gaps, in conjunction with the funds allocated for 3 the Inside Safe Program, will affect the City's ability to fulfill its binding 4 commitments." (Independent Monitoring Report Year One (1) at 7, Feb. 29, 2024, 5 ECF No. 674.) Rather than heed the warnings of both Chief Administrative Officer 6 (CAO) Matthew Szabo and Special Master Martinez, the City instead made a series of 7 financial decisions which put them on this path: The City approved massive pay 8 increases for its civilian workers which added \$196 million to the budget in Fiscal Year 24-25, \$311 million in Fiscal year 25-26, and is estimated to add \$1 billion to the 9 City's yearly budget by 2028.² This was on top of \$1 billion in pay increases to the 10 City's sworn personnel over a four-year period in an agreement reached in 2023.³ And 11 12 specifically in the area of homelessness response funding, the City has consistently 13 focused on the most expensive solutions, namely permanent housing and Inside Safe 14 operations, over more economic options. (Mot. 6–9.)

15 The City claims its financial difficulties were "unexpected" at the time it entered the SA, but the ending of County funding was certainly foreseeable because the 16 agreement by its terms expires this year,⁴ the budget shortfall was identified more than 18 a year ago, and the raises of sworn and unsworn City personnel and focus on expensive homeless housing options all occurred after the agreement was entered into. The only

² David Zahniser, *Pay hikes for city workers will add \$1 billion to L.A.'s yearly budget by 2028, report says*, Los Angeles Times (Apr. 13, 2024, 3:00 AM), <u>https://www.latimes.com/california/story/2024-04-13/raises-for-los-angeles-city-</u>

20 21

19

17

- 22
- 23
- 24
- 25

³ David Zahniser, L.A. City Council signs off on police raises amid warning of financial risk, Los Angeles Times (Aug. 23, 2023, 3:06 PM), <u>https://www.latimes.com/california/story/2023-08-23/lapd-union-contract-is-approved-</u> by-the-city-council.

workers-will-cost-an-extra-billion-annually-by-2028.

26 ⁴ The Alliance understands that on October 25, 2024 the County committed to continuing to pay for Roadmap beds if Measure A passed in November, 2024. Measure A passed, yet the County has backed out of that promise, which is unfair, unfortunate, and should be separately remedied. But that does not mean the lack of 27 28 funding was unforeseeable at the time the SA was entered into.

Case 2:20-cv-02291-DOC-KES Document 872 Filed 03/13/25 Page 10 of 15 Page ID #:24372

truly "unexpected" issue was the wildfires in January which, while devastating, do not
 justify the breaches identified herein which occurred and began well before the fires
 broke out, and at least would warrant the City pivoting to less expensive housing and
 shelter solutions, which it has not indicated it is willing to do.

Finally, the Audit Report released last week reveals in damningly direct language the level of substantive and fiscal mismanagement which has occurred over City homelessness programs, explaining in large part the lack of progress we have seen in reducing street homelessness. (*See generally* A&M Audit.) The lack of oversight and accountability has created an atmosphere that encourages fraud, waste, and abuse while the disjointed system and bloated bureaucracy makes trickle-down help nearly impossible. The City has been throwing hundreds of millions of dollars at LAHSA with little attempt at accountability—and then claims surprise at its financial troubles.

The City's failure to produce a complete bed plan nearly three years into this agreement puts it squarely in violation of the SA. Its recent announcements of massive financial shortfalls both in its general budget and, especially, its inability (or unwillingness) to fund current and future homeless shelter and housing commitments is an implied repudiation of the SA, making it ripe for a finding of anticipatory breach. Closing Roadmap beds in an attempt to re-invest those dollars into SA-compliant beds would violate the implied and express understanding undergirding the SA that SA-beds would be <u>in addition to</u> Roadmap beds.

The Alliance thus requests the Court: (i) make a finding the City is in breach of the SA, (ii) order the City to maintain all Roadmap beds pending resolution of these issues, and (iii) order the City to produce a complete bed plan within thirty (30) days which anticipates maintenance of all current and future beds or face serious and significant sanctions to be determined by the Court including but not limited to receivership.

5

6

7

8

9

10

11

12

13

14

15

1 III. THE CITY HAS NOT DEMONSTRATED BEST EFFORTS TO MEET 2 MILESTONES AND DEADLINES

The City does not dispute that it has not met the required Milestones and Deadlines, but audacious contends it does not have to. (Opp'n 10 (calling the milestones and deadlines "aspirational goals and targets" and arguing "the Settlement Agreement does not require the City . . . to meet any interim milestone.").) By the City's logic, it could establish all 12,915 required beds on the last possible day—June 30, 2027—keep them up for 24-hours, and then destroy every single one. This result would frustrate the purpose of the agreement. Plaintiffs specifically negotiated for the ability to challenge the City's plans to prevent such an unjust result from occurring. (*See* Settlement Agreement § 5.2 (requiring the City to "provide the plans, milestones and deadlines to Plaintiffs," mandating the City and Plaintiffs to "work together in good faith to resolve any concerns or disputes" and "consult with the Court for resolution, if necessary.").)

Contrary to the City's argument, the Agreement does require the beds to be created in line with the milestones and deadlines—the City was and is required to "promptly employ its best efforts to comply with established plans, milestones and deadlines." (*Id.*) These were never intended to be "aspirational" or unenforceable; rather the City was and is required to move with alacrity and stick to the timeline the City itself identified. It has undoubtedly failed to do so. The only remaining question is whether the City has used "best efforts" to comply. It has not.

A party's "best efforts" "requires a party to make such efforts as are reasonable in [] light of that party's ability and the means at its disposal and of the other party's justifiable expectations" *Samica Enters., LLC v. Mail Boxes Etc. USA, Inc.*, 637 F. Supp. 2d 712, 717 (C.D. Cal 2008) (citations omitted) (noting "best efforts" is "more exacting" than a "good faith" standard); *see also Cal. Pines Prop. Owners Ass 'n v. Pedotti*, 206 Cal. App. 4th 384, 395 (2012) ("best efforts" means "the promisor must use the diligence of a reasonable person under comparable circumstances."). The City has made no effort to prove that it has employed its best efforts to comply with the
 agreement, and therefore cannot establish compliance with the SA.

City Has Failed to Use Its Best Efforts to Meet its Shelter or Housing Milestones

The City baldly claims it has used its "best efforts" to meet housing or shelter deadlines but does not even attempt to cite any facts or evidence in support of that claim. (Opp'n 11–12.) The City of Los Angeles has a yearly budget of nearly \$13 billion and a homelessness budget in Fiscal Year 24-25 of \$950.8 million, down 25.6% from the prior fiscal year.⁵ It could have done any number of things with such significant funds, including: dedicating all or part of the hundreds of millions of dollars in Inside Safe funds to SA-compliant beds, contracting with shared housing providers to utilize existing infrastructure, placing permit inspectors on-site to avoid having to wait for city inspectors (as the Special Master did in Santa Ana to raise a shelter in only 28 days), or establishing safe sleep sites at very low cost for those who are not yet ready to come inside with a roof and a bed. Yet the City did none of this, plodding along at its business-as-usual pace despite operating under several years of "emergency" declarations.

The City takes umbrage with the Alliance's critique of its choice to focus on slow, expensive housing solutions, and emphasizes that the SA imbues the City with "sole discretion" to choose the housing or shelter solution it deems appropriate. (*See* Opp'n 13–14.) In truth, the SA only gives City "sole discretion" to choose the housing or shelter solution it deems appropriate **"as long as the Milestones are met."** (Settlement Agreement § 3.2 (emphasis added).) The City has not met a single milestone since the SA began—thus it no longer has "sole discretion" to determine the appropriate housing or shelter solution.

26

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

i.

27 28

⁵ City of Los Angeles, Overview of the 2024-25 Proposed Budget (Apr. 30, 2024), <u>https://clkrep.lacity.org/onlinedocs/2024/24-0600_rpt_cla_4-30-24.pdf</u>.

Case 2:20-cv-02291-DOC-KES Document 872 Filed 03/13/25 Page 13 of 15 Page ID #:24375

1 Plaintiffs filed this case in large part to inject urgency into efforts to reduce 2 unsheltered homelessness to the greatest extent possible, as fast as possible. With a \$3 3 billion-commitment amongst significant platitudes and claims of "big" changes⁶ 4 Plaintiffs justifiably expected the City to meet or exceed the milestones it identified. See Samica Enters., 637 F. Supp. 2d at 717. It has not, nor has the City demonstrated 5 6 in any way that its efforts were "reasonable" in light of its "ability and means at its 7 disposal." Id. (citations omitted).

ii.

8

9

10

11

12

13

14

15

16

17

18

19

20

21

24

25

26

27

28

City Has Failed to Use Its Best Efforts to Meet its Encampment **Reduction Milestones**

The City also does not dispute that it is using CARE/CARE+ clean-ups to meet its encampment reduction numbers which is inappropriate in the Alliance's view and not what the parties intended when the agreement was entered into. An encampment is not "reduced" when abandoned property or trash is disposed of, but people are permitted to immediately return to the newly cleaned site and no person has been offered shelter or housing. "Reduce" means, according to Merriam-Webster online dictionary, to "decrease" or "diminish in size, amount, extent, or number."7 Nothing in the definition of "reduce" refers a temporary or fleeting state. There are no words such as "moved, cleaned, temporary, or momentary." A "reduction" infers a permanent state. CARE/CARE+ cleanings do not "reduce" encampments and should not be counted.

It is worth noting, and deeply concerning, that the City alleges that such a policy 22 (offering beds in conjunction with encampment reduction) would not be "factually or 23 legally viable" because "[t]he City does not control who is eligible for housing in each

⁶ Benjamin Oreskes, *L.A. will shelter more homeless people to end major lawsuit, But how many?*, Los Angeles Times (Apr. 1, 2022, 4:19 PM), <u>https://www.latimes.com/homeless-housing/story/2022-04-01/los-angeles-homeless-</u> lawsuit-settlement-judge-carter.

⁷*Reduce*, Merriam-Webster.com, <u>https://www.merriam-webster.com/dictionary/reduce</u> (last visited Mar. 13, 2025).

REPLY ISO PLAINTIFF LA ALLIANC CE'S SECOND MOTION FOR ORDER RE SETTLEMENT AGREEMENT COMPLIANCE

1 of the City sites . . . and therefore cannot tie encampment reductions to housing offers." (Opp'n 15-16.) This was clearly not anticipated as part of the SA in 2022—as 2 evidenced by the significant struggle of Councilmembers to maintain the beds they 3 4 have established over the last several years. Rather, the plain language of the 5 agreement expresses the intent of *both* parties to link the offered shelter and housing 6 opportunities with encampment reduction efforts. Indeed, that is why the parties 7 agreed in the SA to both housing and shelter obligations and encampment reduction efforts. 8

IV. THE CITY'S OBLIGATIONS HAVE NOT BEEN PAUSED UNDER SECTION 8.2

The City's argument that its obligations are "paused" is disingenuous in light of the City's failure to even attempt to meet and confer about this issue until after Plaintiff filed its motion for an order compelling compliance. (Mitchell Decl. \P 5.)

Section 8.2 of the Settlement Agreement provides that "[i]n the event of fires . . . 14 15 or any local or fiscal emergency declared by the Mayor of Los Angeles and the Los Angeles City Council . . . the obligations of the City as set forth in Sections 3, 4, and 5 16 17 of this Agreement shall be paused, and the Parties agree to meet and confer on any 18 necessary and appropriate amendments to those obligations." (Settlement Agreement § 8.2.) The City's counsel sent an email on Wednesday, January 15, announcing "[T]he 19 20 City's obligations as provided in Section 8.2 are hereby paused." (Mitchell Decl. ¶ 6, 21 Ex. 1, Email dated Jan. 15, 2025.) The City promised follow-up: "When we are able to 22 confer with the County and our clients, we will get back to you to engage in a meet and 23 confer process regarding the settlement agreement." (Id.) The Alliance's response was 24 simple: "I recognize the City is going through an emergency and I am willing to delay filing the motion to compel to permit the City a reasonable period of time to recover 25 26 from this." (Id.) The Alliance waited for over a month after that email, and three

27 28

9

10

11

12

13

weeks after the fires were fully extinguished, before filing the subject motion. No
 further contact was made by the City prior to the Alliance filing its motion.⁸

Moreover, even if the "pause" is in effect—which it is not because the
emergency is no longer pending—such a pause is not indefinite and there is nothing
about Section 8.2 which prevents these issues from being resolved while the parties are
conferring. The City is undoubtedly in breach, and the people of Los Angeles are
undoubtedly suffering from the City's refusal to comply with the Settlement
Agreement.

V. CONCLUSION

9

19

21

22

23

24

25

26

10 For the foregoing reasons, Plaintiff LA Alliance requests (i) the City be ordered to maintain all Roadmap beds which are not otherwise set to expire during the pending 11 12 of the Court's consideration of these issues, (ii) a formal finding by the Court that the 13 City is in violation of its obligations under the Settlement, (iii) that the Court set an immediate target by which the City must come into compliance (no more than 30 days 14 15 for a complete bed plan and no more than 90 days to come into compliance with established Milestones and Deadlines), and (iv) the identification of clear 16 17 consequences for non-compliance in the form of monetary and injunctive measures the 18 Court deems proper up to and including receivership by this Court.

20 Dated: March 13, 2025

Respectfully submitted,

<u>/s/ Elizabeth A. Mitchell</u> UMHOFER, MITCHELL & KING, LLP Matthew Donald Umhofer Elizabeth A. Mitchell

Attorneys for Plaintiffs

⁸ The City did contact the Alliance *after* the subject motion was filed to begin discussions regarding Section 8.2. While the Alliance will continue to meet and confer in good faith, the urgency of the situation demands the Court resolve these issues immediately.

Ca	se 2:20-cv-02291-DOC-KES	Document 872- ID #:2437		Page 1 of 3	Page
1 2 3 4 5 6	UMHOFER, MITCHELL & Matthew Donald Umhofer (Elizabeth A. Mitchell (SBN 767 S. Alameda St., Suite 2 Los Angeles, California 900 Telephone: (213) 394-7979 Facsimile: (213) 529-1027 mumhofer@umklaw.com emitchell@umklaw.com <i>Attorneys for Plaintiffs</i>	& KING LLP SBN 206607) 251139) 21)17			
7					
8	UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA				
9	CEN	IRAL DISTRI	CT OF CALIFOR	NIA	
10 11			Case No. 2:20-C		
11	LA ALLIANCE FOR HU RIGHTS, <i>et al.</i> ,	IVIAIN	Case No. 2:20-C	v-02291-DOC	-NE 3
13	Plaintiffs,		Assigned to Judg	e David O. Ca	arter
14	V.		DECLARATIO	N OF ELIZA	ветн
15	CITY OF LOS ANGELE	S, <i>et al</i> .,	REPLY ISO MO	IN SUPPOR DTION FOR	ORDER
16	Defendants.		RE SETTLEME COMPLIANCE	NT AGREE	MENT
17			Defense Hen De		
18			Before: Hon. Da Courtroom: 10A Hearing Date: M Hearing Time: 83		
19 20			Hearing Time: 8	:30 p.m.	
20 21					
21					
23					
24					
25					
26					
27					
28					
	DECLARATION OF ELIZABETH A. MITCHELL				

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

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

2. The City and Plaintiffs entered into a Settlement Agreement on May 24, 2022, which was subsequently approved by the Court. The Settlement Agreement contemplates—and the City explicitly agreed—that the beds created under the SA would be <u>in addition to</u> the Roadmap beds.

3. Without the 6,700 Roadmap beds, the City's unsheltered number would have been far higher, because all persons residing in a Roadmap bed at the time of the 2022 count would have been counted as "sheltered."

4. The only truly "unexpected" issue was the wildfires in January which, while devastating, do not justify the breaches identified herein which occurred and began well before the fires broke out, and at least would warrant the City pivoting to less expensive housing and shelter solutions, which it has not indicated it is willing to do.

5. The City's argument that its obligations are "paused" is disingenuous in light of the City's failure to even attempt to meet and confer about this issue until after Plaintiff filed its motion for an order compelling compliance.

6. Attached hereto as **Exhibit 1** is a true and correct copy of an email exchange between myself and Arlene Hoang, dated January 15, 2025 regarding a "pause" under Section 8.2. I did not receive a response to my email and the City did not send another communication regarding Section 8.2 until February 26, 2025—one day after I filed the Motion for Order re Settlement Compliance.

DECLARATION OF ELIZABETH A. MITCHELL

Ca	se 2:20-cv-02291-DOC-KES Document 872-1 Filed 03/13/25 Page 3 of 3 Page ID #:24380		
1	I declare under penalty of perjury under the laws of the State of California and the		
2	United States of America that the foregoing is true and correct to the best of my		
3	knowledge and belief.		
4			
5	Executed on March 13, 2025 at Los Angeles, California.		
6	10/ Elizabeth A Mitchell		
7	<u>/s/ Elizabeth A. Mitchell</u> Elizabeth A. Mitchell		
8			
9			
10			
11			
12			
13			
14			
15 16			
10			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
	2		
	DECLARATION OF ELIZABETH A. MITCHELL		

Document 872-2 ID #:24381

Filed 03/13/25 Page 1 of 3 Page

Exhibit 1

From:	Elizabeth Mitchell
То:	Arlene Hoang
Cc:	Jessica Mariani
Subject:	RE: LA Alliance meet and confer
Date:	Wednesday, January 15, 2025 2:49:00 PM

Hi Arlene,

I think we've sufficiently satisfied our meet-and-confer obligations at this time. I don't find the city's reasons for not hitting milestones compelling, nor does the city have any explanation for its failure to provide the bed plan as required. I don't think a second meet-and-confer is needed.

That said, I recognize the City is going through an emergency and I am willing to delay filing the motion to compel to permit the City a reasonable period of time to recover from this.

Can we make the filing extension 14 days? And if you need more time after that, please let me know.

Thanks, Liz

From: Arlene Hoang <arlene.hoang@lacity.org>
Sent: Wednesday, January 15, 2025 2:40 PM
To: Elizabeth Mitchell <elizabeth@umklaw.com>
Cc: Jessica Mariani <jessica.mariani@lacity.org>
Subject: Re: LA Alliance -- meet and confer

Dear Liz,

As you know, the City is currently dealing with the ongoing fires and wind storms, which are impacting personnel and resources. Yesterday, the City Council ratified the Mayor's Emergency Declaration which was updated on January 13, 2025. Accordingly, and by its own terms, the City's obligations as provided in Section 8.2 are hereby paused. When we are able to confer with the County and our clients, we will get back to you to engage in a meet and confer process regarding the settlement agreement.

Given the City's current situation, we also request additional time to file the Quarterly Report due today. If we can please obtain a 30-day extension, we would appreciate it. As I am sure you can imagine, the City's resources are slim and we are understaffed so it is tough to estimate at the present time how much time we will truly need. If we can file it sooner, we will certainly do so. Thank you for your understanding. Document 872-2 ID #:24383 Filed 03/13/25 Page 3 of 3 Page

Arlene Hoang Deputy City Attorney Office of the Los Angeles City Attorney Business and Complex Litigation Division 200 N. Main Street, Room 675 Los Angeles, CA 90012 T: 213-978-7508 F: 213-978-7011 Arlene.Hoang@lacity.org